APPENDIX B: Exhibits to Settlement Agreement, as amended, and Related Documents

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Notice to Viewer of this Exhibit:

This map is for illustrative purposes only and is not to be relied upon for any decision involving land or other transactions. The boundaries on this map have not been verified by ground observations and are subject to adjustment for accuracy.

More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Labeled haxagonal symbols (e.g., W*) are BHP wells

Heavy blue lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Exhibit 2.19B
Map Showing BHP Wells

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a municipal corporation of the State of Arizona, Plaintiff, v. UNITED STATES OF AMERICA, UNITED STATES DEPARTMENT OF THE INTERIOR,	No. CIV 95-625-TUC-WDB(EHC) No. CIV 95-1720-PHX-EHC (Consolidated Action) REVISED STIPULATION REGARDING A STAY OF LITIGATION, RESOLUTION OF ISSUES DURING THE STAY AND FOR

[Caption continued on following page]

BUREAU OF RECLAMATION; GALE A. NORTON, Secretary of the Interior; BENNETT RALEY, Assistant Secretary of the Interior; JOHN W. KEYS, Commissioner of Reclamation; ROBERT JOHNSON, Regional Director, Lower Colorado Region, United States Bureau of Reclamation, Defendants.	ULTIMATE JUDGMENT UPON THE SATISFACTION OF CONDITIONS
UNITED STATES OF AMERICA Counterclaimant, v. CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a municipal corporation of the State of Arizona, Counterdefendant.	

Plaintiff and Counter Defendant Central Arizona Water Conservation District ("CAWCD"), and Defendants and Counterclaimants the United States of America, et al. ("United States") (hereinafter, collectively referred to as "Parties") previously entered into a Stipulation Regarding a Stay of Litigation, Resolution of Issues During the Stay and for Ultimate Judgment Upon the Satisfaction of Conditions. That document was filed on May 9, 2000 and will hereinafter be referred to as the "May 9, 2000 Stipulation."

Paragraph 8(f) of the May 9, 2000 Stipulation provided that if various conditions subsequent were not or could not be satisfied by May 9, 2003, then either the May 9, 2000 Stipulation would need to be extended, with or without modification, or it would be terminated and litigation would resume. The Parties determined that all such conditions cannot be satisfied before May 9, 2003, and met and conferred, pursuant to Paragraph 8(f) of the May 9, 2000 Stipulation, and reached agreement on a Revised Stipulation Regarding a Stay of Litigation, Resolution of Issues During the Stay and for Ultimate Judgment Upon the Satisfaction of Conditions, hereinafter referred to as "Revised Stipulation." Accordingly, the Parties agree that judgment may be entered in this action in accordance with the following Revised Stipulation:

1. This Court has jurisdiction over the Parties and the subject matter of this action.

2. The First Claim for Relief in CAWCD's Complaint for Declaratory and Injunctive Relief ("Complaint") filed on or about July 10, 1995, in this action and the First Claim for Relief in the United States First Amended Counterclaim ("Counterclaim") filed on or about August 19, 1998, shall be resolved as follows:

(a) Notwithstanding the disputed provisions of Contract No. 14-06-W-245 entitled "Contract between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project" dated December 1, 1988 ("1988 Contract"), CAWCD's repayment obligation for the Water Supply System and the New Waddell and Modified Roosevelt Dams ("Regulatory Storage") Stages of the Central Arizona Project ("CAP") shall be fixed at $1,646,462,500, with annual payments to be made by CAWCD in conformance with the annual payment schedule set forth as Exhibit "A" hereto which is incorporated by reference herein as if set forth in full. The repayment obligation and Exhibit "A" are premised on a total allocation of 667,724 acre feet of Project Water for use by Indian tribes in Arizona.

(b) To the extent Congress provides appropriations therefor, the United States will bear the financial obligation of completing all remaining features of the Water Supply System and Regulatory Storage Stages of the CAP, including any and all environmental mitigation construction work necessary to comply with Biological Opinion Number 2-21-90-F-119, dated April 15, 1994, dealing with the Transportation and Delivery of Central Arizona Project Water, to the Gila River Basin (Hassayampa, Agua Fria, Salt, Verde, San Pedro, Middle and Upper Gila Rivers, and Associated Tributaries) in Arizona and New Mexico ("Gila River Biological Opinion"); and Biological Opinion Number 2-21-91-F-706, dated May 1999 (Draft), dealing with the Impacts of the Central Arizona Project (CAP) to Gila Topminnow in the Santa Cruz River Basin through Introduction and Spread of Nonnative Aquatic Species ("Santa Cruz Biological Opinion"), without any expenses being charged CAWCD except for those accounted for in Exhibit "A." Remaining features of the Water Supply System and Regulatory Storage Stages of the CAP to be completed shall be limited to those features identified in Exhibit "B" hereto which is incorporated by reference as if set forth in full. Exhibit "B" further identifies

which remaining features of the Water Supply and Regulatory Storage Stages of the CAP will be completed by the United States and which will be completed, pursuant to subparagraph 6(c)(iii) of this Revised Stipulation, by CAWCD. In the event that additional authorizations or appropriations are needed to capitalize or complete the items identified in Exhibit "B," then CAWCD agrees to support these authorizations and appropriations including any the Secretary may request for the capitalization and payment of environmental mitigation work identified in Exhibit "B.". The $1,646,462,500 repayment obligation will not be adjusted regardless of the outcome of litigation dealing with either the Gila River Biological Opinion or the Santa Cruz Biological Opinion.

(c) In addition to the provisions of Article 9.3(e) of the 1988 Contract, CAWCD and the United States shall consult prior to the construction of any CAP feature, facility or stage, of which costs may be allocable to CAWCD, other than the Water Supply System Stage and the Regulatory Storage Stage, and, except as provided in Exhibit "B" hereto, about such construction, relevant costs and any cost allocation associated with that construction.

(d) Nothing herein is intended to preclude CAWCD from supporting or the Secretary from seeking authorizations and appropriations to cover all or part of the funds that may be necessary to pay for major replacements of CAP features or facilities.

(e) CAWCD agrees to support authorizations and appropriations the Secretary may request for CAP Indian distribution systems authorized pursuant to Section 301(a)(9) of the Colorado River Basin Project Act, 43 U.S.C. § 1521(a)(9).

3. The Second and Fifth Claims for Relief in the Complaint and the Second Claim for Relief in the Counterclaim shall be resolved as follows:

(a) Notwithstanding the 1988 Contract (Articles 9.1, 9.2(e), 9.3(d) and 9.10), the repayment schedule set forth in Exhibit "A" hereto shall constitute CAWCD's repayment obligation and all prior billings shall be recalculated and adjusted to reflect the payments provided for in Exhibit "A." These recalculations and adjustments, through the December 2002 bill, are shown on Exhibit "A-1" which is incorporated by reference as if set forth in full. In this recalculation and adjustment, bills have been calculated without penalties being assessed against

CAWCD but with any over- or under-payments bearing interest at the Arizona State Treasury investment rates for relevant periods. Exhibit "A-1" also reflects appropriate recalculations and adjustments to account for the credits provided for in paragraph 6 of this Revised Stipulation. To the extent that Exhibit "A-1" reflects a net credit to CAWCD following the January 2003 payment, that credit shall be carried forward with interest at the Arizona State Treasury investment rate and shall be applied to future Exhibit "A" payments due to the United States from CAWCD as needed after application of all revenues and credits described in subparagraph 6(c).

(b) Notwithstanding Article 9.3(d) of the 1988 Contract, 73% of the repayment obligation established in subparagraph 2(a) of this Revised Stipulation shall be interest bearing, and 27% shall be non-interest bearing. This agreed-upon interest bearing split is reflected in the payment schedule in Exhibit "A" and shall be in effect throughout the repayment period; Provided, however, that if litigation resumes as provided for in subparagraph 8(f) of this Revised Stipulation, CAWCD's repayment obligation will be deemed to be 73% interest bearing and 27% non-interest bearing for the period October 1, 1993 until litigation resumes or May 9, 2012, whichever occurs first, regardless of any interest-bearing split that is determined to be applicable for the remainder of the repayment period.

4. The Third and Fourth Claims for Relief in the Complaint and the Third and Fourth Claims for Relief in the Counterclaim shall be resolved as follows:

(a) The provisions of this paragraph of this Revised Stipulation shall apply only to how CAWCD determines charges for delivery of Project Water under long-term contracts,[1] specifically: Fixed OM&R Costs and Charges and Pumping Energy Costs and Charges for providing Project Water service for any Indian Tribe or for any other Federal purpose. This paragraph shall not govern, in any way, how either Fixed OM&R Costs and Charges or Pumping Energy Costs and Charges are determined for any other purposes. If CAWCD uses an alternate method of calculating either Fixed OM&R Costs and Charges or

[1] As used in this Revised Stipulation, a long-term contract or subcontract means one having a term that extends to 2043 or beyond and any contract or subcontract resulting from the transfer, assignment or lease of such contract or subcontract, or part thereof, or of a Project Water entitlement thereunder.

Pumping Energy Costs and Charges which results in a lesser cost or charge (exclusive of any water service subcontract or water service capital charges) for Municipal and Industrial ("M&I") priority water or agricultural priority water under long-term subcontracts, then the lesser cost or charge will be billed instead of the costs or charges that would otherwise be billed under the provisions of this paragraph.

(b) For the purposes of this Revised Stipulation, "Fixed OM&R Costs" shall mean: all expenses incurred by CAWCD for the care, operation, maintenance, and replacement of "Transferred Works" as defined in Article 5.18 of the 1988 Contract and identified pursuant to Article 6(a) of Contract No. 7-07-30-W0167, dated August 5, 1987 ("O&M Transfer Contract") (sometimes referred to as "OM&R-related activities") and for the transmission of energy necessary to deliver Project Water that are not otherwise included in Pumping Energy Costs. All costs incurred by Reclamation and reimbursed by CAWCD pursuant to paragraph 8.2.1 of the Operating Agreement attached to the May 9, 2000 Stipulation as Exhibit "C" thereto and hereby fully incorporated herein by reference may be included in Fixed OM&R Costs as may the costs in excess of the funds provided in subparagraph 6(e)(ii) of establishing a reserve to cover the costs associated with major repair or replacement of CAP features. CAWCD shall use its business judgment to allocate joint costs that support both OM&R-related activities and other activities and may include in Fixed OM&R Costs only the portion of joint costs allocable to OM&R-related activities. "Fixed OM&R Charge" shall mean the charge per acre-foot of Project Water imposed by CAWCD each year for the recovery of the Fixed OM&R Costs of water deliveries.

(c) "Pumping Energy Costs" shall mean all of CAWCD's costs for the generation or acquisition of energy necessary to deliver Project Water each year. "Pumping Energy Charge" shall mean the charge per acre-foot of Project Water imposed by CAWCD each year for the recovery of the Pumping Energy Costs of water deliveries.

(d) Pursuant to subparagraph 4(a) above, CAWCD shall annually in advance of Project Water deliveries determine the Fixed OM&R Charge and Pumping Energy Charge for Project Water service for the following year.

(i) CAWCD's Fixed OM&R Charge shall not be more than the amount determined by dividing CAWCD's estimated Fixed OM&R Costs for the following year by the total amount of Project Water that CAWCD estimates will actually be delivered through Project Works in the following year.

(ii) CAWCD's Pumping Energy Charge shall not be more than the amount determined by dividing CAWCD's estimated Pumping Energy Costs for the following year by the total amount of Project Water that CAWCD estimates will actually be delivered through Project Works in the following year.

(iii) Without regard to any prior year's adjustment as may be provided in subparagraphs 4(e) and (f) below, charges for any delivery of Project Water for Federal purposes shall be no more than the sum of the Fixed OM&R Charge and the Pumping Energy Charge as defined in subparagraphs 4 (b) and (c) herein.

(e) All past fixed OM&R and pumping energy charges paid by the United States on behalf of the Ak-Chin Indian Community, for Roosevelt Dam construction, and for San Carlos Apache Tribe/Phelps Dodge exchange water shall be fairly reconciled with actual past fixed OM&R and pumping energy costs and shall not include the costs in paragraph 14 below nor shall it include the costs of establishing a reserve to cover the costs associated with the major repair or replacement of CAP features referred to in subparagraph 4(b) above, with overpayments bearing interest at the Arizona State Treasury investment rate for the relevant periods, being credited against future charges for deliveries for Federal purposes beginning with amounts due in the year 2001 or refunded at United States option. The accounting methodology used in performing the foregoing reconciliation will be consistent with the methodology used in the applicable years to assess the charge. CAWCD will provide the United States an accounting of the adjustment. Any disputes over the reconciliation dealt with in this subparagraph shall be dealt with pursuant to the ADR procedures set forth in paragraph 11 herein.

(f) The United States shall, in advance of Project Water deliveries, pay, to the extent Congress provides appropriations or other monies therefor, or provide for payment of all Fixed OM&R Charges and Pumping Energy Charges associated with the delivery of Project

Water, whether directly or by exchange, for use by any Indian tribe or its lessees or for any other Federal purpose. CAWCD shall bill the United States for such Charges monthly, based upon CAWCD's annual estimates of these Charges and annual water delivery schedules. The United States shall pay or provide for payment within 30 days of billing. The payment of such Charges directly to CAWCD by lessees or other entities shall discharge, to the extent of the payments made, the obligation of the United States. Within 30 days of the completion of audited financial statements each year, but in no case later than May 30, CAWCD shall adjust Fixed OM&R Charges and Pumping Energy Charges to reflect actual Fixed OM&R Costs and Pumping Energy Costs, with overpayments refunded to or underpayments paid by the United States within 30 days of the recalculation. CAWCD will provide the United States an accounting of the adjustment. The first adjustment shall be in 2001 for charges assessed in the year 2000.

(g) The United States annually shall have the right, upon 90 days advance written notice, to audit CAWCD's administration of Fixed OM&R and Pumping Energy Costs and Charges. In the case of a dispute over the type of charge or the amount that is billed, the United States shall pay or provide for payment of the full amount billed, but shall do so under protest and CAWCD and the United States shall follow the ADR procedures set forth in paragraph 11 herein.

(h) In those situations in which a lessee of Project Water under contract to an Indian tribe has an obligation to pay Fixed OM&R Charges or Pumping Energy Charges associated with the delivery of Project Water, whether directly or by exchange, nothing herein shall relieve such lessee from the obligation to pay such charges. The United States shall direct such lessee to pay all such charges directly to CAWCD. Nothing herein shall waive any right of the United States to repayment of Fixed OM&R Charges or Pumping Energy Charges from any Indian tribe where an obligation exists for such tribe to pay its own Fixed OM&R Charges or Pumping Energy Charges. Nothing herein is intended to create an obligation on the part of the United States to pay for a lessee where that obligation does not otherwise exist.

5. The Fifth and Sixth Claims for Relief in the Counterclaim shall be resolved as follows:

(a) For purposes of this Revised Stipulation, "Project Water" shall mean:

(1) all Colorado River water to which Arizona is entitled under the U.S. Supreme Court decree in *Arizona v. California* that the CAP Water Supply System is capable of delivering:

(i) after first providing for satisfaction of those rights described in Article 8.7(b)(i) and (ii) of the 1988 Contract, and

(ii) subject to the provisions of Article 8.7(c) of the 1988 Contract;

(2) water available from Central Arizona Project dams and reservoirs;

(3) return flows captured by the Secretary for Project use;

(4) water delivered to water users in Arizona, through the Project Works, in exchange for water delivered to users in New Mexico from or by means of the Project Works;

(5) Colorado River water acquired from the Yuma Mesa Division of the Gila Project pursuant to the Ak-Chin Water Rights Settlement Act of 1978 (Public Law 95-328), as amended on October 19, 1984 (Public Law 98-530);

(6) Colorado River water acquired from the Wellton-Mohawk Irrigation District pursuant to the Salt River Pima-Maricopa Indian Community Water Rights Settlement Act of 1988 (Public Law 100-512); and

(7) any additional water not included in (i) or (ii) above that is required to be delivered by the Secretary through Project Works pursuant to the Southern Arizona Water Rights Settlement Act of 1982 (Title III of Public Law 97-293) or pursuant to any subsequent act of Congress.

(b) For purposes of this Revised Stipulation, the water supply associated with modification of Roosevelt Dam shall not be counted as Project Water.

(c) CAWCD shall be entitled to divert all Project Water for the benefit of Project Water users.

(d) Excess Water shall be dealt with as follows:

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(1) "Excess Water" is all Project Water that is in excess of the amounts used, resold, or exchanged pursuant to long-term contracts and subcontracts for Project Water service.

(2) CAWCD shall have the exclusive right in its discretion to sell or use all Excess Water for any authorized purpose of the CAP.

(3) Excess Water shall be delivered through Project Works for use on Indian lands or non-Indian lands directly or by exchange as permitted by law.

(4) Contracts for the sale or use of Excess Water under this paragraph may be made pursuant to multi-year programs established by CAWCD. Such contracts shall not exceed a term of one year, but may contain a provision for automatic renewal without further action by the parties thereto. Such automatic renewal shall not give rise to a right in any subsequent year to receive Excess Water, nor preclude future long-term contracts or subcontracts nor limit the terms thereof, including in implementation of Indian water right settlements up to a total for all long-term contracts and subcontracts of 1.415 million acre-feet. By its terms, Subarticle 8.8(b) of the 1988 Contract does not apply to contracts for Excess Water service under this paragraph; however, such contracts entered into after the filing of this Revised Stipulation shall comply substantially with the provisions of Subarticles 8.8(b)(i), 8.8(b)(ii), 8.8(b)(iii), 8.8(b)(iv), 8.8(b)(viii) and 8.8(b)(x). Pursuant to 43 U.S.C. § 1524(b)(1), all contracts that conform to the provisions of this paragraph shall be deemed approved by the Secretary. The Secretary must be a party to or must expressly approve all contracts for Project Water service other than those which conform to the provisions of this paragraph.

(5) CAWCD may, at its discretion, establish programs for the sale of Excess Water under this paragraph that provide for various categories and charges for Excess Water. Through 2030, in any year in which Excess Water is offered for sale under this paragraph, any Indian contractor of Project Water service or the United States shall have the right to purchase Excess Water from any Excess Water category not established exclusively for the use of non-Indian agriculture or the Arizona Water Banking Authority, at the same charge and upon the same terms and conditions as for other users in that category. Any water available

within an exclusive category that is not fully used by eligible participants in that category shall be made available to other Excess Water categories. After 2030, in any year in which Excess Water is offered for sale under this paragraph, any Indian contractor of Project Water service or the United States shall have the right to purchase Excess Water from any Excess Water category at the same charge and upon the same terms and conditions as for other users in that category.

(6) Nothing in this paragraph shall preclude the United States or any Indian tribe from entering into a contract with the Arizona Water Banking Authority.

(7) Excess Water purchased under this paragraph may not be resold or transferred, except that a purchaser may enter into an arrangement with a groundwater savings facility allowed under state law to store Excess Water.

(8) This paragraph does not constitute or require approval by the Secretary of any particular Excess Water program.

6. The Fifth Claim for Relief in the Complaint is further dealt with and the Seventh, Eighth, Ninth, Tenth, Eleventh, and Twelfth Claims for Relief in the Counterclaim are resolved as follows:

(a) The Lower Colorado River Basin Development Fund ("LBDF"), established pursuant to Section 403 of the Colorado River Basin Project Act, 43 U.S.C. § 1543, shall be administered, and past accountings adjusted as follows:

(i) Exhibit "A-1" reflects a credit of $156,422,615 for all past payments made by CAWCD pursuant to annual billings issued by the United States since 1993.

(ii) Exhibit "A-1" reflects a credit in the amount of $31,703,022 for CAWCD's advance of funds for the United States' purchase of the Harquahala Valley Irrigation District's CAP allocation for use in Indian water rights settlements.

(iii) Exhibit "A-1" reflects credits totaling $43,153,976 for expenditures made through December 31, 2002 by CAWCD to correct CAP construction deficiencies.

(iv) Exhibit "A-1" reflects a credit in the amount of $2,969,251 for the value of CAWCD's unreimbursed employee-related costs accrued prior to 1994.

(v) Exhibit "A-1" reflects a credit in the amount of $196,969,053 for revenues credited to or deposited in the LBDF from the sale of Navajo Surplus Power through December 31, 2002.

(vi) Exhibit "A-1" reflects credits totaling $48,055,446 for revenues credited to or deposited in the LBDF associated with the Hoover 4.5-mill surcharge through December 31, 2002.

(vii) Exhibit "A-1" reflects credits totaling $1,584,614 for net miscellaneous revenues credited to or deposited in the LBDF through December 31, 2002.

(viii) Exhibit "A-1" reflects offsets totaling $1,238,600 for Reclamation oversight costs except for those described in paragraph 14 below.

(b) The amounts set forth in subparagraph 6(a) above shall remain subject to verification and audit for a period of one year from the date of this Revised Stipulation, and CAWCD and the United States shall work diligently with each other to complete this verification within this period of time. In the event of a dispute associated with these verifications and audits, the parties shall follow the ADR procedures set forth in paragraph 11.

(c) The LBDF shall be further administered as follows:

(i) All power revenues, net of generation and associated administrative costs, including all revenues from Navajo Surplus Power sales (other than those pledged to the payment of bonds issued by CAWCD and except as provided in subparagraph 6(e)(ii) hereof), the Hoover 4.5-mill surcharge,[2] and, after June 1, 2005, the Parker Davis 4.5-mill surcharge, shall be placed in the LBDF and credited, in the relevant years, against future Exhibit "A" payments due to the United States from CAWCD prior to their utilization for any other purpose.

(ii) All miscellaneous CAP revenues shall be credited, in relevant years, against future Exhibit "A" payments due to the United States from CAWCD, including, but not limited to, all revenues from the use, rental, sale, exchange or inter-agency or inter-governmental transfer of CAP lands or other property. In the case of exchanges or inter-agency or inter-

[2] This subparagraph does not apply to the 2.5-mill surcharge to purchasers in California and Nevada.

governmental transfers of real property, credits for transactions which take place after May 9, 2000 shall equal the greater of cost or the fair market value of such land or property at the time of the exchange. Fair market value will be determined by independent appraisal funded out of proceeds of the sale or, if no sale takes place, funded as reimbursable oversight costs. Where reimbursable costs are not associated with the acquisition of property, then the provisions of this subparagraph shall not apply to the disposal of that property but, rather, the statutory provisions associated with the acquisition and disposal of that property shall govern how the value of that property shall be accounted for.

(iii) A credit against Exhibit "A" payments due to the United States from CAWCD shall be made annually based upon the agreed-upon costs associated with the agreed work undertaken by CAWCD, pursuant to Exhibit "B," to further correct CAP construction deficiencies. Any recoveries on claims made by the United States against CAP siphon construction related contractors shall be divided 35% to CAWCD and 65% to the United States. CAWCD's share of such recoveries, if any, shall be applied as a credit against the Exhibit "A" payments due to the United States from CAWCD. The United States share of such recoveries, if any, shall not be available for credit against Exhibit "A" payments due to the United States from CAWCD. Notwithstanding the foregoing, all decisions regarding claims including litigation and settlement against CAP siphon construction contractors shall be within the sole discretion of the United States and shall not be subject to challenge by CAWCD. However, the United States shall consult with CAWCD regarding proposed settlement of such claims.

(iv) The United States shall apply all revenues described in paragraphs 6(c)(i) and 6(c)(ii) against the current Exhibit "A" payment due to the United States from CAWCD before applying any of the credits described in paragraph 6(c)(iii). To the extent that any of the credits described in paragraph 6(c)(iii) are not needed to satisfy the current year's Exhibit "A" payment due to the United States from CAWCD, those excess credits shall be carried forward for application against future Exhibit "A" payments due to the United States from CAWCD until exhausted, with such excess credits bearing interest at the Arizona State Treasury investment rate.

(d) Costs associated with the miscellaneous revenues addressed in subparagraph 6(c)(ii) shall be billed as part of the work plan referred to in Exhibit "C." In the event of a dispute with respect to the billing provided for herein, CAWCD and the United States shall follow the ADR procedures set forth in paragraph 11.

(e) (i) Nothing in this Revised Stipulation shall affect the establishment, collection, payment and application of the Additional Rate Component charged for Navajo Surplus Power and used for the payment of bonds issued by CAWCD before January 1, 2003 (hereinafter "Outstanding Bonds"). CAWCD and the United States acknowledge that the amounts collected from such Additional Rate Component are properly held by the Trustee designated by CAWCD and properly used to pay debt service, costs, and rebate obligations associated with such Outstanding Bonds and to fund reserves therefor.

(ii) Except as expressly provided in this subparagraph (ii), nothing in this Revised Stipulation shall affect the establishment, collection, payment and application of the Capacity Charge (including the Additional Rate Component) charged for Navajo Surplus Power (the "Capacity Charge") as provided in the following documents: (1) Reclamation Agreement No. O-CS-30-P1076, as amended by the First Amendment thereto (as amended, the "Interagency Agreement"); (2) Contracts Nos. 89-BCA-10287 and 91-PAO-10404 for Long Term Sale of Navajo Surplus Power (collectively, the "Power Sales Contracts"); and (3) the Bond Indenture dated as of May 1, 1990, by and between CAWCD and Citibank (Arizona) as trustee (together with its successors, the "Bond Trustee"), as amended by the First Supplement to Bond Indenture dated as of March 1, 1993, by and between CAWCD and the Bond Trustee and by the Second Supplement to Bond Indenture dated as of September 1, 2001, by and between CAWCD and the Bond Trustee; and the Bond Indenture dated as of August 1, 1991, by and between CAWCD and the Bond Trustee, as supplemented by the First Supplement to Bond Indenture dated as of February 1, 1994, by and between CAWCD and the Bond Trustee and by the Second Supplement to Bond Indenture dated as of September 1, 2001, by and between CAWCD and the Bond Trustee (collectively, the "Bond Indentures"). This Revised Stipulation does not impose on the United States and the United States does not hereby assume any obligations under the

Bond Indentures. Notwithstanding the provisions of the Bond Indentures and the Interagency Agreement, all revenues from the Capacity Charge and all monies held by the Bond Trustee under the Bond Indentures, to the extent such revenues and monies are not necessary to pay debt service, costs, or rebate obligations associated with Outstanding Bonds or to fund reserves therefor, may be paid, at CAWCD's option and in lieu of payment to Reclamation for deposit in the LBDF, to CAWCD to be used by CAWCD solely to establish a reserve to cover the costs associated with major repair or replacement of CAP features. To accomplish this result, the Bond Trustee may be directed by CAWCD to pay such amounts directly to CAWCD from time to time and, whenever it is no longer necessary to have the Capacity Charge paid to the Bond Trustee under the Bond Indentures, CAWCD may designate itself or any institutional trustee acting on CAWCD's behalf, as trustee to receive the Capacity Charge. In consideration for this, CAWCD shall pay the United States $12,000,000 on or before December 31, 2011, which payment shall be applied as a prepayment of the last $12,000,000 due of the non-interest bearing portion of CAWCD's Exhibit "A" Repayment Obligation. The foregoing applies only to revenues from the sale of Navajo Surplus Power prior to October 1, 2011.

(f) CAWCD shall annually have the right, upon 90 days advance written notice, to audit the United States administration of the LBDF. To the extent that a dispute arises over how the United States administers the LBDF, and no mutually agreeable resolution can be achieved, CAWCD and the United States shall follow the ADR procedures set forth in paragraph 11 herein.

(g) (i) CAWCD will pay administration, oversight and OM&R costs billed by the United States as provided in the Operating Agreement (Exhibit "C").

(ii) CAWCD will not dispute the categories of costs specified in paragraph 8.3 of the Operating Agreement, but may dispute the amount of such costs billed by the United States. CAWCD may dispute any cost billed that is not within the category of costs specified in paragraph 8.3 of the Operating Agreement. If a bill is disputed, CAWCD shall, after noting its protest, nonetheless pay the disputed bill, and CAWCD and the United States shall follow the ADR procedures set forth in paragraph 11 below with respect to the disputed bill. If

CAWCD fails to pay the full amount billed, and the United States prevails, in whole or in part, in the ADR process or in litigation, CAWCD shall pay or lose credit in the applicable amount with interest and/or penalties provided for in Article 9.10 of the 1988 Contract. If CAWCD prevails, in whole or in part, in the ADR process or in litigation, the United States shall repay or credit CAWCD with the full amount awarded plus interest at the Arizona State Treasury investment rate for relevant periods.

(h) Beginning January 1, 2000, net revenues in the LBDF that are available as a credit toward CAWCD's repayment obligation shall be accounted for and quantified by Reclamation on a monthly basis. Within 15 days after each month, Reclamation shall calculate an offsetting credit calculated at 1/24 of 3.342% (simple interest) on the revenues collected during that month plus 1/12 of 3.342% (simple interest) of the revenues collected during each previous month of the current calendar year (the "Additional Offsetting Credit"). Reclamation shall provide CAWCD a monthly report of LBDF revenues and credits calculated under this paragraph. Each year the accumulated balance of the Additional Offsetting Credit, if any, shall be applied against the annual payment due on the following January 15. For purposes of calculating the annual payment due on the following January 15, December's Additional Offsetting Credit shall be estimated and adjusted for actuals in the following year. The offsetting credits dealt with in this subparagraph 6(h) are for the purpose of offsetting interest, if any, that would otherwise be due from CAWCD. The offsetting credits shall have no effect on the principal payments that are otherwise due from CAWCD.

(i) Article 10.3 of the 1988 Contract requires the establishment of certain reserve funds. Article 10.3(a) provides for the establishment of a $4,000,000 emergency OM&R reserve fund. Article 10.3(b) provides for the establishment of a $40,000,000 repayment reserve fund. Notwithstanding the limitations on the utilization of the reserve funds that may otherwise exist in the 1988 Contract, CAWCD may, at its reasonable discretion, utilize monies in either fund for the purpose of meeting the purposes identified in Article 10.3(a)(iv) of the 1988 Contract.

7. CAWCD and the United States have executed an Operating Agreement (Exhibit "C") setting forth the terms and conditions for performing OM&R-related activities.

8. (a) As a condition to the effectiveness of this Revised Stipulation, the following shall have been addressed, in a manner satisfactory to the Secretary[3] and the Arizona Department of Water Resources, including any necessary actions by Congress:

(i) a final Gila River Indian Community water rights settlement fully enforceable in accordance with the enforceability date provisions of such settlement;

(ii) an amendment to the Southern Arizona Water Rights Settlement Act of 1982 fully enforceable in accordance with the enforceability date provisions of such amendment;

(iii) a final San Carlos Apache Tribe water rights settlement fully enforceable in accordance with the San Carlos Apache Tribe Water Rights Settlement Act of 1992, P.L. 102-575, 106 Stat. 4740, as amended in 1994, 1996 and 1997, and the enforceability date provisions of such settlement;

(iv) the allocation of Project Water for use by Indian tribes in Arizona such that the total amount allocated for Federal purposes shall be 667,724 acre feet; and

(v) 65,647 acre feet of M&I Project Water and approximately 96,295 acre feet of non-Indian agricultural Project Water shall be or shall have been allocated to or for the benefit of various Arizona M&I or non-Indian agricultural water providers.

(b) As a condition to the effectiveness of this Revised Stipulation, any authorizations or appropriations necessary to fund construction work as set forth in Exhibit "B" to comply with the Gila River Biological Opinion and the Santa Cruz Biological Opinion have been obtained from Congress. Nothing in this Revised Stipulation is intended to prejudice the positions of CAWCD or the United States in any litigation associated with these biological opinions.

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[3] Any settlement referenced herein involving ongoing litigation shall also be subject to the Attorney General's authority under 28 U.S.C. § 519.

(c) As a condition to the effectiveness of this Revised Stipulation, the United States shall amend the Navajo Power Marketing Plan of December 1, 1987 ("Plan") to provide for the establishment and collection of rates for the sale or exchange of Navajo Surplus Power after September 30, 2011, which optimize the availability and use of revenues for the purposes of subparagraphs 6(c) and 8(d), in a manner consistent with the Hoover Power Plant Act of 1984 (Pub. L. No. 98-381), and shall market and exchange Navajo Surplus Power after September 30, 2011, in accordance with such amended Plan.

(d) (i) As a condition to the effectiveness of this Revised Stipulation, Congress shall have provided in a manner satisfactory to the Secretary, the Attorney General and CAWCD a means by which:

(1) A firm funding stream not to exceed the annual amount of LBDF revenues previously credited against CAWCD's annual Exhibit "A" repayment obligation is available for, in order of priority:

(i) First, for Fixed OM&R Charges under long-term contracts payable by the United States pursuant to subparagraph 4(f) and subject to subparagraph 4(h);

(ii) Second, for costs authorized by Congress to be paid to the Gila River Indian Community pursuant to the Gila River Indian Community water rights settlement;

(iii) Third, in addition to funds made available through annual appropriations, for any of the following, without regard to any particular priority:

1) After enactment of the Gila River Indian Community Settlement Act, costs associated with the construction of distribution systems associated with the Gila River Indian Community's Master Contract with the United States for Repayment of Construction Costs and Operation, Maintenance and Replacement of A Water Distribution System (#6-07-30-W0345) dated July 20, 1998;

2) Costs associated with the construction of distribution systems required to implement the provisions of § 3707(a)(1) of the San Carlos

Apache Tribe Water Rights Settlement Act of 1992 (Pub. L. No. 102-575, 106 Stat. 4740 as amended);

3) Costs associated with construction of distribution systems required to implement the provisions of §§ 303(a)(1) and (2) of the Southern Arizona Water Rights Settlement Act of 1982 (Pub. L. No. 97-293, 96 Stat. 1279); and

4) Other costs authorized by Congress (including any costs to construct distribution systems but not including costs otherwise payable by non-Federal, non-Indian parties) pursuant to any Arizona Indian water rights settlement act enacted after the date of this Revised Stipulation. It is understood, however, that the actual terms of any such settlement will need to be negotiated by the current or a future Administration and subsequently enacted or amended by Congress on a case-by-case basis.

(iv) Fourth, in addition to funds made available through annual appropriations, for costs associated with the construction of on-reservation facilities enabling the following tribes to use the CAP water for which they have contracted: Yavapai Apache (Camp Verde), Tohono O'odham Nation (Chuichu), Pascua Yaqui, and Tonto Apache; *Provided,* that in the event of a water rights settlement act authorizing such construction in the case of any of the foregoing tribes, the provisions of subparagraph 8(d)(i)(1)(iii) above shall apply to such tribe or tribes; *Provided further* that, after 2030 and through 2046, any of the foregoing tribes not having facilities enabling them to use the CAP water for which they have contracted or a final water rights settlement act may elect, in lieu of any construction funding by the United States, annual cash payments equal to the average price of any Excess Water sold annually under paragraph 5 above multiplied by the total amount of such Excess Water sold or the unused CAP water contract entitlement of such tribe or tribes, whichever is less.

(2) Any annual revenues within the LBDF, except for revenues derived from the Capacity Charge described in subparagraph 6(e)(ii), that are in excess of what is needed to satisfy CAWCD's annual Exhibit "A" repayment obligation may be used to pay, in order of priority:

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(i) Fixed OM&R Costs associated with delivery of CAP water in the current year to Indian tribes under long-term contracts;

(ii) One year of "tail end" prepayment, starting with repayment of non-interest bearing debt, of CAWCD's Exhibit "A" repayment obligation;

(iii) Repayment to the U.S. Treasury of Indian Fixed OM&R Costs previously paid using LBDF revenues that had already been credited against CAWCD's Exhibit "A" repayment obligation;

(iv) Repayment to the U.S. Treasury of costs associated with any Indian water rights settlement previously paid using LBDF revenues that had already been credited against CAWCD's Exhibit "A" repayment obligation;

(v) Payment of any annual installment on any CAP-related 9(d) debt (43 U.S.C. § 485(d)) assumed by the United States; and

(vi) Payment to the U.S. Treasury of the difference between CAWCD's $1,646,462,500 repayment obligation and the result of any CAP cost allocation undertaken by the United States for the Water Supply System and Regulatory Storage Stages of the CAP.

(ii) Reclamation will provide CAWCD an annual accounting of its uses of LBDF revenues under this subparagraph 8(d).

(iii) If for whatever reason a final judgment is not entered into in accordance with this Revised Stipulation then the provisions of this subparagraph shall have no effect and shall not govern the utilization of LBDF revenues. To satisfy this condition, any legislation enacted by Congress must provide that the authority to use LBDF revenues as described herein shall not be effective if a final judgment is not entered in accordance with this Revised Stipulation.

(e) From the date of this Revised Stipulation until litigation resumes or the Expiration Date, whichever occurs first, CAWCD and the United States will operate and relevant payments and credits will be adjusted and made pursuant to this Stipulation. Neither CAWCD nor the United States shall have waived any of the conditions set forth in this paragraph by any

action or inaction pursuant to this Revised Stipulation prior to all of the conditions having occurred. Until all of the conditions have occurred, any payment, credit or adjustment made or accepted pursuant to this Revised Stipulation shall be without prejudice to any claim or cause of action of CAWCD or the United States existing prior to the date of this Revised Stipulation. In the event that these conditions are not satisfied and litigation resumes pursuant to subparagraph 8(f) of this Revised Stipulation, then the following shall apply:

(i) No penalties will be assessed against CAWCD for any underpayments that might be determined to relate to the period from October 1, 1993, until litigation resumes or the Expiration Date, whichever occurs first. The Arizona State Treasury investment rate shall apply to any over or underpayments during such period.

(ii) CAWCD's repayment obligation will be deemed to be 73% interest-bearing and 27% non-interest bearing for the period from October 1, 1993, until litigation resumes or the Expiration Date, whichever occurs first, regardless of any interest-bearing split that is determined to be applicable for the remainder of the repayment period.

(iii) Any over- or underpayment that is determined to exist for the period from October 1, 1993, until litigation resumes or the Expiration Date, whichever occurs first, including interest on the over- or underpayment, shall be capitalized and amortized over the remainder of the repayment period, as shown in Exhibit "D" hereto, which is incorporated by reference as if set forth in full.

(f) As noted above, the provisions of this paragraph are a condition to the effectiveness of this Revised Stipulation. They are, however, not intended to, in any way, control the actions of the Secretary or any other Party. The Court shall maintain jurisdiction over the administration of this Revised Stipulation until such time as these conditions are met. Upon the occurrence of all conditions within this Revised Stipulation, the Parties shall notify the Court and move for entry of a final judgment consistent with this Revised Stipulation. This Revised Stipulation shall be effective on the entry of such final judgment ("Effective Date"). If all conditions within the Revised Stipulation are not met prior to May 9, 2012 ("Expiration Date"), this Revised Stipulation shall terminate automatically, and except for subparagraphs 6(e) and 8(e)

above , no party shall be bound by any of its terms. If, at any time it appears that all conditions within this Revised Stipulation cannot be met before the Expiration Date, the Parties shall meet and confer about amending this Revised Stipulation. However, absent agreement on an amendment to this Revised Stipulation, either CAWCD or the United States may petition the Court to terminate the Revised Stipulation prior to the Expiration Date, and, upon the granting of that petition, the litigation shall resume. Matters resolved through decision of this Court at the time this Revised Stipulation is filed shall be considered "law of the case" and shall not be relitigated. All appeal rights are reserved, including the United States appeal in *Central Arizona Water Conservation District v. United States*, No. 99-15124 (9th Cir.).

(g) As noted in subparagraph 2(a) and elsewhere herein, the Exhibit "A" repayment obligation is predicated upon the premise that a total of 667,724 acre feet of Project Water has been allocated for Federal purposes. In the event there is a change in the amount of Project Water allocated for Federal purposes from that assumed herein, CAWCD and the United States will meet and confer with respect to any appropriate adjustment to Exhibit "A." In the event that there is a dispute between the parties or over the amount of any such adjustment, then CAWCD and the United States will follow the ADR procedures set forth in paragraph 11 below.

9. Upon the Effective Date, all claims for relief raised by Intervenors in this case are deemed to be fully resolved in accordance with the provisions of this Revised Stipulation. Subject to paragraph 8 of this Revised Stipulation, the United States withdraws its objections filed in the bankruptcy action involving Intervenor Central Arizona Irrigation and Drainage District.

10. (a) Upon the Effective Date, all matters within the Complaint and Counterclaim not specifically mentioned herein are dismissed with prejudice, and the final judgment entered pursuant to subparagraph 8(f) is binding upon all Parties.

(b) Upon the Effective Date, for and in consideration of CAWCD performing its obligations under this Revised Stipulation, the fact and sufficiency of which are hereby acknowledged, the United States releases and forever discharges CAWCD, its present and former officers, directors, employees, agents, attorneys, advisors, representatives, and their respective successors and assigns from any and all claims, demands, rights, and causes of action of

whatsoever kind and nature, whether known or unknown, which the Department of the Interior may have against CAWCD on account of the claims for relief in the Complaint and Counterclaim. This release does not apply to claims arising under criminal or tax law, claims sounding in fraud, or the claims of any United States Government agency other than the Department of the Interior.

(c) Upon the Effective Date, for and in consideration of the United States performing its obligations under this Revised Stipulation, the fact and sufficiency of which are hereby acknowledged, CAWCD releases and forever discharges the United States and all Federal Defendants, their present and former officers, employees, agents, attorneys, advisors, representatives, and their respective successors and assigns from any and all claims, demands, rights, and causes of action of whatsoever kind and nature, whether known or unknown, which CAWCD may have against the United States and all Federal Defendants on account of the claims for relief in the Complaint and Counterclaim.

(d) Upon the Effective Date, in accordance with 28 U.S.C. § 2672, this Revised Stipulation is final and conclusive upon CAWCD and constitutes a complete release of any claim by CAWCD against the United States and any employee of the United States whose act or omission gave rise to CAWCD's Federal Tort Claims Act claim, dated January 24, 1992, by reason of the same subject matter. It is further agreed that, as of the Effective Date, this Revised Stipulation constitutes a complete and final settlement of all claims for relief asserted by CAWCD in *Central Arizona Water Conservation District v. United States*, Case Number 92-51C, in the United States Court of Federal Claims.

(e) CAWCD agrees to reimburse, indemnify and hold harmless the United States, its agents, servants, and employees from and against any and all causes of action, claims, liens, rights, or subrogated or contribution interests incident to or resulting from any act, omission, neglect, or misconduct of CAWCD or its employees in the manner or method of performing any construction, care, operation, maintenance, supervision, examination, inspection, or other duties of CAWCD in order to undertake activities set forth in Exhibit "B."

(f) Notwithstanding subparagraphs 10(b), (c) and (d) above, and except as provided in subparagraph 10(e) above, the releases contained in this Revised Stipulation shall not

apply to third party claims that have been made or that may be made in the future against CAWCD or the United States alleging personal injury, death or property damage caused by the design, construction or operation of the CAP. CAWCD and the United States reserve all rights and defenses with regard to such third party claims. It is further agreed that the releases contained in this Revised Stipulation do not modify or affect the provisions of Article 6(f) of the O&M Transfer Contract or section 8 of Exhibit A to the O&M Transfer Contract.

(g) This Revised Stipulation is not intended to be, and should not be construed as, an admission of liability or fault on the part of CAWCD or the United States, their agents, servants, officers, directors, or employees, and they specifically deny that they are liable to one another except as provided herein. This Revised Stipulation is entered into by all Parties for the purpose of compromising disputed claims and avoiding the expenses and risks of further litigation.

(h) The persons signing this Revised Stipulation warrant and represent that they possess full authority to bind the Parties on whose behalf they are signing to the terms of the settlement.

11. The following non-binding ADR process shall be followed for any dispute arising under subparagraphs 4(e), 4(g), 6(b), 6(f), 6(g) and 8(g) of this Revised Stipulation:

(a) CAWCD and the United States shall meet and confer about the issue or issues in an attempt to resolve the dispute. If there are issues that cannot be resolved by CAWCD and the United States, each shall appoint one arbitrator to a panel of arbitrators which will decide the dispute. The appointment of the two arbitrators will occur within 30 days of the meeting referred to above.

(b) Arbitrators appointed to the arbitration panel shall be skilled and experienced in the field or fields pertaining to the dispute. The two selected arbitrators shall meet within 30 days of their appointment, and at their first meeting they shall appoint a third neutral arbitrator to complete the arbitration panel. The third arbitrator shall act as chairperson of the arbitration panel and shall direct the arbitration proceedings.

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(c) The arbitration process shall be limited to the issue or issues submitted by CAWCD or the United States. The arbitration panel shall not rewrite, amend, or modify this Revised Stipulation, the 1988 Contract, the Operating Agreement, or any other agreement or contract between the Parties.

(d) There shall be no discovery beyond the information and documents made available during the informal meet and confer process provided for in subparagraph 11(a) and the general exchange or availability of records provided for within the 1988 Contract.

(e) No formal evidentiary hearing shall be provided unless one is requested by either CAWCD or the United States in writing, at the same meeting that the neutral arbitrator is appointed. Assuming that no hearing has been requested, the arbitration panel will meet as deemed necessary by the panel and shall, in a manner it deems appropriate, receive evidence, receive argument or written briefs from CAWCD and the United States, and otherwise gather whatever information is deemed helpful by the panel. The arbitration process to be followed shall be informal in nature, and CAWCD and the United States shall not be entitled to trial-type proceedings under, for example, formal rules of evidence.

(f) In the event that either CAWCD or the United States requests a hearing, the arbitration panel shall meet to receive evidence, receive argument and written briefs from CAWCD and the United States as follows:

(i) The arbitration panel shall, within 5 days of the appointment of the neutral arbitrator, schedule a date for a hearing which shall be held within 20 days of the appointment of the neutral arbitrator.

(ii) Within 10 days of the appointment of the neutral arbitrator, CAWCD and the United States shall each submit a brief of no longer than 15 pages setting forth its case. The brief shall include discussion of all issues relevant to the party's case. Each party shall, as an attachment to its brief, include declarations of not more than two experts and any relevant factual witness. Declarations of expert witnesses must include all opinions to be elicited upon direct testimony and a complete explanation of the basis of these opinions. Disputes with respect to the sufficiency of declarations or the appropriateness of the testimony shall be resolved

by the arbitration panel who may allow the testimony or exclude it. All expert witnesses must be available for cross-examination at the time of the arbitration hearing. Factual witnesses for which a declaration is prepared shall be made available for cross-examination at the time of the arbitration hearing only if requested by the other party.

(iii) Each party shall have the opportunity, within 5 days of the close of hearing, to submit a closing brief not to exceed 10 pages. The closing brief shall be argument with no additional factual evidence to be submitted.

(iv) There shall be no testifying witness on direct except for expert witnesses, if any.

(v) Each party shall have a maximum of four hours to present its case in total. This time shall include opening and closing statements, direct presentation and any cross-examination of the other party's witnesses. Each party shall have the right to reserve part of its time to present up to one hour of rebuttal testimony.

(vi) The matter shall be deemed submitted at the submission of closing briefs.

(g) The panel of arbitrators shall render its final decision in the dispute within 60 days after the date of naming the third arbitrator. If the arbitrators disagree as to the determination, any two of the three arbitrators may join to form a majority and the decision of those two arbitrators will be final for the panel. The panel will issue a written decision for CAWCD and the United States.

(h) If either CAWCD or the United States declines to accept the decision of the arbitration panel, it may initiate an action in the appropriate Federal court within 60 days of the issuance of the panel's written decision to obtain a judicial determination of the underlying dispute. If an action is not filed within 60 days of the panel's decision, the decision of the panel shall be deemed to be final and not subject to judicial review. The decision of the panel and record of the arbitration shall not be privileged and may be submitted as part of the record by either side in support of its case.

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(i) All costs incurred by the arbitration panel shall be shared equally by CAWCD and the United States, and the expenses of the arbitration panel shall be paid expeditiously. These costs shall not be included as Fixed OM&R Costs, nor are they to be made reimbursable or a cost billable to CAWCD.

(j) During the period of time in which a disagreement is being addressed in the ADR process or appropriate judicial proceeding, CAWCD and the United States agree that no default or breach of any agreement being addressed in the process will have occurred and that there will be no basis for the termination of water deliveries or other similar punitive actions by either party. The foregoing does not waive any claims for monetary penalties under Article 9.10(a) of the 1988 Contract.

12. Except as provided for herein, the 1988 Contract remains in full force and effect, including but not limited to the provisions of Articles 9.6(e) and 9.9. Article 10.9 of the 1988 Contract shall govern all obligations of the United States under this Revised Stipulation. Except as otherwise provided for herein, terms defined within the 1988 Contract that are used in this Revised Stipulation have been capitalized and shall have the meaning ascribed to them in the 1988 Contract. Notwithstanding the foregoing, to the extent that the 1988 Contract is inconsistent with the provisions of this Revised Stipulation, the provisions of this Revised Stipulation shall govern. Nothing in this Revised Stipulation is intended to affect the rights of long-term contractors and subcontractors of Project Water service or any Colorado River water right holders. Nothing in this Revised Stipulation is intended to preclude CAWCD and the United States from entering into additional agreements or amendments to existing agreements regarding the subjects addressed in this Revised Stipulation. This Revised Stipulation and all actions authorized hereunder are subject to Federal law, including but not limited to the Reclamation Reform Act of 1982 and any exceptions thereto, State of Arizona law, and such rules and regulations as the Secretary may deem appropriate, as those laws and rules and regulations may be amended, and, except as provided herein, the 1988 Contract. Nothing in this Revised Stipulation may be used in any way to control the CAP water allocation process or affect its interpretation.

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13. The Parties shall cooperate in carrying out the provisions and intent of this Revised Stipulation.

14. Each Party shall pay for its own costs, including attorney fees and expert fees in this litigation. These costs shall not be included as Fixed OM&R Costs; nor are they to be made reimbursable or made part of costs billable to CAWCD.

15. This Revised Stipulation may be executed by the Parties in counterparts.

16. As between CAWCD and the United States, this Revised Stipulation shall be effective upon and the "date of this Revised Stipulation" for the purposes herein shall be the date of entry of an Order of this Court approving the Revised Stipulation in accordance with the Joint Motion of CAWCD and the United States for Stay and Approval of Revised Stipulation to which this Revised Stipulation is appended. Upon the entry of an Order of this Court approving the Revised Stipulation, the Revised Stipulation shall replace and supersede the May 9, 2000 Stipulation in its entirety.

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Dated: April 8, 2003

By: Robert B. Hoffman
Robert B. Hoffman

Attorneys for Central Arizona Water Conservation District

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EXHIBIT A

CENTRAL ARIZONA WATER CONSERVATION DISTRICT
FEDERAL REPAYMENT OBLIGATION
PURSUANT TO THE STIPULATION AND ORDER FOR JUDGEMENT DATED _____

EXHIBIT A

	Beginning Balance Interest Bearing		Beginning Balance Non-Interest Bearing		Payment Due		
	Stage I	Stage II	Stage I	Stage II	Principal	Interest	Total
1994	915,777,096		338,712,077		12,544,892	8,926,537	21,471,429
1995	903,253,776		336,690,505		12,544,892	30,186,741	42,731,633
1996	891,712,185		337,687,205		12,544,892	29,801,021	42,345,913
1997	880,231,495	286,140,529	336,623,003	105,832,798	16,464,625	32,206,491	48,671,116
1998	868,884,835	282,220,796	335,424,771	105,832,798	16,464,625	38,469,950	54,934,575
1999	857,507,127	278,301,062	334,257,587	105,832,798	16,464,625	37,958,710	54,423,335
2000	845,889,604	274,381,329	333,330,219	105,832,798	16,464,625	37,439,455	53,904,080
2001	834,463,848	270,461,596	332,211,083	105,832,798	20,228,093	36,926,608	57,154,701
2002	819,255,489	266,541,863	331,111,083	105,832,798	20,228,093	36,287,347	56,515,440
2003	804,047,129	262,622,129	330,011,083	105,832,798	20,228,093	35,648,087	55,876,179
2004	788,838,770	258,702,396	328,911,083	105,832,798	21,404,013	35,008,826	56,412,838
2005	773,630,411	253,606,743	327,811,083	105,832,798	21,404,013	34,330,266	55,734,278
2006	758,122,052	248,511,090	327,011,083	105,832,798	21,404,013	33,641,680	55,045,692
2007	742,613,692	243,415,436	326,211,083	105,832,798	21,404,013	32,953,093	54,357,106
2008	727,105,333	238,319,783	325,411,083	105,832,798	25,167,480	32,264,507	57,431,987
2009	707,833,506	233,224,130	324,611,083	105,832,798	25,167,480	31,450,146	56,617,626
2010	688,561,680	228,128,477	323,811,083	105,832,798	25,167,480	30,635,785	55,803,265
2011	669,289,853	223,032,823	323,011,083	105,832,798	26,343,400	29,821,424	56,164,824
2012	650,018,026	216,761,250	322,211,083	105,832,798	26,343,400	28,967,763	55,311,163
2013	630,746,199	210,489,677	321,411,083	105,832,798	26,343,400	28,114,103	54,457,503
2014	611,474,373	204,218,104	320,611,083	105,832,798	26,343,400	27,260,443	53,603,843
2015	592,202,546	197,946,530	319,811,083	105,832,798	31,361,357	26,406,782	57,768,139
2016	567,912,762	191,674,957	319,011,083	105,832,798	31,361,357	25,385,422	56,746,778
2017	543,622,979	185,403,384	318,211,083	105,832,798	31,361,357	24,364,061	55,725,418
2018	519,333,196	179,131,811	317,411,083	105,832,798	32,929,250	23,342,701	56,271,951
2019	494,843,412	171,292,344	316,811,083	105,832,798	32,929,250	22,262,257	55,191,507
2020	470,353,629	163,452,878	316,211,083	105,832,798	32,929,250	21,181,813	54,111,063
2021	445,863,845	155,613,411	315,611,083	105,832,798	32,929,250	20,101,370	53,030,620
2022	421,374,062	147,773,944	315,011,083	105,832,798	40,456,185	19,020,926	59,477,111
2023	389,357,343	139,934,478	314,411,083	105,832,798	40,456,185	17,688,933	58,145,118
2024	357,340,625	132,095,011	313,811,083	105,832,798	40,456,185	16,356,939	56,813,124
2025	325,323,906	124,255,545	313,211,083	105,832,798	42,808,025	15,024,945	57,832,970
2026	293,157,188	114,064,238	312,761,083	105,832,798	42,808,025	13,609,340	56,417,365
2027	260,990,469	103,872,932	312,311,083	105,832,798	42,808,025	12,193,735	55,001,760
2028	228,823,751	93,681,625	311,861,083	105,832,798	42,808,025	10,778,130	53,586,155
2029	196,657,032	83,490,319	311,411,083	105,832,798	44,062,514	9,362,524	53,425,039
2030	163,235,825	73,299,012	310,961,083	105,832,798	44,062,514	7,904,994	51,967,508
2031	129,814,617	63,107,706	310,511,083	105,832,798	44,062,514	6,447,464	50,509,978
2032	96,393,409	52,916,399	310,061,083	105,832,798	44,454,488	4,989,934	49,444,421
2033	62,951,402	42,333,119	309,631,883	105,832,798	44,454,488	3,518,609	47,973,096
2034	29,488,594	31,749,840	309,223,483	105,832,798	44,454,488	2,046,588	46,501,076
2035	-	21,166,560	304,840,869	105,832,798	44,454,488	707,386	45,161,874
2036	-	10,583,280	270,969,661	105,832,798	44,454,488	353,693	44,808,181
2037	-	-	237,098,454	105,832,798	44,454,488	-	44,454,488
2038	-	-	203,227,246	95,249,519	44,454,488	-	44,454,488
2039	-	-	169,356,038	84,666,239	44,454,488	-	44,454,488
2040	-	-	135,484,831	74,082,959	44,454,488	-	44,454,488
2041	-	-	101,613,623	63,499,679	44,454,488	-	44,454,488
2042	-	-	67,742,415	52,916,399	44,454,488	-	44,454,488
2043	-	-	33,871,208	42,333,119	44,454,488	-	44,454,488
2044	-	-	-	31,749,840	10,583,280	-	10,583,280
2045	-	-	-	21,166,560	10,583,280	-	10,583,280
2046	-	-	-	10,583,280	10,583,280	-	10,583,280
					1,646,462,500	971,347,531	2,617,810,031

1/8/2003

CENTRAL ARIZONA WATER CONSERVATION DISTRICT
CREDITS TO FEDERAL REPAYMENT OBLIGATION

Repayment Obligatio $1,648,462,500

	Exhibit A Pmt. Due Next Jan. 15	CAWCD Cash Payments	HVID Advance	Siphons & Deficiencies	Employee Credit	LBDF Navajo	LBDF Hoover	Net Misc. Revenues	B.O.R. Oversight	Interest on Revenues	Interest on Credit Bal.	Total Credits	(Over) Under Payment	Credit Balance	AZ Interest
1993	21,471,429	-	22,743,047	-	2,969,251	(5,288,453)	858,461	193,802	(4,579)	-	-	21,471,429	-	-	
1994	42,731,633	34,331,706	8,959,975	168,368	-	10,777,530	3,732,431	(11,479)	(48,267)	-	-	57,910,263	(15,178,630)	(15,178,630)	6.26%
1995	42,345,913	-	-	352,075	-	32,708,643	3,519,477	(22,526)	(126,870)	-	853,218	37,384,017	4,961,896	(10,216,735)	6.28%
1996	48,671,116	10,850,478	-	22,439,706	-	14,486,194	4,281,017	(12,851)	(222,623)	-	587,462	52,409,382	(3,738,266)	(13,955,001)	5.75%
1997	54,934,575	18,248,989	-	6,861,720	-	23,260,373	7,143,485	66,073	(240,886)	-	626,136	56,165,690	(1,231,315)	(15,186,315)	5.92%
1998	54,423,335	38,443,395	-	2,172,381	-	21,961,922	6,731,690	(15,786)	(189,904)	-	929,402	70,033,099	(15,609,764)	(30,796,080)	6.12%
1999	53,904,080	25,898,378	-	3,969,909	-	21,982,687	5,926,676	316,697	(405,370)	-	1,807,730	59,488,706	(5,582,626)	(36,378,706)	5.87%
2000	57,154,701	-	-	5,930,057	-	20,570,052	5,568,040	204,758	-	460,581	2,346,427	35,069,945	22,084,756	(14,293,950)	6.45%
2001	56,515,440	8,096,875	-	367,300	-	27,764,809	5,342,166	532,688	-	551,633	714,697	43,370,168	13,145,272	(1,148,678)	5.00%
2002	56,876,179	20,552,794	-	902,461	-	28,745,297	4,962,006	333,207	-	499,842	40,089	56,035,696	(159,517)	(1,308,195)	3.49%
Total	488,028,401	156,422,615	31,703,022	43,153,976	2,969,251	196,969,053	48,055,446	1,584,614	(1,238,599)	1,512,056	8,205,162	489,336,596	(1,308,195)		

^ Credit as of 1-16-03

EXHIBIT A-1

1/8/2003

EXHIBIT B

Exhibit B
Project Construction Completion List
Central Arizona Project
January 28, 2000

CAWCD will complete to receive Repayment Credit the following items:

Item Description	Last Year Credit Allowed (Calendar Year)	Total Credit Not to Exceed ($ in Thousands)
Siphon Tendon Repair Hassayampa/Centennial/Jackrabbit	2005	$3,400
Hassayampa River Erosion Protection	2002	1,650
Mark Wilmer Pumping Plant Impellers	2003	3,900
Completion of Standing Operating Procedures	2002	906
ADA Modifications at Project Headquarters	2002	100
Cathodic Protection Phases II	2001	3,000
Cathodic Protection Phases III	2002	2,300

United States will complete the following items as budget allows:

Hayden-Rhodes Aqueduct
- Complete Litigation on Siphon Defects
- Activities necessary to close out all open construction contracts

New Waddell Dam
- Misc. Lands and Rights Activities
- North Entry Road
- MWD Conference Center
- FWL Coordination Act
- Fish Liminology Follow-up
- Cook's Lake
- Archaeology Survey Report
- Electronic Archaeology Database
- Archaeological Road Barrier at site 99
- Activities necessary to close out all open construction contracts
- Complete final reports and achieving

Modified Roosevelt Dam
- First Fill
- Stream Gaging
- Stewart Wash Bridge Slope Protection
- Marina Store Removal-Intersection for Ranger Station
- Platform Mound Archaeological Study
- Design F/I Museum Exhibits
- NAGPRA Burial of Remains
- Heritage Education Program
- FWL Coordination Act
- Bald Eagle Nest Watch
- Allotment Management Plan/Wildlife Mitigation
- Tonto Creek Riparian Monitoring
- SWF Banding/Genetics
- SWF GIS Database/Update
- SWF Aerial Photography
- SWF Habitat Monitoring

SWF San Pedro Preserve Management
SWF Cowbird Management
SWF Nest Monitor/Dispersal Count
SWF Management Fund
Activities necessary to close out all open construction contracts
Complete final reports and achieving

Tucson Aqueduct
Lands and Rights for Del Bac Transmission Line
Complete Del Bac Transmission Line
Activities necessary to close out all open construction contracts

Other Project Costs
Canal Vegetation Study
CAP Repository Design/Construction
CAP Repository Curation/O&M
Lands and Rights for Native Fish Protection
Nonnative Fish Eradication Funding Transfers
Native Fish Conservation Funding Transfers
Aravaipa Fish Barriers
Native Fish Public Information and Education Program
San Pedro Fish Barriers
Section 7 Santa Cruz Fish Opinion Activities
Archiving of records as necessary
Financial closeout of construction

Navajo Project Participation
Installation of Scrubbers at Navajo Generating Station

Recreation Development
Grant with City of Phoenix
Hayden-Rhodes Canal Trails – Federal/Nonfederal
Tucson Recreation – Federal/Nonfederal
Tucson Canal Trails – Federal/Nonfederal

EXHIBIT D

Exhibit D

Procedure to Follow After the Stipulation Expires ("Expiration Date")

Step 1: Prepare a New Repayment Schedule based on the repayment obligation in effect after the Expiration Date.

A. Calculate the principal payment due for each year of the repayment period in accordance with the schedule in Article 9.3(f) of the 1988 Contract.

B. Calculate the interest due for each year of the repayment period in accordance with Article 9.4(b)(ii) of the 1988 Contract.

a. In determining the interest due each year from October 1993 through the Expiration Date, 73 percent of the repayment obligation will be deemed to be interest bearing.

b. In determining the interest due each year after the Expiration Date, the interest bearing percentage shall be determined as provided in the 1988 Contract.

Step 2: Compare the payments due each year under the New Repayment Schedule to the payments credited against the repayment schedule in Exhibit A for each year prior to the Expiration Date.

Step 3: Calculate interest on the amount of over- or underpayment at the Arizona state treasury rate from the date of the over or under payment until the Expiration Date.

Step 4: The cumulative amount of the over- or underpayment including interest (the "Repayment Principal Adjustment") will be capitalized at the Expiration Date and amortized over the remainder of the repayment period in accordance with the schedule set forth in Article 9.3(f) of the 1988 Contract, as described below:

A. First, the Repayment Principal Adjustment will be divided between Stage 1 (water supply system) and Stage 2 (regulatory storage) and between interest bearing and non-interest bearing components in the same proportions as the repayment obligation is divided in the New Repayment Schedule.

B. Second, a Repayment Principal Adjustment Multiplier will be calculated to apportion the Repayment Principal Adjustment over the remainder of the repayment period. The Repayment Principal

Adjustment Multiplier is calculated by dividing 100 by the percentage of the repayment obligation remaining to be paid at the Expiration Date.

- For example, if the Expiration Date occurred in 2012, the next repayment installment due in January 2013 would represent repayment year 20 for Stage 1 of the CAP. At that point—i.e., after 19 years of repayment—24.1 percent of the repayment obligation for Stage 1 will have been repaid and 75.9 percent will remain to be repaid under the schedule in Article 9.3(f). Thus, the Repayment Principal Adjustment Multiplier would be 100 divided by 75.9, or 1.32.

C. Third, the portion of the Repayment Principal Adjustment to be repaid in each remaining year of the repayment period is determined by multiplying the applicable percentage in Article 9.3(f) of the 1988 Contract by the Repayment Principal Adjustment Multiplier.

- For example, in 2013 (repayment year 20 for Stage 1), Article 9.3(f) provides that 1.6 percent of the repayment obligation for Stage 1 is to be repaid. Thus, 2.1 percent (1.6% x 1.32) of the Repayment Principal Adjustment allocated to Stage 1 will be added to the amount due in that year under the New Repayment Schedule.

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CLERK U.S. DISTRICT COURT
DISTRICT OF ARIZONA
BY ___ DEPUTY

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a municipal corporation of the State of Arizona, Plaintiff, v. UNITED STATES OF AMERICA, UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION; GALE A. NORTON, Secretary of the Interior; BENNETT RALEY, Assistant Secretary of the Interior; JOHN W. KEYS, Commissioner of Reclamation; ROBERT JOHNSON, Regional Director, Lower Colorado Region, United States Bureau of Reclamation, Defendants.	No. CIV 95-625-TUC-WDB(EHC) No. CIV 95-1720-PHX-EHC (Consolidated Action) [~~PROPOSED~~] ORDER
UNITED STATES OF AMERICA Counterclaimant, v. CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a municipal corporation of the State of Arizona, Counterdefendant.	

This matter having come before this Court on the Joint Motion of CAWCD and the United States for Stay and Approval of Revised Stipulation, and having considered all of

the files and records in this matter along with the matters discussed during the April 24, 2003 hearing on the motion and with counsel for the United States and the Central Arizona Water Conservation District ("CAWCD") having executed the Revised Stipulation Regarding a Stay of Litigation, Resolution of Issues During Stay and for Ultimate Judgment Upon the Satisfaction of Conditions ("Revised Stipulation") on April 9, 2003 and April 8, 2003, respectively, and with no party objecting and good cause appearing, IT IS HEREBY ORDERED, as follows:

1. The original Revised Stipulation is ordered to be filed and it will replace and supersede the Stipulation filed on May 9, 2000.

2. The above captioned case is stayed until May 9, 2012, hereinafter "Expiration Date."

3. Pursuant to paragraph 8(e) of the Revised Stipulation, during the period the litigation is stayed, the Revised Stipulation shall be effective as between the United States and CAWCD, and CAWCD and the United States shall operate and relevant payments and credits will be adjusted and made pursuant to the Revised Stipulation. The Parties' respective positions in the litigation will not be prejudiced by CAWCD and the United States operating in accordance with the Revised Stipulation while the litigation is stayed, if a settlement ultimately is not achieved. The Court shall, pursuant to the terms of the Revised Stipulation, maintain jurisdiction over the administration of the Revised Stipulation.

4. Upon the occurrence of all conditions within the Revised Stipulation, the Parties shall notify the Court and move for the entry of final judgment consistent with the Revised Stipulation. Objections to the entry of final judgment, if any, may be made in opposition to the motion.

5. If the conditions articulated within paragraph 8 of the Revised Stipulation are not satisfied by the Expiration Date, the Revised Stipulation will automatically terminate and litigation will resume as provided for in paragraph 8(f) of the Revised Stipulation.

6. Pursuant to paragraph 8(f) of the Revised Stipulation, either the United States or CAWCD may petition the Court to terminate the stay prior to the Expiration Date.

//

7. In the event that litigation resumes, no penalties will be assessed against CAWCD for any underpayments that might be determined to relate to the period from the date of this Order until litigation resumes or the Expiration Date, whichever occurs first.

8. To the extent required by Rule 2.7(b) of the Local Rules of Practice, during the period the litigation is stayed, all other relevant and operative provisions of the Revised Stipulation not specifically mentioned herein are hereby approved and so ordered.

DONE IN OPEN COURT this 28 day of April, 2003.

Earl H. Carroll

The Honorable Earl H. Carroll
United States District Court Judge

PROOF OF SERVICE
(Federal)

I am employed in the County of Sacramento; my business address is Hall of Justice Building, 813 Sixth Street, Third Floor, Sacramento, California; I am over the age of 18 years and not a party to the foregoing action.

On April 10, 2003, I served the within:

[PROPOSED] ORDER

X on all parties in said action by placing a true copy thereof enclosed in a sealed envelope, with postage thereon fully prepaid, in the United States post office mailbox at Sacramento, California, addressed as set forth below:

_ (by personal delivery) by personally delivering a true copy thereof to the person and at the address set forth below:

_ (by overnight delivery service) via Federal Express to the person at the address set forth below:

_ (by facsimile transmission) to the person at the address and phone number set forth below:

SEE ATTACHED SERVICE LIST

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 10, 2003, at Sacramento, California.

Susan Bentley

Susan Bentley

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Exhibit 2.82

Agreement between the United States of America and Salt River Valley Water Users' Association for Construction of Drain Ditch across the Gila River Indian Reservation, dated June 21, 1923

AGREEMENT BETWEEN
UNITED STATES OF AMERICA
AND
SALT RIVER VALLEY WATER USERS' ASSN.
for
Construction of Drain Ditch
across Gila River Indian Reservation

Dated June 21, 1923

THIS AGREEMENT, made this 21st day of June, 1923, by and between the UNITE STATES OF AMERICA, hereinafter styled the UNITED STATES, acting for this purpose through the Commissoner of Indian Affairs by Herbert V. Clotts, Supervising Engineer, thereunto duly authorized, and the SALT RIVER VALLEY WATER USERS' ASSOCIATION, herein styled the ASSOCIATION, a corporation duly authorized and doing business under the laws of the State of Arizona,

W I T N E S S E T H :

THAT -

1. WHEREAS, the Association, under the terms of an agreement with the United States dated September 6, 1917, is in charge of the care, operation and maintenance of the irrigation works known as the Salt River Project, in the State of Arizona; a

WHEREAS, the Association has heretofore constructed and has in operation certain drainage pumps and drainage ditches which are being operated or maintained for the purpose of draining the excess ground and surface water from agricultural land within said Salt River Project lying north of the Gila River Indian Reservati and partly within and partly east of Drainage District No. 1, of Maricopa County, Arizona, hereinafter called the DISTRICT; and,

2. WHEREAS, the Association is desirous of constructing and operating additi al drainage pumps and ditches for the necessary purpose of draining this land more completely and draining such other land as may be required in the future; and,

3. WHEREAS, there is in full force and effect an agreement dated September 2 1917, between the District and the United States, whereby the district is granted a right of way 100 feet in width from the north line of the Reservation to the Ari zona Eastern Railroad, for a drainage ditch to carry all the water produced by the District, and whereby the United States acquires title to the water; (copy of said agreement being attached hereto and marked "EXHIBIT A") and,

4. WHEREAS, an agreement dated April 12, 1921, between the District and the Association permits the Association to discharge into the District's drainage ditc water collected by the Association's drainage works, which water so collected mate ially increases the present flow in the ditch, on account of which a controversy h arisen between the United States and the District over the matter; and,

5. WHEREAS, it is the desire of all parties to adjust the differences in an amicable way; and,

6. WHEREAS, the topography of the vicinity is such that there is a natural fal from the lands now drained and to be drained by the Association, making the route through the Indian Reservation the most feasible location for a drainage ditch; and,

7. WHEREAS, the Association desires to secure from the United States, for the benefit of the lands of the Salt River Project, being all of the lands within the re servoir district as described in the Articles of Incorporation of the Association, the right in perpetuity to construct, maintain and operate a drainage ditch across the Gila River Indian Reservation to the Gila River, for the purpose of providing a satisfactory outlet for the drainage water and other water collected by the canals (the Association; and,

8. WHEREAS, the United States desires to secure an immediate outlet to the Gil River for a part of the water discharged upon the Reservation from the District; an

9. WHEREAS, the United States desires to acquire from the Association the rigl to the use of all water which it may now or hereafter be able to apply to beneficial use upon the lands in said Indian Reservation that may now or hereafter be discharg upon the Reservation or carried by the ditch to be constructed to the Reservation b the Association as herein provided, the carrying out of which will adjust the differences that may exist.

NOW, THEREFORE, in consideration of these premises, and of the faithful performance by the Association of its covenants hereinafter set forth, the United States:

1. Grants to the Association and its successors in the operation of the Salt River Project, subject to the terms of the Act of March 3, 1891 (26 Stats., 1095), right of way 100 ft. in width, extending from a point in the drainage ditch of Drai age District No. 1, Maricopa County, the said point being located in Sect. 5, T 2S, R 4 E, G. & S. R. B. & M., through portions of Sections 5, 8, and 7, of said Townsh portions of Sections 12, 11, 14, 15, 16, 21, 17, 18, 19 and 30, T 2 S, R 3 E, and through portions of Sections 13 and 24, T 2 S, R 2 E,- the terminal point of the sa ditch being a point on the right bank of the Gila River in said Sec. 30, T 2 S, R 3 The Center line of said right of way being described as follows, to-wit: -

Beginning at a point 552' South, 35° 43' West from the SW Corner of the SE 1/4 the NE 1/4, Sec. 5, T 2 S, R 4 E;
thence S 20° 34' W 1643 ft.; thence S 76° 42' W. 3576 ft.;
thence S. 50° 59' W. 1118 ft.; thence S. 72° 03' W. 1160 ft.;
thence N. 50° 07' W. 500 ft.; thence S. 54° 38' W. 1408 ft.;
thence S. 72° 03' W. 6531 ft.; thence S. 52° 03' W. 9283 ft.;

thence S. 83° 33' W. 837 ft.; thence S. 54° 12' W. 980 ft.; thence N. 88° 49' W. 3652 ft.; thence S. 34° 30' W. 1210 ft.; thences N. 75° 50' W. 798 ft.; thence N. 42° 16' W. 1270 ft.; thence N. 83° 14' W. 1536 ft.; thence S. 61° 13' W. 1098 ft.; thence N. 84° 26' W. 3533 ft.; thence N. 70° 59' W. 4400 ft.; thence S. 82° 12' W. 950 ft.; thence S. 40° 38' W. 3192 ft.; thence S. 27° 25' E. 71 ft.; thence South 230 ft. to a point on the right bank of the Gila River, whence the SW Cor. of the SE 1/4 of the NE 1/4 of Sec. 30, T 2 S, R 3 E, bears S. 68° 09' East, a distance of 2264 ft.

The location of the said proposed ditch being further shown on the accompanying map, made a part hereof.

2. Release and discharge the Association from all obligations and liabilities for damages sustained or claimed to have been sustained by lands within the Gila Riv Indian Reservation, from drainage water heretofore discharged upon the Reservation b the Association from the Salt River Project:

3. Agree to refrain at all times from placing any check, diverting dam or othe structure in said drainage ditch or in any lateral which may be constructed for the diversion of water therefrom which will cause the natural flow of said drainage ditc to be obstructed in any manner, regardless of the amount of water flowing therein; P vided, however, that should the bottom of said drainage ditch be excavated or eroded below the grade established therefor, as shown on the attached profile, the United States may install such structure as may be necessary to divert the required amount water therefrom without thereby raising the bottom gradient of the canal above that shown on the profile; Provided, that said structure shall not interfere with the pr per functions of said drainage ditch or add to the cost of the maintenance thereof;

4. The United States agrees to interpose no objection to such use by the Assoc tion of the drainage ditch of the District through the Reservation above the Railroa Bridge as may be consistent with the terms of the agreement dated September 20, 1917 between the United States and the District;

5. It is understood and agreed that the United States shall have the right to use said drainage ditch at all times for the discharge of 20 sec. ft. of water from the drainage ditch of the District or other source. Whenever the Association and th United States are not discharging 75 sec. ft. of water into or through said ditch ar

the amount so discharged is insufficient to meet the reasonable needs of the United States or its assigns for the irrigation of lands supplied by said ditch, then and in that event the United States shall have the right to discharge additional water through said ditch up to the full capacity of 75 sec. ft.; and the United States agrees that should it desire to discharge still more water, it will enlarge said drainage ditch and all structures at its own expense, without material interference with the flow of water therein, so as to carry the increased flow without raising the water level above the gradient shown on the attached profile.

6. The United States agrees that in the event that it shall enlarge said drainage ditch in accordance with the provisions of the preceding clause, it will thereafter maintain such proportion of the total length of said drainage ditch, beginning at the lower end, as the share of the normal ditch capacity constructed by the United States bears to the total normal capacity. It shall be maintained in such condition that it will carry the amount of water for which it is designed, without raising the water-line above that shown upon the attached profile. For convenience, it is agreed that maintenance work shall be performed by the Association, and an accurate account of the cost thereof kept, which account shall be subject to inspection by officials of the United States at any time, and a statement of such cost rendered to the United States on January 1st of each year; and that the United States agrees to pay its proportionate part of such cost within sixty days after the rendering of such statement, or as soon thereafter as money is available by Congressional appropriation. It is understood and agreed that the proportionate share of the cost assessed against the United States shall be based on the actual cost of operation, the amount to be paid by the United States to be determined by the difference between the actual capacity of the ditch at the time of the enlargement by the United States and the capacity of the ditch so enlarged; it being understood that the United States shall under no condition be required to pay any share of the operation of the ditch on account of the 20 second feet or any part thereof that may be discharged through the ditch by the United States.

The Association, in consideration of the premises and of the right of way grant by the United States subject to its compliance with the Act of March 3, 1891, supra, does hereby covenant and agree, in addition to the foregoing, with the United States as follows:

1. The Association will, immediately upon notification of the approval of this Agreement by the Secretary of the Interior, begin the construction of a drainage

ditch from the Railroad Bridge aforesaid to the Gila River, in accordance with the map and profile and the plans for intake structures, overhead crossings and bridges attached hereto; and in accordance with the following conditions:

(a) Said drainage ditch shall be designed and constructed to carry throug out its entire length 75 sec. ft. of drainage water delivered at the Railroad Bridg plus any other natural underground drainage water which it may collect throughout its course:

(b) It shall be so designed and constructed that the water surface, when carrying the normal capacity of 75 sec. ft., shall not rise substantially above the hydraulic gradient established on the attached profile;

(c) Substantial diversion works shall be constructed immediately above th Railroad Bridge 16-B, at the intake of the new canal, to provide for the division of the water to be taken out of the ditch of the District from that permitted to pass to the channel. This shall be accomplished without interference with the diversion of water into the Fowler Canal which now heads just below the Railroad Brid

(d) The outlet of the drainage ditch into the Gila River shall be provide with adequate means of dropping the water from the level of the ditch to the level of the River, or of the natural drainage channel or tributary of said river, into which said drainage ditch may be discharged, which will prevent erosion of the drai age ditch back towards its head to such an extent as to constitute serious damage t adjacent lands. The structure constructed for this purpose must be completed prior to the turning of any water into said drainage ditch, and upon completion thereof maintained in a proper way to prevent overflow thereof of adjacent lands;

(e) Said drainage ditch shall be provided with bridges located on four section line crossings to be indicated by the United States prior to the time of completion of said ditch. At all other section line crossings, whenever demanded by the United States, bridges shall be installed at the expense of the Association, said bridges to be not less than 16 feet wide and suitable for carrying ordinary farm and road machinery and automobiles. All bridges shall be provided with suitable approaches and shall be completed within 30 days of the date demanded by the United States. Temporary crossings, passable for automobiles, shall be provided during the construction work at all used road crossings until the permanent bridges are installed.

(f) The Association agrees to complete all construction work specified herein within six months after the date of notification of the approval of this

agreement by the Secretary of the Interior; and for failure to complete same within the specified period, it will immediately shut down all its pumps located outside o the District, the water from which is being discharged on or over the Gila River Re servation; and will not resume operation of the pumps until the construction of the above works shall have been completed in accordance with the terms of this agreemen

2. The Association agrees that of the 75 sec. ft. normal capacity provided in the drainage ditch, 20 sec. ft. thereof is expressly provided and reserved for the use of the United States at all times for the discharge of such water from the drai age ditch of the District or other source, as it may desire to divert to the Gila River; and that when the remaining 55 sec. ft. capacity or any part thereof, is not being used by the Association, it shall be available for the use of the United Stat as heretofore provided, subject to its use by the Association when again required; Provided, that the Association and the United States shall co-operate in turning as little water into said ditch as possible during the periods when it is necessary tc clean or repair said ditch.

3. The Association agrees to make all necessary arrangements with the Arizona Eastern Railroad Company for the conduct of its water under the track and for the construction work upon the Railroad Company's right of way in the vicinity of the bridge; and to hold the United States harmless from all claims for damage due to tl operations of the Association, or the construction work of the Association, or the discharge of the water of the Association under the bridge or across the Railroad Company's right of way.

4. The Association agrees that should it ever become necessary for it to dis- charge more water than the 55 sec. ft. provided for herein, it will enlarge said drainage ditch and all structures therein at its own expense and without interfere with the flow of water therein, so as to carry the increased flow without raising the water level above the gradient shown on attached profile, the increased capaci to be subject to the same use by the United States when not in use by the Associat as provided in Paragraph 3 last above. In the event that the United States has al ready enlarged said ditch the maintenance cost of said ditch shall be re-apportion in the same manner as that set forth in Paragraph 6 of the covenants of the United States, for the apportionment of such cost, in the event the United States elects enlarge said ditch.

5. The Association agrees to maintain said drainage ditch at all times in su condition that it will carry the amount of water for which it is designed, without

substantially raising the water-line above that shown on the attached profile; and that it will maintain in satisfactory and serviceable condition all structures herein agreed to be constructed by the Association; Provided, that should the United States enlarge said drainage ditch to carry the discharge of additional water, the Association agrees to maintain such proportion of the total length of drainage ditch beginning at the diversion structure in the drainage ditch of the District, as the share of the normal ditch capacity constructed by the Association bears to the total normal ditch capacity; such maintenance work to be performed, and the use of the canal to be subject to the conditions of Paragraph 6 of the covenants of the United States.

IT IS MUTUALLY AGREED between the Association and the United States, as follows That -

1. WHEREAS, the carrying out of the terms of this agreement will inure to the benefit of the United States and the Association;

That in case of failure of the Association to keep or perform any or all of its covenants herein contained and the United States shall notify the Association in writing of such failure, specifying the particular respect in which such failure exists; and the Association shall not immediately upon receipt of such notification take necessary steps in a diligent way to remedy the failure which shall include payment of any damages resulting therefrom due to such failure, then the right of the Association to use said ditch shall be suspended until such time as it has full complied with the obligations imposed upon it by the terms of this agreement. However, nothing herein contained shall be construed to in any way modify or change the provisions of the existing agreement between the United States and the District heretofore referred to in paragraph 3, page one hereof, dated September 17, 1917.

2. That this agreement shall not be construed so as to impose on the Association an obligation at any time to cause the discharge of pumped or other waters upon the Reservation or into the said drainage ditch, as herein provided; or to impair or abridge the right of the Association to divert all or any part of the water now intended to be discharged on the Reservation before reaching the boundary thereof, or to use any part or all of said water for the benefit of its shareholders, or for the irrigation of land within the boundaries of the Salt River Project,--- said boundaries being specified in the boundaries of the Reservoir District described in the Articles of Incorporation of the Association, or to dispose of said water in an

manner the Association may desire, before reaching said drainage ditch.

3. This agreement shall become effective and binding upon the parties hereto when the same shall have been executed by the President and the Secretary of the Salt River Valley Water Users' Association and the United States acting by and through the Supervising Engineer and approved by the Secretary of the Interior.

4. That the work to be done as provided herein shall conform to and be constructed in accordance with the provisions herein and with the map, profile and plans attached hereto and made a part hereof as follows:

Map showing location of waste ditch (sheet 1)
marked Exhibit B,
Profile of waste ditch (sheet 2) in two parts
marked Exhibit C1, C2
Division gates on Tempe drain ditch, Intake for waste ditch
(Sheet 3) marked Exhibit D,
Plan of typical drop in waste ditch (sheet 4)
marked Exhibit E,
Bridges across waste ditch (sheet 5)
marked Exhibit F.

IN WITNESS WHEREOF the Association has caused this agreement to be executed by its President and Secretary pursuant to authority vested in them by its Board of Governors, and its corporate seal hereto affixed; and the same has been signed by the duly authorized agent of the United States and approved by the Secretary of the Interior.

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By (s) F. A. Reid
President

Attest:

(S) F. C. Henshaw
Secretary

UNITED STATES OF AMERICA

Approved July 23, 1923

By (S) Herbert V. Clotts
Supervising Engineer
U. S. Indian Service

(Sgd.) F. M. Goodwin
Assistant Secretary of the Interior

EXHIBIT "A"

THIS AGREEMENT made this 20th day of September, 1917, between Drainage District No. 1, in and for the County of Maricopa, State of Arizona, for convenience hereinafter called the "District," acting for the purpose of this contract by and through J. W. Miller and Alfred H. Oeltjen, the President and Secretary respectively of its Board of Directors, and the United States of America, for convenience hereinafter called the "United States," acting for the purpose of this contract by and through Cato Sells, the Commissioner of Indian Affairs;
WITNESSETH, that,

WHEREAS, the District has heretorfore constructed and now has in operation a certain drain ditch constructed and now being operated and maintained for the purpose of draining the excess ground water from the agricultural land within the District; and,

WHEREAS, the outfall of said drain ditch is now constructed and is being operated and maintained across the Northwest Quarter (NW¼) of Section Four (4) and the Southeast Quarter (SE¼) of the Northeast Quarter (NE¼) and a part of the North Half (N½) of the Southeast Quarter (SE¼) of Section Five (5), all in Township Two (2) Sou Range Four (4) East of the Gila and Salt River Meridian, in the County of Maricop State of Arizona, which said lands are embraced within and constitute a part of the Gila River Indian Reservation; and,

WHEREAS, the water collected by means of said drain ditch and other drainage works which are now or may hereafter be constructed by the District, is discharged from said drain ditch upon said Indian Reservation at a point in the Northwest Quart (NW¼) of the Southeast Quarter (SE¼) of said Section Five, (5), said point of discharge being at or near the point of intersection of said drainage ditch, as now constructed, with the right of way of the Arizona Eastern Railroad, as now construct on and across said Northwest Quarter (NW¼) of the Southeast Quarter (SE¼) of said Section Five (5); and,

WHEREAS, the District desires to secure from the United States a right in perpetuity to maintain and operate its said drain ditch, as now constructed across the portions of said Sections Four (4) and Five (5) above mentioned, together with the right in perpetuity to discharge the water collected by said drain ditch and other drainage works of the District as now or hereafter constructed, and to be released

and discharged by the United States from all obligations and liabilities of every nature which may now or might hereafter in any way exist or arise by reason of its construction, operation and maintenance of its said drain ditch across the portions of said Gila River Indian Reservation above described and by reason of the discharg of water from said drain ditch upon said Indian Reservation, or by reason of either of said causes; and,

WHEREAS, the United States desires to acquire from the District the control and right to use for irrigation or an other beneficial purpose all water that may now or hereafter be collected by said drain ditch or other drainage works of the District, now or hereafter constructed.

COVENANTS OF THE DISTRICT

The District in consideration of the premises and the rights, privileges and benefits hereinafter granted and conferred and to be granted and conferred to and upon it by the United States, does hereby grant, sell and convey to the United Stat its successors and assigns forever, the right to the use of said water collected by means of said drain ditch and drainage works, as now or hereafter constructed by th District. This grant, however, is upon the express condition that the United State and its successors shall never by means of any structures, collection of debris or otherwise, obstruct or retard or permit the obstruction or retarding of the free di charge and outflow of water from the end of said ditch, as now constructed, where the water therefrom is discharged from said ditch, to-wit: at or near the point whe said ditch, as now constructed across the Northwest Quarter (NW$\frac{1}{4}$) of the Southeast Quarter (SE$\frac{1}{4}$) of Section Five (5), in Township Two (2) South, Range Four (4) East c the Gila and Salt River Meridian, intersects the right of way of the Arizona Easter Railroad, as now constructed across said last mentioned tract of land;

COVENANTS OF THE UNITED STATES

The United States, in consideration of the premises and of the rights herein granted to it by the District, does hereby:

First, Grant and convey to the District, and its successors, in perpetuity, a right of way one hundred (100) feet in width across the Northwest Quarter (NW) of Section Four (4) and across the Southeast Quarter (SE$\frac{1}{4}$) of the Northeast Quarter (N and the North Half (N$\frac{1}{2}$) of the Southeast Quarter (SE$\frac{1}{4}$) of Section Five (5), all in Township two (2) South, Range Four (4) East of the Gila and Salt River Meridian, or

which to maintain and operate its said drain ditch, said right of way being fifty (50) feet on each side of the center line of said drain ditch, as now constructed, and as shown on the accompanying map and field notes, in duplicate, which are hereby referred to for a more detailed description of the location of said right of way and are made a part hereof;

Second, Release and discharge the District from all obligations and liabiliti of every kind and nature which may have been sustained by the United States, or mig hereafter accrue or arise in favor of the United States as against the District, by reason of the District having constructed its said drain ditch upon the land above described, within the Gila River Indian Reservation, without having first obtained a permit or other necessary authority therefor, and by reason of the discharge of water from said drain ditch upon the lands within said Indian Reservation, or from either of said causes.

This contract shall become effective and binding upon the parties hereto when the same shall have been executed by the President and Secretary of the Board of Directors of the District and by Cato Sells, as Commissioner of Indian Affairs for the United States, and shall have been approved by the Secretary of the Interior of the United States.

IN WITNESS WHEREOF Drainage District No. 1, in and for the County of Maricopa, State of Arizona, has caused this agreement to be executed by the President and Secretary of its Board of Directors and its corporate seal to be hereto affixed, and the United States has caused the same to be executed by its Commissioner of Indian Affairs and to be approved by the Secretary of the Interior the day and year first above written, all in duplicate.

(Signed) J. W. Miller,
As President of the Board of Directors of Drainage District No. 1, in and for the County of Maricopa, State of Arizon

WITNESS (SEAL)

(Signed) K. B. Myen

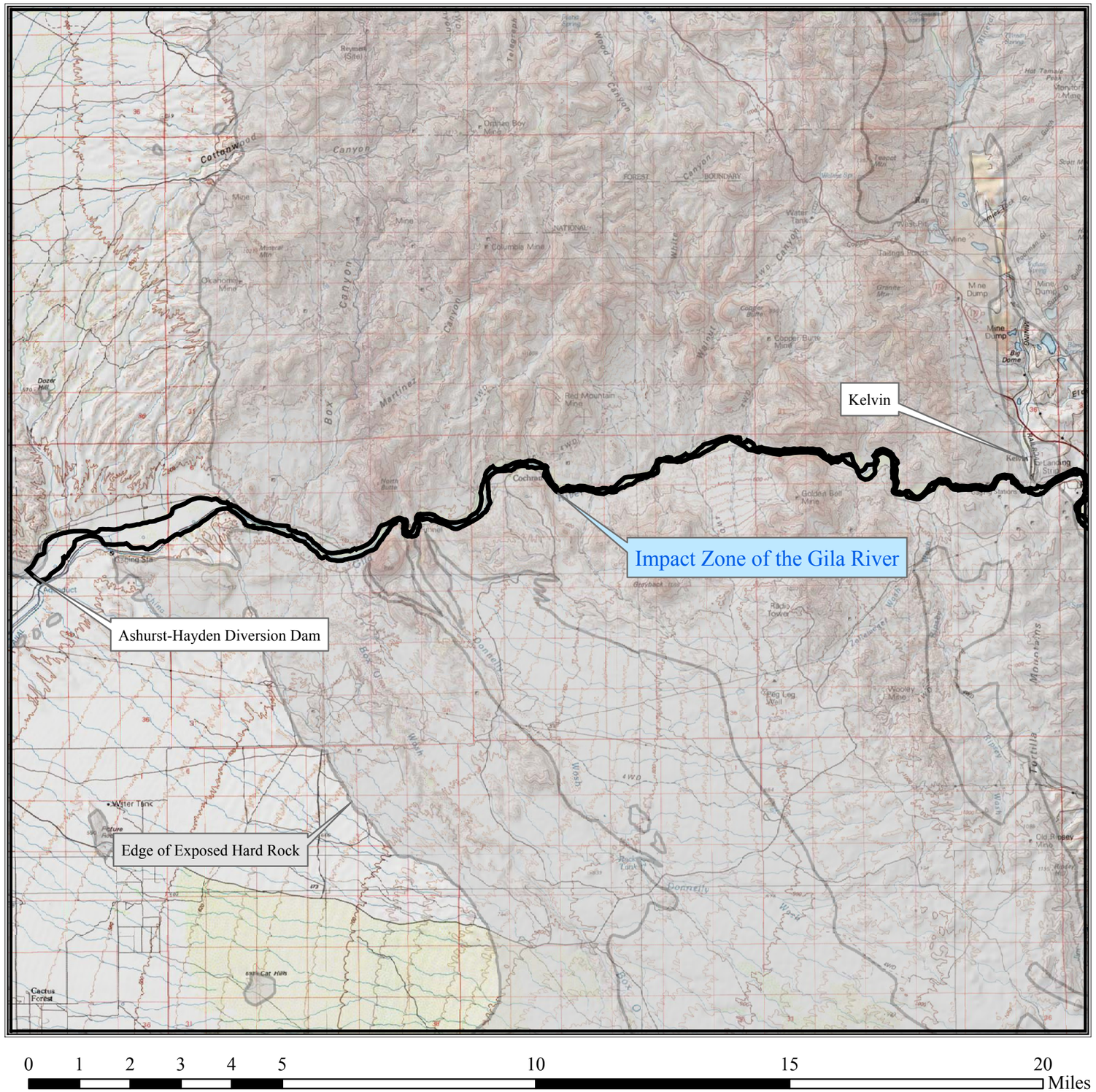
(Signed) L. E. Tefford

(Signed) Alfred H. Oeltjen
As Secretary of the Board of Directors Drainage District No. 1, in and for the County of Maricopa, State of Arizona.

(Signed) Cato Sells
Commissioner of Indian Affairs.

APPROVED: Dec. 7, 1917.

(Signed) S. G. Hopkins
Assistant Secretary of the Interior.



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Notice to Viewer of this Exhibit:

This map is for illustrative purposes only and is not to be relied upon for any decision involving land or other transactions. The boundaries on this map have not been verified by ground observations and are subject to adjustment for accuracy.

More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Exhibit 2.84A-1
Map of Gila River Impact Zone
Lower Portion - 1 of 3 for Middle Gila River

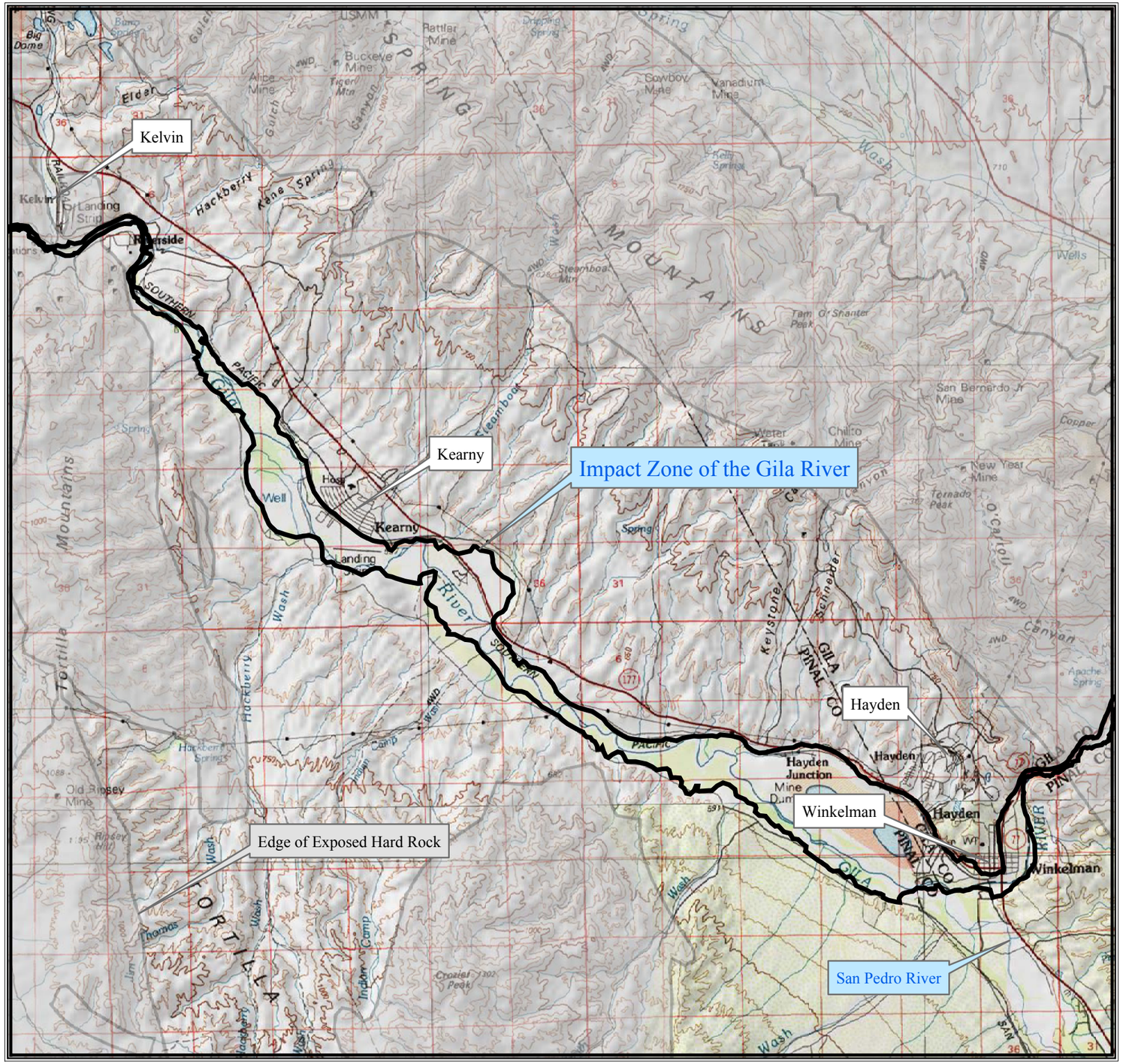

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Exhibit 2.84A-2
Map of Gila River Impact Zone
Central Portion - 2 of 3 for Middle Gila River

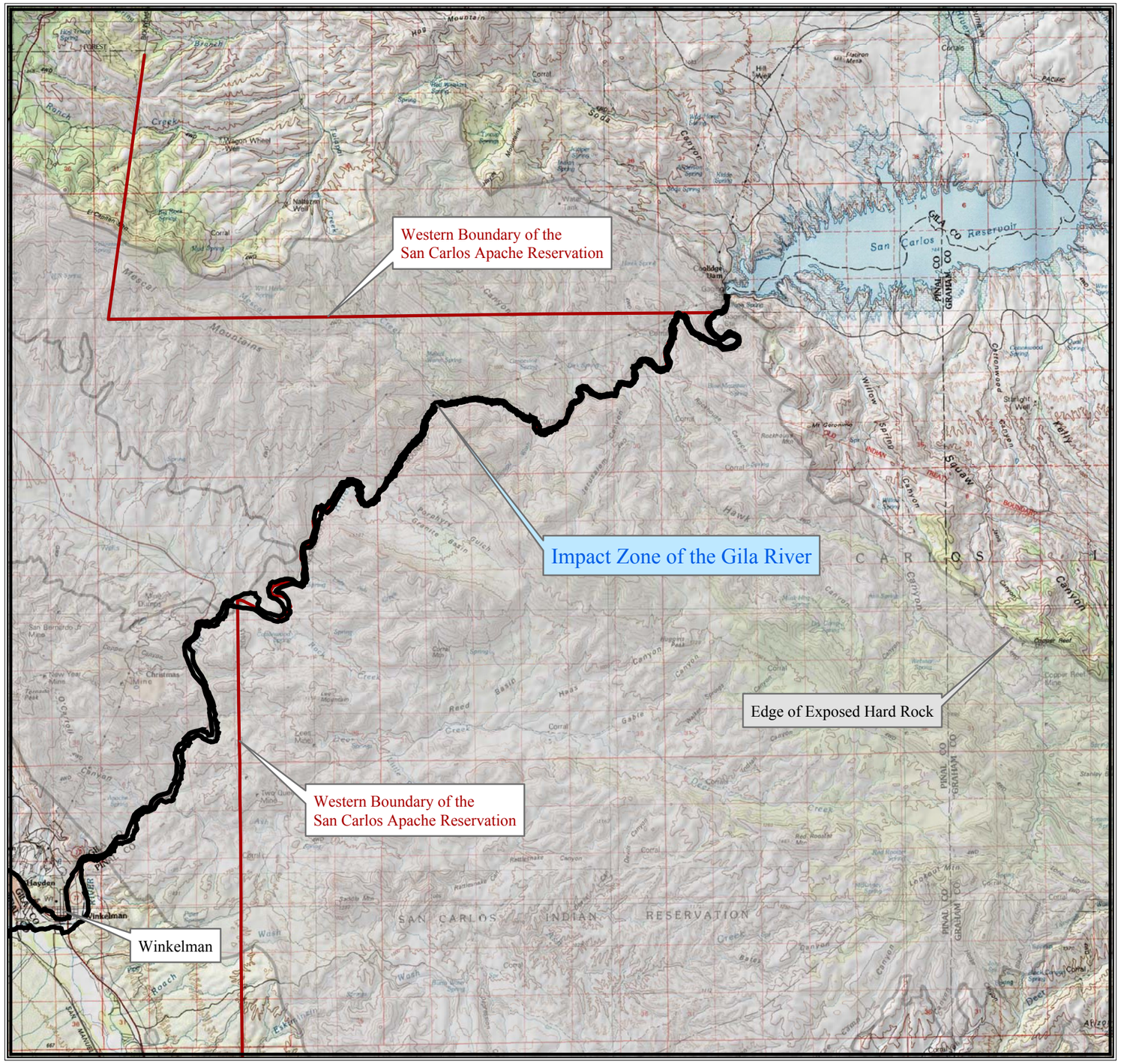

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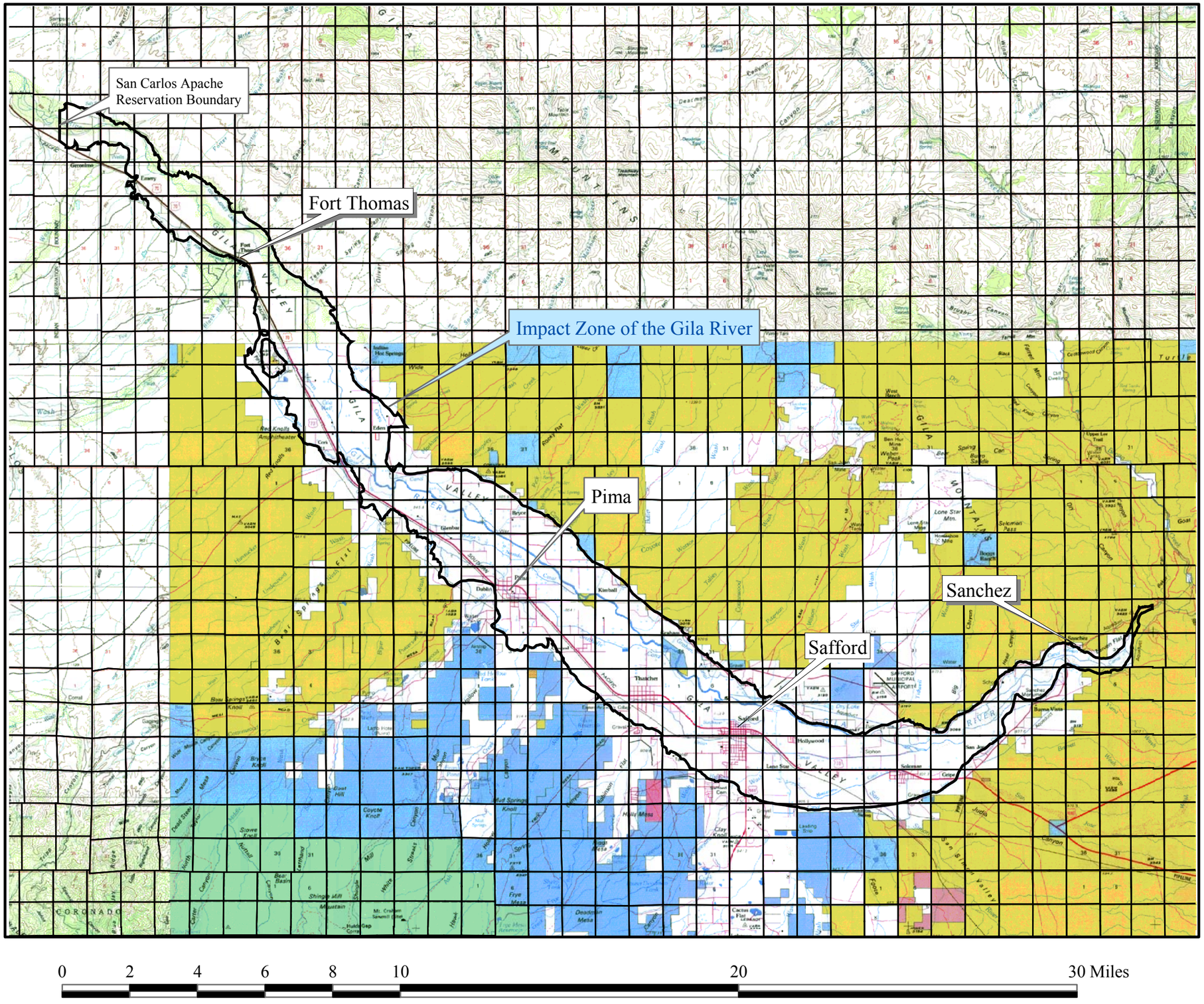
Exhibit 2.84A-3
Map of Gila River Impact Zone
Upper Portion - 3 of 3 for Middle Gila River



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Explanation:

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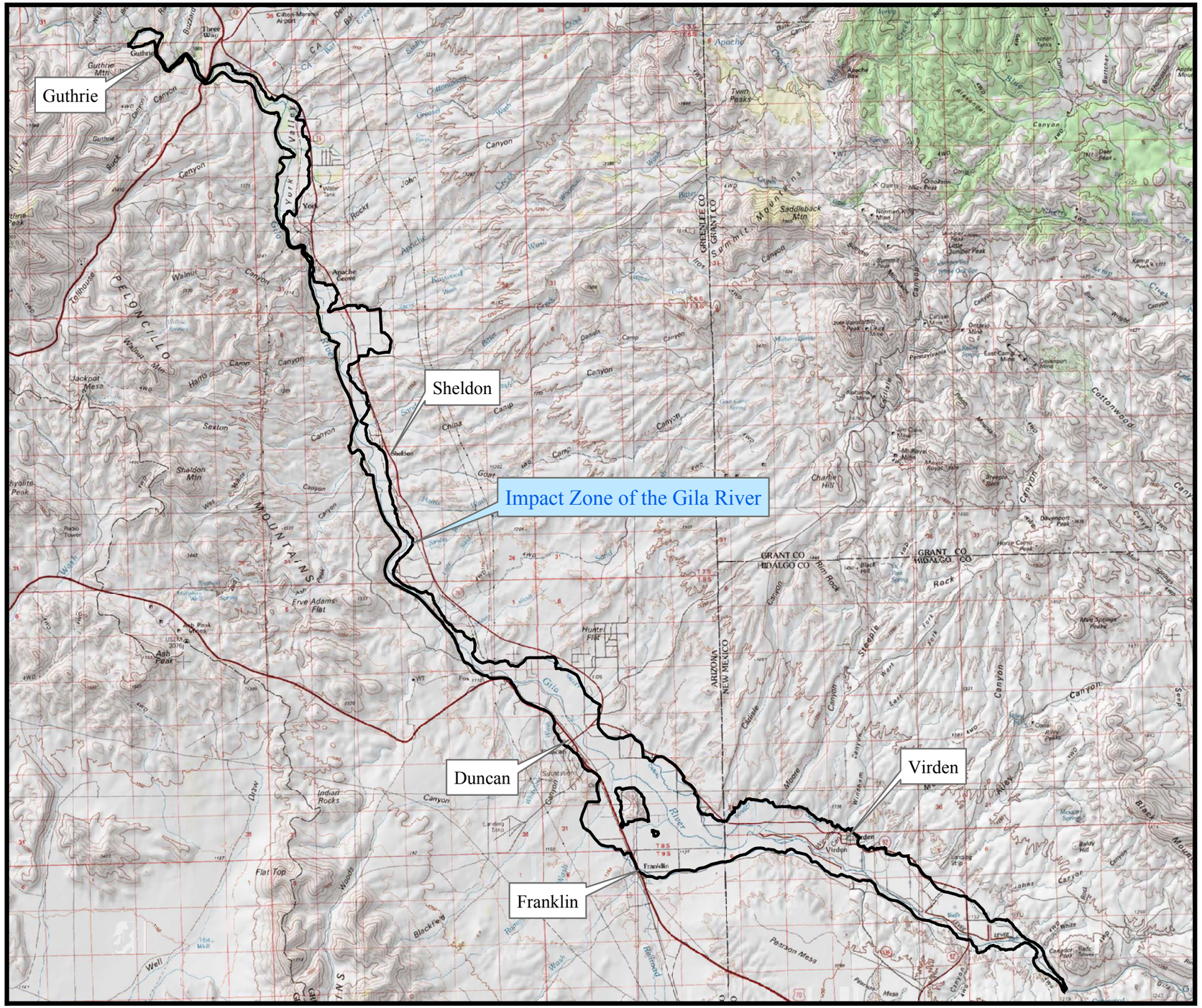
Exhibit 2.84A-4
Map of Gila River Impact Zone in Vicinity of Safford, Arizona



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Explanation:

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One - mile squares are Sections

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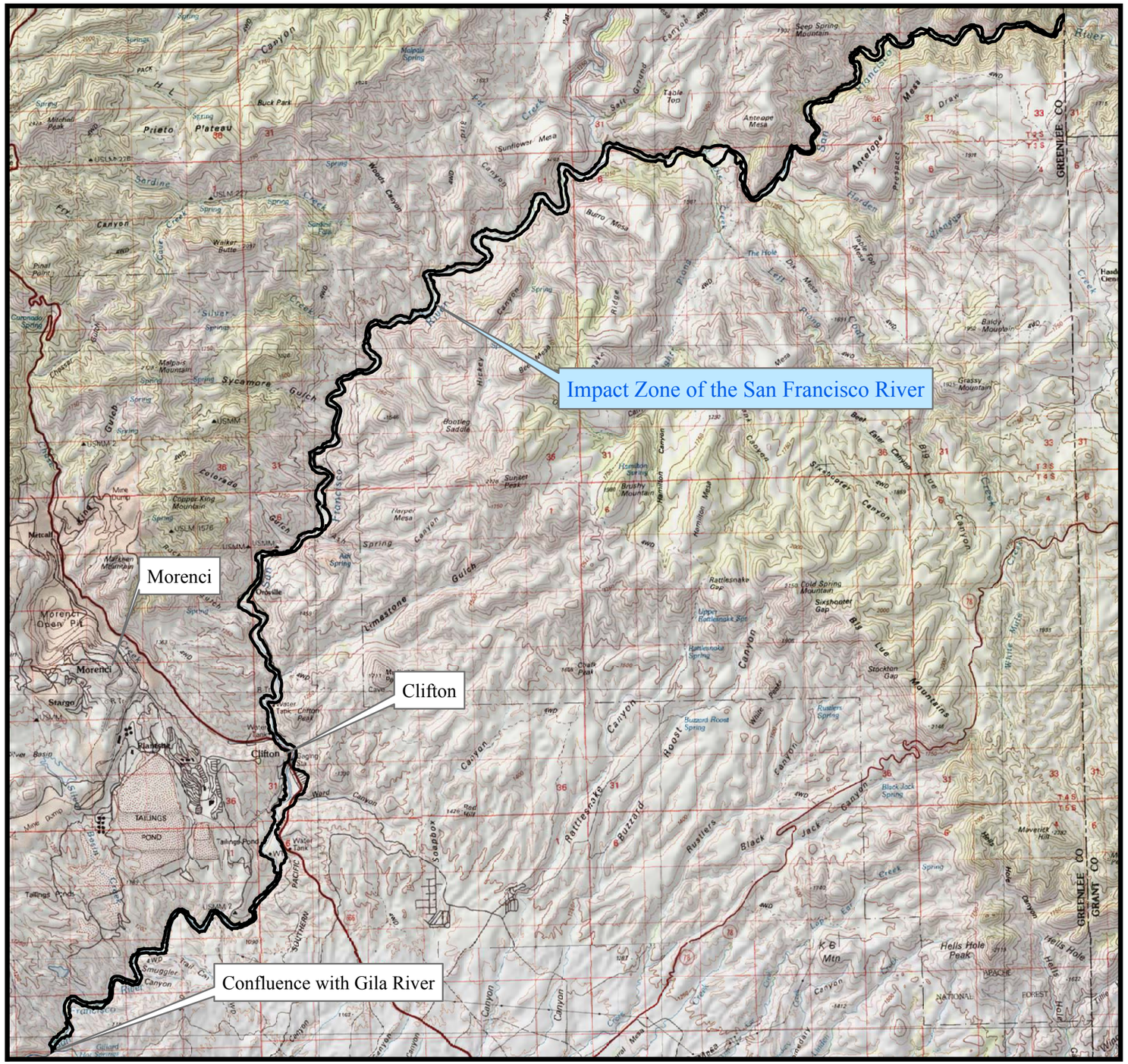
Exhibit 2.84A-5
Map of Gila River Impact Zone in Vicinity of Duncan Valley, Arizona and Virden Valley, New Mexico



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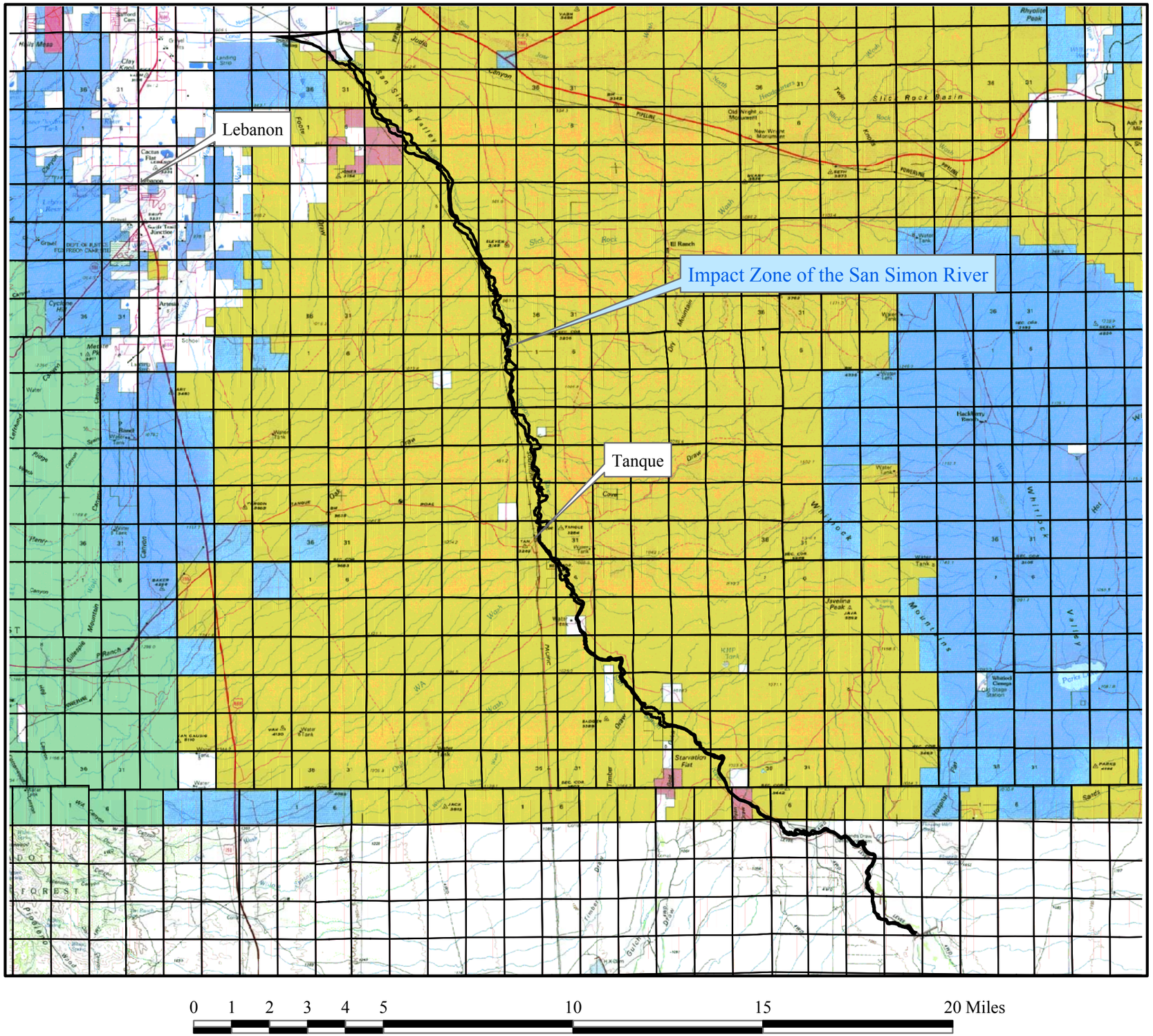
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Francisco River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Exhibit 2.84A-6
Map of Gila River Impact Zone
San Francisco River, Arizona



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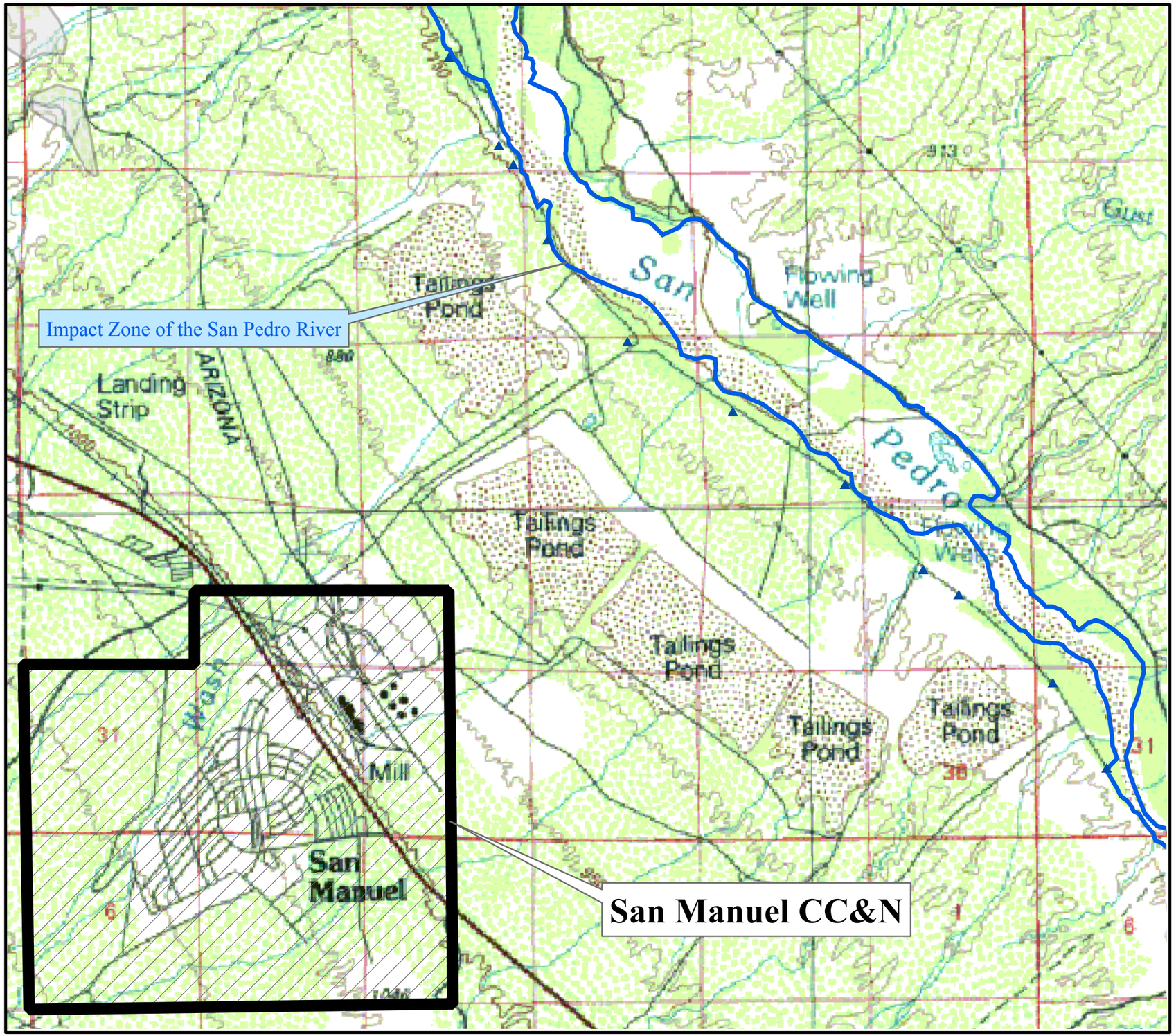
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Simon River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Exhibit 2.84A-7
Map of Gila River Impact Zone
San Simon River, Arizona



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Explanation:

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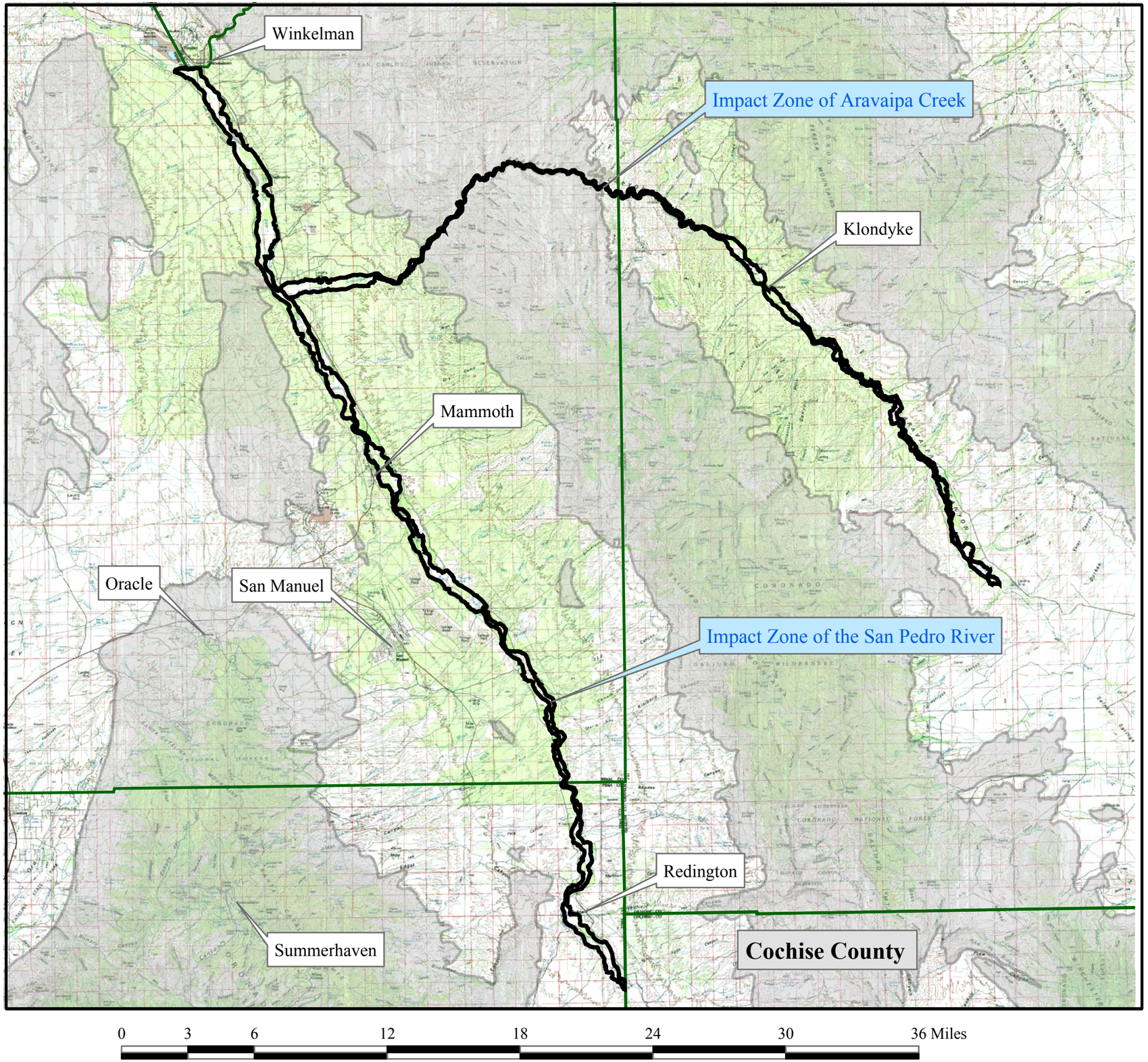
One - mile squares are Sections

Labeled points (e.g., W*) are BHP wells

Heavy blue lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Exhibit 2.146A
Map of San Manuel CC&N



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Explanation:

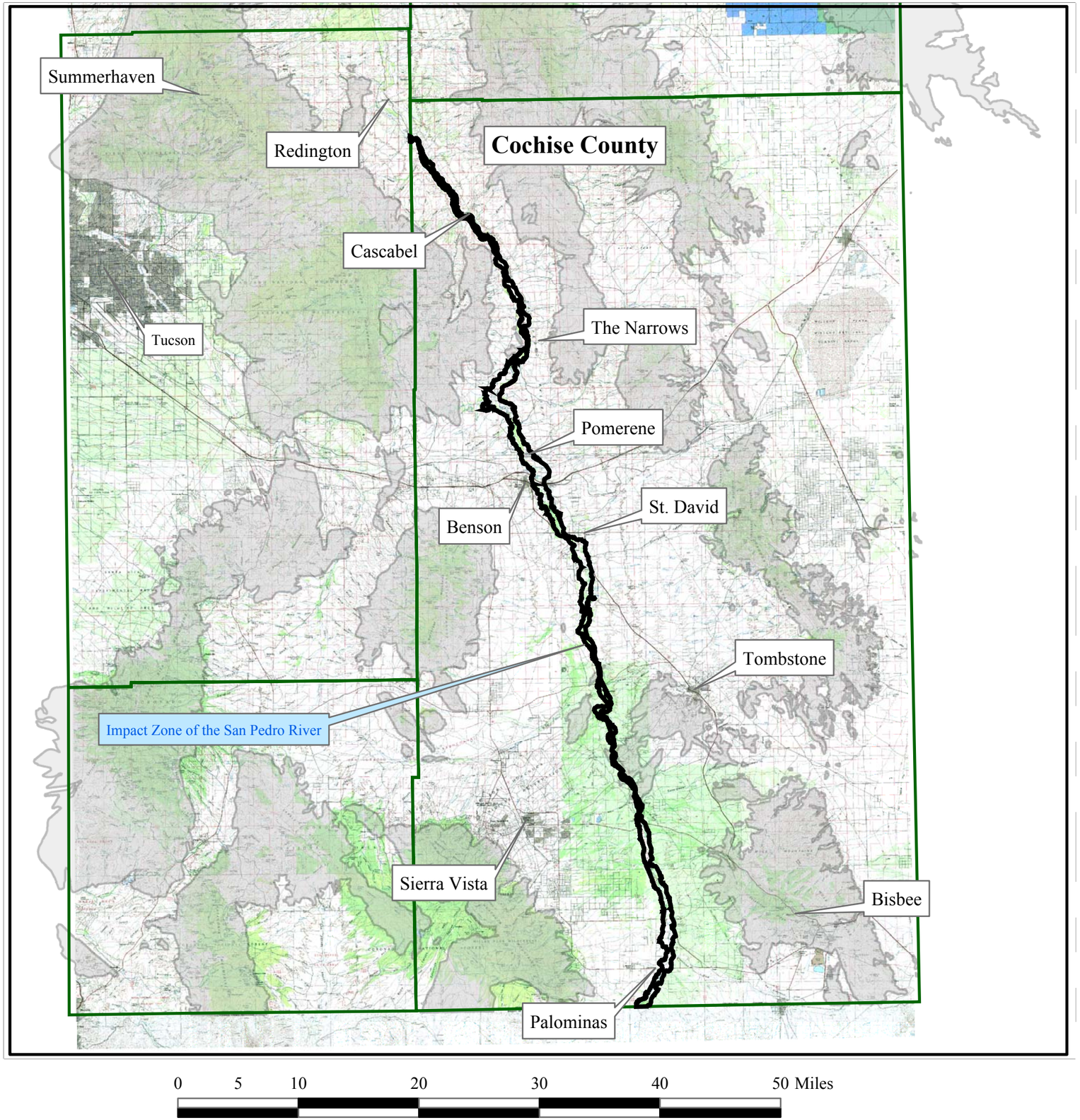
Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River and Aravaipa Creek as interpreted from inspection of Digital OrthoPhoto Quadrangle Quarters (DOQQs)

Light gray shading is the boundary of exposed hard rock (from ADWR)

Exhibit 2.146B-1
Map of San Pedro Agricultural and New Large Industrial Use Impact Zone
Pima, Pinal and Graham Counties, Arizona



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Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

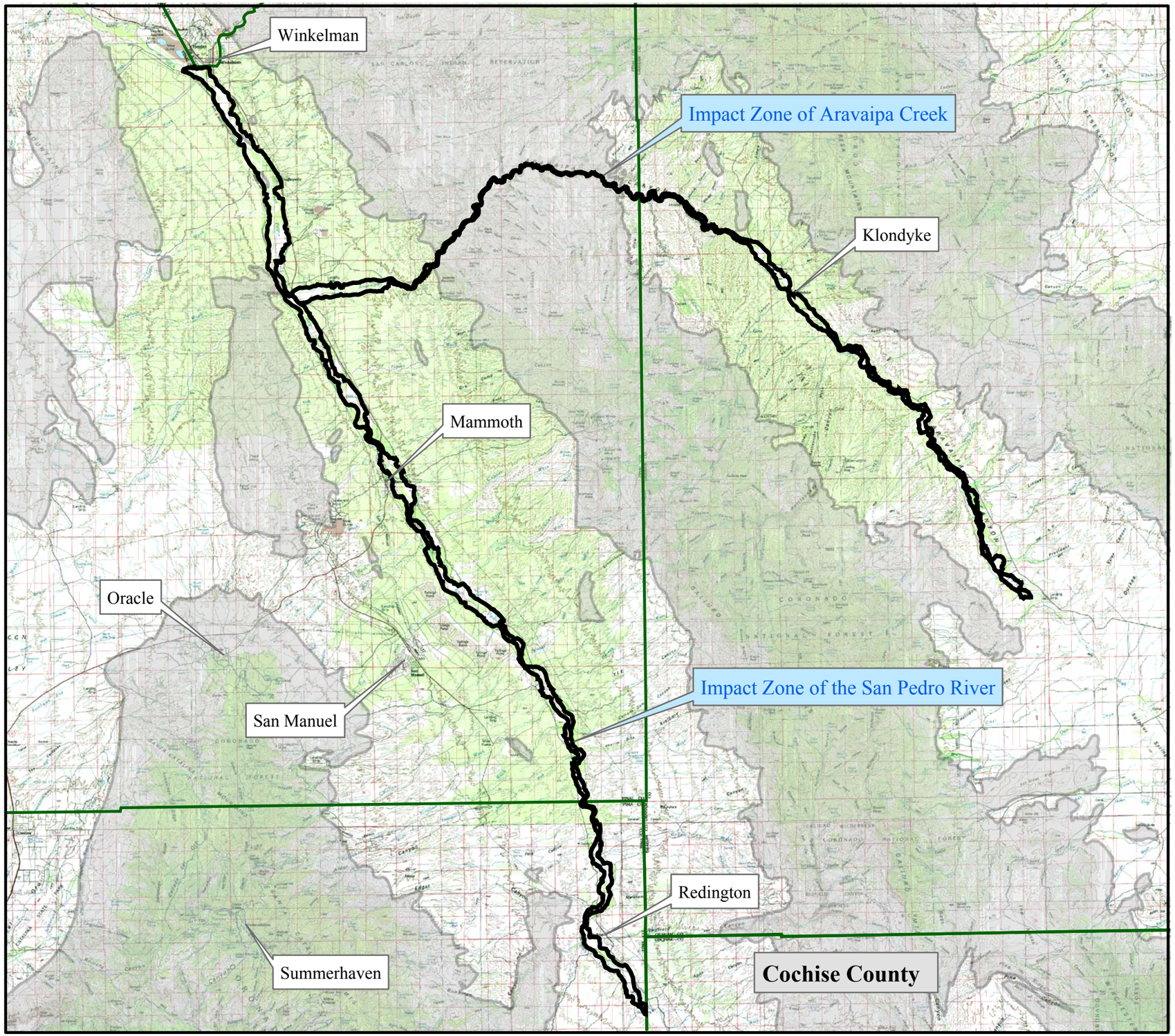
One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Thin black line is the boundary of exposed hard rock (from ADWR)

County boundaries are also shown

Exhibit 2.146B-2
Map of San Pedro Agricultural and New Large Industrial Use Impact Zone
Cochise County, Arizona



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Explanation:

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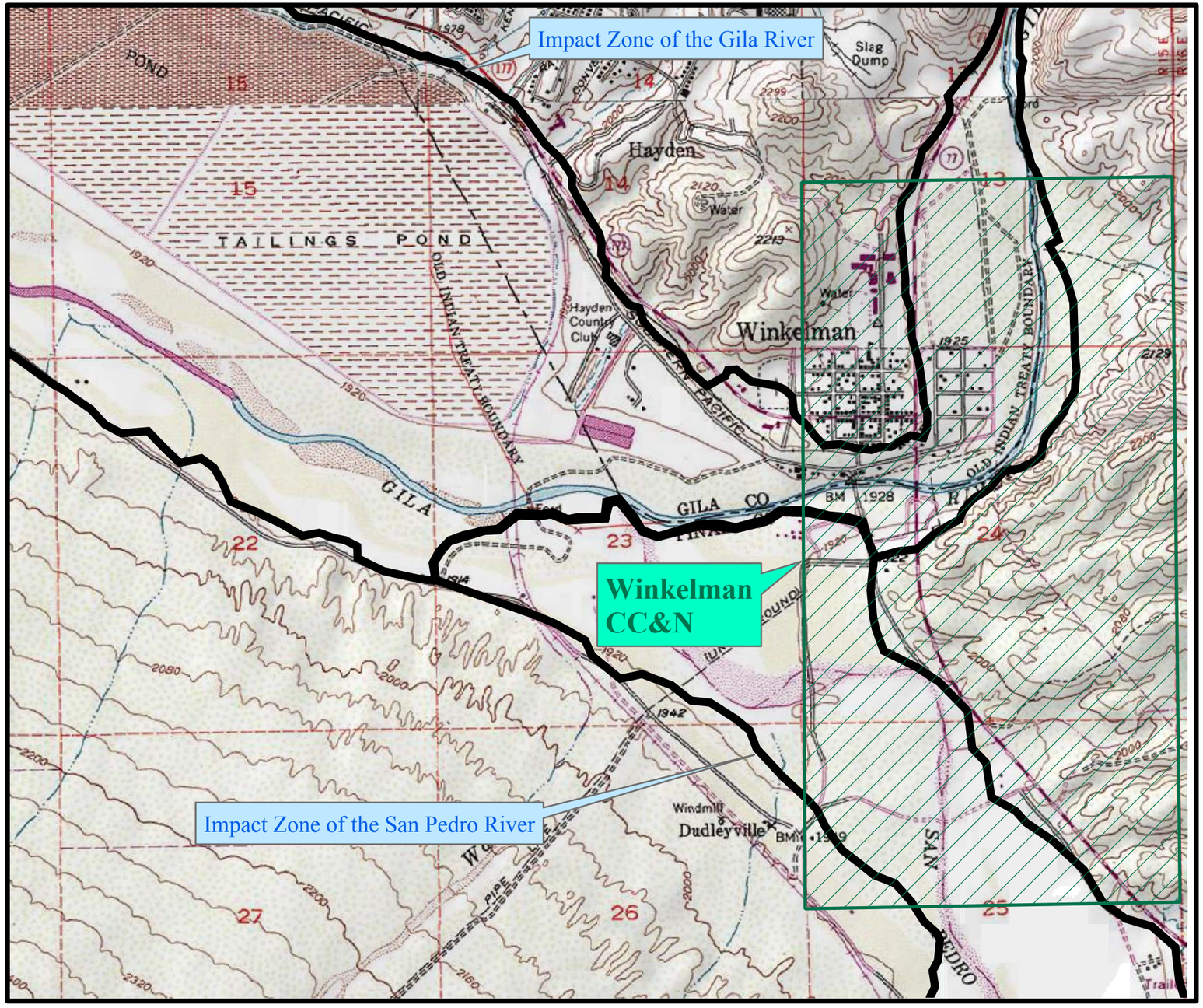
One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River and Aravaipa Creek as interpreted from inspection of Digital OrthoPhoto Quadrangle Quarters (DOQQs)

Light gray shading is the boundary of exposed hard rock (from ADWR)

Exhibit 2.146C-1
Map of San Pedro Municipal & Industrial and Domestic Purposes Impact Zone
Pima, Pinal and Graham Counties, Arizona



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Explanation:

Map Base is from 1:100,000 Scale
USGS Topograpic Quadrangles

One - mile squares are sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila and San Pedro Rivers as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Exhibit 2.188A
Map of Winkelman, Arizona CC&N

EXHIBIT 4.6 A[1]
Post-Buildout Sample Report Required by Subparagraph 4.6

Gila River Indian Community
Compliance with Total Diversion Limitation
(4.2.1 Report)

Current Year Diversions	Acre-feet
Net underground water use	
Net surface water use	
Net CAP water use	
Net reclaimed water use	
Net other water use	
Total current year diversions	
Toka Sticks Trust Land Water Use	
Ten-Year Diversion History	
Current Year	
Y-1	
Y-2	
Y-3	
Y-4	
Y-5	
Y-6	
Y-7	
Y-8	
Y-9	
Total	
Ten-Year Average	

[1] This document reflects a presumption that the Community and Asarco will enter into an agreement providing for the relinquishment of Asarco CAP Water for the benefit of the Community and a subsequent lease and exchange involving such water. If the parties fail to reach such agreement by the Enforceability Date, the Parties agree to amend this Exhibit 4.6A to reflect such failure.

Annual Underground Water Use Report

~~Diversions~~	~~Acre-feet~~
Underground water pumped for use by Community	
Underground water pumped and delivered to others in exchange for other water (4.3.6)	
Total underground water diverted by Community	

~~Deductions~~	
Underground water diverted to alleviate water logging of Reservation lands (4.4.3)	
Underground water that was stored by the Community for others and recovered by or for others pursuant to an IGA with AWBA or ADWR (4.4.7)	
Underground water recovered by the Community from a USF pursuant to an IGA with AWBA or ADWR to the extent the recovered water was treated as Diverted by the Community when stored (4.4.8)	
Total underground water not treated as diverted by Community	

~~Net Underground Water Use (Diversions less Deductions)~~	

Annual 4.1 Surface Water Use Report

Diversions	**Acre-feet**
Globe Equity Decree water diverted by Community	
Haggard Decree water diverted by Community (4.3.1)	
RWCD Surface Water diverted by Community	
SRP Stored Water diverted by Community (4.3.1)	
Surface water delivered to others in exchange for other water (4.3.6)	
Total surface water diverted by Community	

Deductions	
Water diverted from Gila River during a spill at Ashurst-Hayden Dam (4.4.1)	
RWCD Surface Water delivered to Toka Sticks trust land (4.4.17)	
Total surface water not treated as diverted by Community	

Net Surface Water Use	

Annual CAP Water Use Report

Diversions	**Acre-feet**
Community CAP Indian Priority Water diverted by the Community	
HVID CAP Water diverted by the Community	
ASARCO CAP Water diverted by the Community	
RWCD CAP Water diverted by the Community	
New CAP NIA Priority Water diverted by the Community	
Community CAP Indian Priority Water leased to others, except ASARCO (4.3.2)	
HVID CAP Water leased to others, except ASARCO (4.3.2)	
ASARCO CAP Water leased to others, except ASARCO (4.3.2)	
RWCD CAP Water leased to others, except ASARCO (4.3.2)	
New CAP NIA Priority Water leased to others, except ASARCO (4.3.2)	
Community CAP Water leased to ASARCO and withdrawn by ASARCO from the ASARCO Flexibility Account (4.3.2, 11.0)	
Community CAP Water leased to ASARCO that is made available for Diversion by the Community if not withdrawn by ASARCO.(4.3.2, 4.3.8, 11.0)	
Community CAP Water delivered to others in exchange for other water (4.3.6)	
Community CAP Water available for delivery, but not Diverted, leased, deemed Diverted or delivered to others (4.3.3)	
Total CAP water diverted by Community	

Deductions	
Community CAP Exchange Water delivered to Mesa (4.4.5)	
Community CAP Exchange Water delivered to Chandler (4.4.5)	
Community CAP Indian Priority Water delivered to Toka Sticks trust land (4.4.17)	
HVID CAP Water delivered to Toka Sticks trust land (4.4.17)	
ASARCO CAP Water delivered to Toka Sticks trust land (4.4.17)	
RWCD CAP Water delivered to Toka Sticks trust land (4.4.17)	
New CAP NIA Priority Water delivered to Toka Sticks trust land (4.4.17)	
Total CAP water not treated as diverted by Community	
Net CAP Water Use	

Annual Reclaimed Water Use Report

Diversions	**Acre-feet**
Mesa Reclaimed Water available and accepted or required to be accepted by Community (4.3.4)	
Chandler Reclaimed Water available and accepted or required to be accepted by Community (4.3.5)	
Total reclaimed water diverted by Community	

Deductions	
Mesa Reclaimed Water delivered to Toka Sticks trust land (4.4.17)	
Chandler Reclaimed Water delivered to Toka Sticks trust land (4.4.17)	
Total reclaimed water not treated as diverted by Community	

Net Reclaimed Water Use	

Annual Other Water Use Report

Diversions	**Acre-feet**
Water diverted by Community for use on Reservation from sources other than those listed in 4.1 (4.3.7)	
Water in the ASARCO Flexibility Account deemed Diverted per 11.0 (4.3.8)	
Total other water diverted by Community	

Deductions	
Effluent, ag return flows and surface drainage water developed and used on Reservation (4.4.4)	
Effluent purchased or acquired by Community other than pursuant to para. 18 and used on Reservation (4.4.10)	
Surface Water acquired by Community after Effective Date and used for M&I Uses on Reservation, provided on-Reservation M&I use exceeds 20,000 af in that year (4.4.13)	
Surface Water acquired by Community after Effective Date and used for Irrigation Uses on Reservation, subject to conditions set forth in 4.4.14	
Other Surface Water acquired by Community after Effective Date, if approved by Congress and State Legislature (4.4.15)	
Total other water not treated as diverted by Community	

Net Other Water Use	

Other Water Not Treated as Diverted by Community:	
Water received by Community as Replenishment or Southside Replenishment Bank water pursuant to 5.3 or 5.4 (4.4.2)	
Water, other than Reclaimed Water, received by Community in exchange for water from sources listed in 4.1 (4.4.6)	
Water stored by the Community for others pursuant to an IGA with AWBA or ADWR (4.4.7)	
Water recovered by the Community for others pursuant to an IGA with ADWR, to the extent the recovered water was counted as diverted by Community when stored (4.4.8)	
Excess CAP Water delivered to Community for off-Reservation use (4.4.9)	
Excess CAP Water delivered to the Community for storage in an USF pursuant to an IGA with ADWR if treated as Diverted when withdrawn (4.4.11)	
SRP Drain Water that was not counted as SRP Stored Water pursuant to 12.5 (4.4.12)	
Water flowing onto or through Reservation that was not ordered, scheduled or requested for delivery by Community and is not used by Community for M&I, Irrigation, or domestic purposes (4.4.16)	

Gila River Indian Community
Water Budget Accounting

(4.3 Report - Water Treated as Having Been Diverted)

Type of Water	Relevant Paragraph(s)	Acre-Feet
Underground Water Diverted by the Community	4.3.1, 4.3.6, 4.4.3, 4.4.7, 4.4.8, 4.4.17, and 4.5.2	
Globe Equity Decree Water Diverted by the Community	4.3.1and 4.4.1	
Haggard Decree Water Diverted by the Community	4.3.1	
RWCD Surface Water Diverted by the Community	4.3.1, and 4.4.17	
SRP Stored Water Diverted by the Community	4.3.1	
Community CAP Indian Priority Water Diverted by the Community	4.3.1, 4.4.17 and 4.5.1.1	
HVID CAP Water Diverted by the Community	4.3.1, 4.4.17 and 4.5.1.1	
ASARCO CAP Water Diverted by the Community	4.3.1, 4.4.17 and 4.5.1.1	
RWCD CAP Water Diverted by the Community	4.3.1, 4.4.17, and 4.5.1.1	
New CAP NIA Priority Water Diverted by the Community	4.3.1, 4.4.17 and 4.5.1.1	
CAP Water Leased to Others, Except ASARCO	4.3.2 and 4.5.1.2	
Community CAP Water leased to ASARCO and Deemed Diverted by Community	4.3.2, 4.5.1.1 and 11.0	
Community CAP Water available for delivery, but not Diverted, leased, deemed Diverted or delivered to others	4.3.1, 4.3.2, 4.3.3, and 4.3.6	
Mesa Reclaimed Water accepted or required to be accepted by the Community	4.3.4, 4.3.1, and 4.4.17	
Chandler Reclaimed Water accepted or required to be accepted by the Community	4.3.5, 4.3.1 and 4.4.17	
Asarco Flexibility Account Water deemed Diverted by Community	4.3.8 and 11.0	
All water Diverted by the Community from any source other than those listed in 4.1 for use on the Reservation	4.3.7,4.5.1. 1, 4.4.2, 4.4.4, 4.4.6 4.4.9, 4.4.10, 4.4.11, 4.4.12, 4.4.13, 4.4.14, 4.4.15 and 11.0	
Water from Subparagraph 4.1 delivered to others in exchange for other water	4.3.6 and 4.4.5	

Gila River Indian Community
Water Budget Accounting

(4.4 Report - Water Not Treated as Having Been Diverted)

Type of Water	Relevant Paragraph(s)	Acre-Feet
Underground Water diverted to alleviate water logging	4.4.3	
Water Stored for persons other than the Community and recovered by or for persons other than the Community pursuant to IGA with ADWR or AWBA	4.4.7	
Water recovered by the Community from a USF pursuant to IGA with ADWR to the extent the water was counted as Diverted when stored	4.4.8	
Water Diverted During a Spill at Ashurst-Hayden Dam	4.4.1	
Community CAP Exchange Water	4.4.5	
Replenishment or Southside Replenishment Bank water received by the Community	4.4.2, 5.3, and 5.4	
Effluent, agricultural return flows, and any surface drainage water developed and used on the Reservation	4.4.4	
Water received by the Community in exchange for other water made available from the sources listed in 4.1 to persons other than the Community, excluding Reclaimed Water	4.4.6	
Excess CAP Water delivered to the Community for use off the Reservation	4.4.9 and 4.5.1.1	
Effluent purchased or acquired by the Community excluding Reclaimed Water (18.1.1, 18.1.2, 18.1.3, and Exhibit 18.1)	4.4.10	
Excess CAP Water stored for shortage if the recovered Underground Water is counted as Diverted	4.4.11	
SRP Drain Water that was not counted as SRP Stored Water pursuant to 12.5	4.4.12	
Surface Water acquired after the Effective Date pursuant to State severance and transfer laws and used for M&I Uses on the Reservation if and to the extent that on-Reservation use of water for M&I Uses exceeds twenty thousand acre-feet in such Year	4.4.13	
Surface Water acquired after the Effective Date pursuant to State severance and transfer laws and used for Irrigation Uses on the Reservation if the eligible irrigated acreage under the Groundwater Management Act changes.	4.4.14	
Surface Water acquired by Community after Effective Date, if approved by Congress and State Legislature	4.4.15	
Water that was not ordered that flows through the reservation and was not stored or used for irrigation, M&I, or domestic purposes	4.4.16	
Up to 636 AFY provided to Toka Sticks	4.4.17	

EXHIBIT 4.6 B[2]
Pre-Buildout Sample Report Required by Subparagraph 4.6

Gila River Indian Community
Compliance with Total Diversion Limitation
(4.2.1 Report)

Current Year Diversions	**Acre-feet**
Net underground water use	
Net surface water use	
Net CAP water use	
Net reclaimed water use	
Net other water use	
Total current year diversions	
Toka Sticks Trust Land Water Use	
Ten-Year Diversion History	
Current Year	
Y-1	
Y-2	
Y-3	
Y-4	
Y-5	
Y-6	
Y-7	
Y-8	
Y-9	
Total	
Ten-Year Average	

[2] This document reflects a presumption that the Community and Asarco will enter into an agreement providing for the relinquishment of Asarco CAP Water for the benefit of the Community and a subsequent lease and exchange involving such water. If the parties fail to reach such agreement by the Enforceability Date, the Parties agree to amend this Exhibit 4.6B to reflect such failure.

Annual Underground Water Use Report

~~Diversions~~	~~Acre-feet~~
Underground water pumped for use by Community	
Underground water pumped and delivered to others in exchange for other water (4.3.6)	
Total underground water diverted by Community	

~~Deductions~~	
Underground water diverted to alleviate water logging of Reservation lands (4.4.3)	
Underground water that was stored by the Community for others and recovered by or for others pursuant to an IGA with AWBA or ADWR (4.4.7)	
Underground water recovered by the Community from a USF pursuant to an IGA with AWBA or ADWR to the extent the recovered water was treated as Diverted by the Community when stored (4.4.8)	
Total underground water not treated as diverted by Community	

~~Net Underground Water Use (Diversions less Deductions)~~	

Annual 4.1 Surface Water Use Report

Diversions	**Acre-feet**
Globe Equity Decree water diverted by Community	
Haggard Decree water diverted by Community (4.3.1)	
RWCD Surface Water diverted by Community	
SRP Stored Water diverted by Community (4.3.1)	
Surface water delivered to others in exchange for other water (4.3.6)	
Total surface water diverted by Community	

Deductions	
Water diverted from Gila River during a spill at Ashurst-Hayden Dam (4.4.1)	
RWCD Surface Water delivered to Toka Sticks trust land (4.4.17)	
Total surface water not treated as diverted by Community	

Net Surface Water Use	

Annual CAP Water Use Report

Diversions	**Acre-feet**
Community CAP Indian Priority Water diverted by the Community	
HVID CAP Water diverted by the Community	
ASARCO CAP Water diverted by the Community	
RWCD CAP Water diverted by the Community	
New CAP NIA Priority Water diverted by the Community	
Community CAP Indian Priority Water leased to others, except ASARCO (4.3.2)	
HVID CAP Water leased to others, except ASARCO (4.3.2)	
ASARCO CAP Water leased to others, except ASARCO (4.3.2)	
RWCD CAP Water leased to others, except ASARCO (4.3.2)	
New CAP NIA Priority Water leased to others, except ASARCO (4.3.2)	
Community CAP Water leased to ASARCO and withdrawn by ASARCO from the ASARCO Flexibility Account (4.3.2, 11.2, 11.0)	
Community CAP Water leased to ASARCO that is made available for Diversion by the Community if not withdrawn by ASARCO.(4.3.2, 4.3.8, 11.0)	
Community CAP Water delivered to others in exchange for other water (4.3.6)	
Total CAP water diverted by Community	

Deductions	
Community CAP Exchange Water delivered to Mesa (4.4.5)	
Community CAP Exchange Water delivered to Chandler (4.4.5)	
Community CAP Indian Priority Water delivered to Toka Sticks trust land (4.4.17)	
HVID CAP Water delivered to Toka Sticks trust land (4.4.17)	
ASARCO CAP Water delivered to Toka Sticks trust land (4.4.17)	
RWCD CAP Water delivered to Toka Sticks trust land (4.4.17)	
New CAP NIA Priority Water delivered to Toka Sticks trust land (4.4.17)	
Total CAP water not treated as diverted by Community	
Net CAP Water Use	

Annual Reclaimed Water Use Report

Diversions	**Acre-feet**
Mesa Reclaimed Water available and accepted or required to be accepted by Community (4.3.4)	
Chandler Reclaimed Water available and accepted or required to be accepted by Community (4.3.5)	
Total reclaimed water diverted by Community	
Deductions	
Mesa Reclaimed Water delivered to Toka Sticks trust land (4.4.17)	
Chandler Reclaimed Water delivered to Toka Sticks trust land (4.4.17)	
Total reclaimed water not treated as diverted by Community	
Net Reclaimed Water Use	

Annual Other Water Use Report

Diversions	**Acre-feet**
Water diverted by Community for use on Reservation from sources other than those listed in 4.1 (4.3.7)	
Water in the ASARCO Flexibility Account deemed Diverted per 11.0 (4.3.8)	
Total other water diverted by Community	

Deductions	
Effluent, ag return flows and surface drainage water developed and used on Reservation (4.4.4)	
Effluent purchased or acquired by Community other than pursuant to para. 18 and used on Reservation (4.4.10)	
Surface Water acquired by Community after Effective Date and used for M&I Uses on Reservation, provided on-Reservation M&I use exceeds 20,000 af in that year (4.4.13)	
Surface Water acquired by Community after Effective Date and used for Irrigation Uses on Reservation, subject to conditions set forth in 4.4.14	
Other Surface Water acquired by Community after Effective Date, if approved by Congress and State Legislature (4.4.15)	
Total other water not treated as diverted by Community	
Net Other Water Use	

Other Water Not Treated as Diverted by Community:	
Water received by Community as Replenishment or Southside Replenishment Bank water pursuant to 5.3 or 5.4 (4.4.2)	
Water, other than Reclaimed Water, received by Community in exchange for water from sources listed in 4.1 (4.4.6)	
Water stored by the Community for others pursuant to an IGA with AWBA or ADWR (4.4.7)	
Water recovered by the Community for others pursuant to an IGA with ADWR, to the extent the recovered water was counted as diverted by Community when stored (4.4.8)	
Excess CAP Water delivered to Community for off-Reservation use (4.4.9)	
Excess CAP Water delivered to the Community for storage in an USF pursuant to an IGA with ADWR if treated as Diverted when withdrawn (4.4.11)	
SRP Drain Water that was not counted as SRP Stored Water pursuant to 12.5 (4.4.12)	
Water flowing onto or through Reservation that was not ordered, scheduled or requested for delivery by Community and is not used by Community for M&I, Irrigation, or domestic purposes (4.4.16)	

Gila River Indian Community
Water Budget Accounting

(4.3 Report - Water Treated as Having Been Diverted)

Type of Water	Relevant Paragraph(s)	Acre-Feet
Underground Water Diverted by the Community	4.3.1, 4.3.6, 4.4.3, 4.4.7, 4.4.8, 4.4.17, and 4.5.2	
Globe Equity Decree Water Diverted by the Community	4.3.1and 4.4.1	
Haggard Decree Water Diverted by the Community	4.3.1	
RWCD Surface Water Diverted by the Community	4.3.1, and 4.4.17	
SRP Stored Water Diverted by the Community	4.3.1	
Community CAP Indian Priority Water Diverted by the Community	4.3.1, 4.4.17 and 4.5.1.1	
HVID CAP Water Diverted by the Community	4.3.1, 4.4.17 and 4.5.1.1	
ASARCO CAP Water Diverted by the Community	4.3.1, 4.4.17 and 4.5.1.1	
RWCD CAP Water Diverted by the Community	4.3.1, 4.4.17, and 4.5.1.1	
New CAP NIA Priority Water Diverted by the Community	4.3.1, 4.4.17 and 4.5.1.1	
CAP Water Leased to Others, Except ASARCO	4.3.2 and 4.5.1.2	
Community CAP Water leased to ASARCO and Deemed Diverted by Community	4.3.2, 4.5.1.1 and 11.0	
Community CAP Water available for delivery, but not Diverted, leased, deemed Diverted or delivered to others	4.3.1, 4.3.2, 4.3.3, and 4.3.6	
Mesa Reclaimed Water accepted or required to be accepted by the Community	4.3.4, 4.3.1, and 4.4.17	
Chandler Reclaimed Water accepted or required to be accepted by the Community	4.3.5, 4.3.1 and 4.4.17	
Asarco Flexibility Account Water deemed Diverted by Community	4.3.8 and 11.0	
All water Diverted by the Community from any source other than those listed in 4.1 for use on the Reservation	4.3.7,4.5.1. 1, 4.4.2, 4.4.4, 4.4.6 4.4.9, 4.4.10, 4.4.11, 4.4.12, 4.4.13, 4.4.14, 4.4.15 and 11.0	
Water from Subparagraph 4.1 delivered to others in exchange for other water	4.3.6 and 4.4.5	

Gila River Indian Community
Water Budget Accounting

(4.4 Report - Water Not Treated as Having Been Diverted)

Type of Water	Relevant Paragraph(s)	Acre-Feet
Underground Water diverted to alleviate water logging	4.4.3	
Water Stored for persons other than the Community and recovered by or for persons other than the Community pursuant to IGA with ADWR or AWBA	4.4.7	
Water recovered by the Community from a USF pursuant to IGA with ADWR to the extent the water was counted as Diverted when stored	4.4.8	
Water Diverted During a Spill at Ashurst-Hayden Dam	4.4.1	
Community CAP Exchange Water	4.4.5	
Replenishment or Southside Replenishment Bank water received by the Community	4.4.2, 5.3, and 5.4	
Effluent, agricultural return flows, and any surface drainage water developed and used on the Reservation	4.4.4	
Water received by the Community in exchange for other water made available from the sources listed in 4.1 to persons other than the Community, excluding Reclaimed Water	4.4.6	
Excess CAP Water delivered to the Community for use off the Reservation	4.4.9 and 4.5.1.1	
Effluent purchased or acquired by the Community excluding Reclaimed Water (18.1.1, 18.1.2, 18.1.3, and Exhibit 18.1)	4.4.10	
Excess CAP Water stored for shortage if the recovered Underground Water is counted as Diverted	4.4.11	
SRP Drain Water that was not counted as SRP Stored Water pursuant to 12.5	4.4.12	
Surface Water acquired after the Effective Date pursuant to State severance and transfer laws and used for M&I Uses on the Reservation if and to the extent that on-Reservation use of water for M&I Uses exceeds twenty thousand acre-feet in such Year	4.4.13	
Surface Water acquired after the Effective Date pursuant to State severance and transfer laws and used for Irrigation Uses on the Reservation if the eligible irrigated acreage under the Groundwater Management Act changes.	4.4.14	
Surface Water acquired by Community after Effective Date, if approved by Congress and State Legislature	4.4.15	
Water that was not ordered that flows through the reservation and was not stored or used for irrigation, M&I, or domestic purposes	4.4.16	
Up to 636 AFY provided to Toka Sticks	4.4.17	

EXHIBIT 5.3

LEGAL DESCRIPTIONS OF PROTECTION ZONES

Western Protection Zones (including the Western M&I Protection Zone and the Western Municipal Zone, each of which is also separately described**):**

Sections 13, 14, 15, 22, 23, 26, 27, 34 and 35, Township 4 South, Range 2 East, Gila & Salt River Base & Meridian ("G&SRB&M"); and

Sections 2, 3, 10 and 11, Township 5 South, Range 2 East, G&SRB&M; and

Sections 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 34, 35 and 36, Township 4 South, Range 3 East, G&SRB&M; and

Lots 1 and 2, the East one-half (1/2) of the Northwest quarter of Section 18, the Northeast quarter of Section 18 and the North one-half (1/2) of the Southeast quarter of Section 18, Township 4 South, Range 3 East, G&SRB&M; and

The Northeast quarter of Section 19, Township 4 South, Range 3 East, G&SRB&M; and

The Northeast quarter and the East one-half (1/2) of the Northwest quarter of Section 29, Township 4 South, Range 3 East, G&SRB&M; and

The North one-half (1/2) of the Northwest quarter and the Northeast quarter of Section 33, Township 4 South, Range 3 East, G&SRB&M; and

Sections 1, 2, 3, 11 and 12, Township 5 South, Range 3 East, G&SRB&M; and

Sections 18, 19, 27, 28, 29, 30, 31, 32, 33 and 34, Township 4 South, Range 4 East, G&SRB&M; and

The West one-half (1/2) of Section 17, Township 4 South, Range 4 East, G&SRB&M; and

The West one-half (1/2) and the Southeast quarter of Section 20, Township 4 South, Range 4 East, G&SRB&M; and

The South one-half (1/2) of Section 21, Township 4 South, Range 4 East, G&SRB&M; and

The South one-half (1/2) of Section 22, Township 4 South, Range 4 East, G&SRB&M; and

Sections 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, Township 5 South, Range 4 East, G&SRB&M.

Western M&I Protection Zone:

Sections 13, 14, 15, 22, 23, 26 and 27, Township 4 South, Range 2 East, G&SRB&M; and

Sections 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27 and 28, Township 4 South, Range 3 East, G&SRB&M; and

Lots 1 and 2, the East one-half (1/2) of the Northwest quarter of Section 18, the Northeast quarter of Section 18 and the North one-half (1/2) of the Southeast quarter of Section 18, Township 4 South, Range 3 East, G&SRB&M; and

The Northeast quarter of Section 19, Township 4 South, Range 3 East, G&SRB&M; and

The Northeast quarter and the East one-half (1/2) of the Northwest quarter of Section 29, Township 4 South, Range 3 East, G&SRB&M; and

Sections 18, 19, 27, 28, 29, 30, 33 and 34, Township 4 South, Range 4 East, G&SRB&M; and

The West one-half (1/2) of Section 17, Township 4 South, Range 4 East, G&SRB&M; and

The West one-half (1/2) and the Southeast quarter of Section 20, Township 4 South, Range 4 East, G&SRB&M; and

The South one-half (1/2) of Section 21, Township 4 South, Range 4 East, G&SRB&M; and

The South one-half (1/2) of Section 22, Township 4 South, Range 4 East, G&SRB&M; and

Sections 3,10, 11 and 12, Township 5 South, Range 4 East, G&SRB&M.

Western Municipal Protection Zone:

Sections-34 and 35,Township 4 South, Range 2 East, G&SRB&M; and

Sections 2, 3, 10 and 11, Township 5 South, Range 2 East, G&SRB&M; and

The North one-half (1/2) of the Northwest quarter and the Northeast quarter of Section 33, Township 4 South, Range 3 East, G&SRB&M; and

Sections 34, 35 and 36,Township 4 South, Range 3 East, G&SRB&M; and

Sections 1, 2, 3, 11 and 12, Township 5 South, Range 3 East, G&SRB&M; and

Sections 31 and 32, Township 4 South, Range 4 East, G&SRB&M; and

Sections 4, 5, 6, 7, 8, and 9, Township 5 South, Range 4 East, G&SRB&M.

Central Protection Zone:

Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24, Township 5 South, Range 5 East, G&SRB&M; and

Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24, Township 5 South, Range 6 East, G&SRB&M; and

Sections 29, 30, 31and 32 Township 5 South, Range 7 East, G&SRB&M.

Eastern Protection Zones (including the Eastern Protection Zone North and the Eastern Protection Zone South, each of which is also separately described):

Sections 1, 2, 8, 9, 11 and 12, Township 5 South, Range 8 East, G&SRB&M; and

The East one-half (1/2) of Section 3, Township 5 South, Range 8 East, G&SRB&M; and

The South one-half (1/2) of Section 5, Township 5 South, Range 8 East, G&SRB&M; and

The South one-half (1/2) of the Northeast quarter and the North one-half (1/2) of the Southeast quarter of Section 6, Township 5 South, Range 8 East, G&SRB&M; and

The South one-half (1/2) and the South one-half (1/2) of the Northwest quarter and the South one-half (1/2) of the Northeast quarter of Section 7, Township 5 South, Range 8 East, G&SRB&M; and

The South one-half (1/2) and the Northeast quarter and the South one-half (1/2) of the Northwest quarter, Section 10, Township 5 South, Range 8 East, G&SRB&M; and

Sections 13, 14, 23, 24, 25, 26, 35 and 36, Township 4 South, Range 8 East, G&SRB&M; and

The East one-half (1/2) of Sections 15, 22, 27 and 34, Township 4 South, Range 8 East, G&SRB&M; and

Sections 13, 14, 23, 24, 25, 26, 27, 28, 33, 34, 35 and 36, Township 5 South, Range 7 East, G&SRB&M; and

All of Section 12, Township 5 South, Range 7 East, G&SRB&M, excepting therefrom that portion of such Section which is a part of the Reservation as of the Effective Date (as such terms are defined in the Settlement Agreement to which this Exhibit is attached); and

Sections 13, 14, 15, 16, 17, 18 and 19, Township 5 South, Range 8 East, G&SRB&M.

Eastern Protection Zone North:

The North one-half (1/2) of Section 12, Township 5 South, Range 7 East, G&SRB&M, excepting therefrom that portion of such Section which is a part of the Reservation as of the Effective Date (as such terms are defined in the Settlement Agreement to which this Exhibit is attached); and

Sections 1, 2, 8, 9, 11 and 12, Township 5 South, Range 8 East, G&SRB&M; and

The East one-half (1/2) of Section 3, Township 5 South, Range 8 East, G&SRB&M; and

The South one-half (1/2) of Section 5, Township 5 South, Range 8 East, G&SRB&M; and

The South one-half (1/2) of the Northeast quarter and the North one-half (1/2) of the Southeast quarter of Section 6, Township 5 South, Range 8 East, G&SRB&M; and

The South one-half (1/2) and the South one-half (1/2) of the Northwest quarter and the South one-half (1/2) of the Northeast quarter of Section 7, Township 5 South, Range 8 East, G&SRB&M; and

The South one-half (1/2) and the Northeast quarter and the South one-half (1/2) of the Northwest quarter, Section 10, Township 5 South, Range 8 East, G&SRB&M; and

Sections 13, 14, 23, 24, 25, 26, 35 and 36, Township 4 South, Range 8 East, G&SRB&M; and

The East one-half (1/2) of Sections 15, 22, 27 and 34, Township 4 South, Range 8 East, G&SRB&M.

Eastern Protection Zone South:

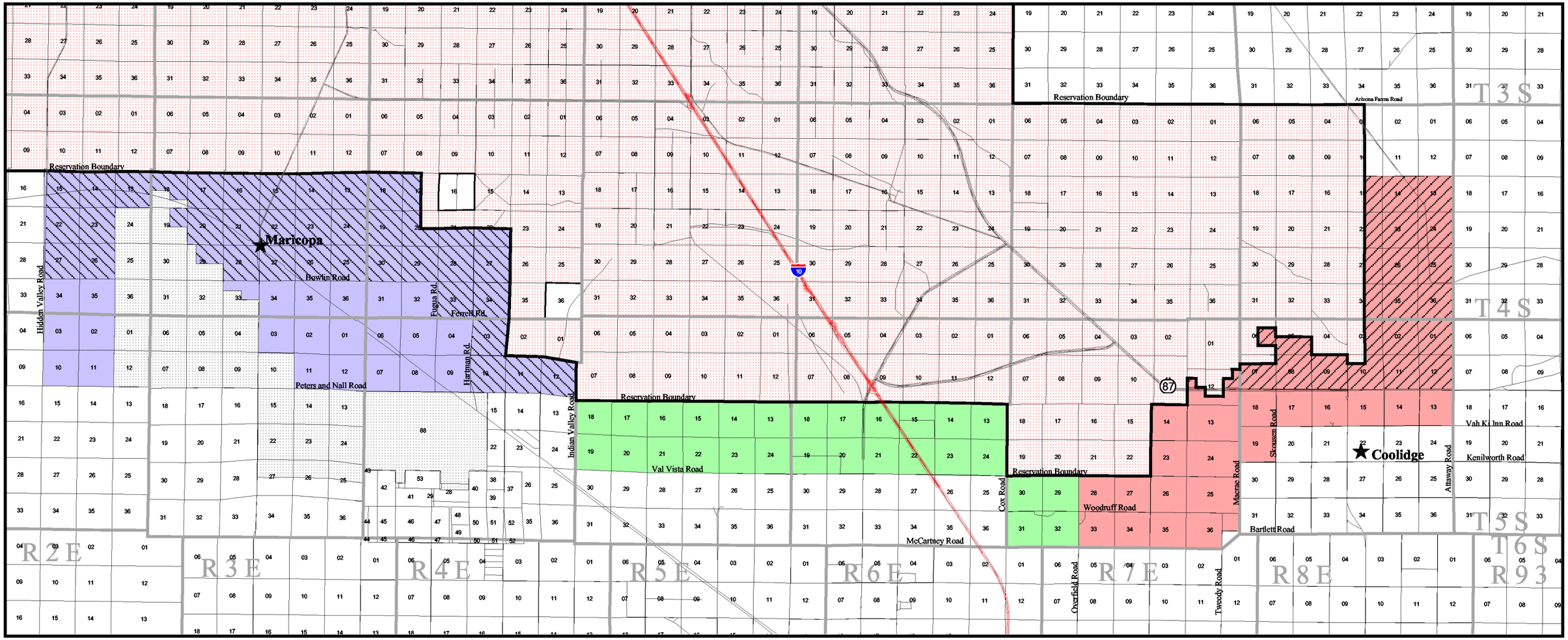
Sections 13, 14, 23, 24, 25, 26, 27, 28, 33, 34, 35, and 36, Township 5 South, Range 7 East, G&SRB&M; and

The South one-half (1/2) of Section 12, Township 5 South, Range 7 East, G&SRB&M, excepting therefrom that portion of such Section which is a part of the Reservation as of

the Effective Date (as such terms are defined in the Settlement Agreement to which this Exhibit is attached); and

Sections 13, 14, 15, 16, 17, 18 and 19, Township 5 South, Range 8 East, G&SRB&M.

Attached to this Exhibit 5.3 is a map that delineates each of the Protection Zones described above. This map is for illustrative purposes only and the definitions of the Protection Zones shall be controlled by the foregoing legal descriptions.



Western Protection Zone Municipal
That portion of land bounded on the South by Peters and Nall Rd., on the East by the Reservation Boundary, on the North by the Reservation Boundary, and on the West by Hidden Valley Rd., not including the Ak-Chin Indian Reservation.

Western Protection Zone Municipal and Industrial
Begin at the Reservation Boundary and Peters and Nall Rd., West to Hartman Rd., North to Ferrell Rd., West to Fugua Rd., North to Bowlin Rd., West to Hidden Valley Rd., North to Reservation Boundary, not including the Ak-Chin Indian Reservation.

Central Protection Zone
Begin at Reservation Boundary and Overfield Rd., South to McCartney Rd., West to Cox Rd., North to Val Vista Rd., West to Indian Valley Road, North to Reservation Boundary.

Eastern Protection Zone North
Begin at Reservation Boundary and Arizona Farms Rd., East to Attaway Rd., South to Hwy 87, West to Macrae Rd., North to Reservation Boundary.

Eastern Protection Zone South
Begin at Reservation Boundary and Macrae Rd., South to Hwy 87, East to Attaway Rd., South to Vah Ki Inn Rd., West to Skousen Rd., South to Kenilworth Rd., West to Macrae Rd., South to Bartlett Rd., West to Tweedy Rd., South to McCartney Rd., West to Overfield Rd., North to Val Vista Rd. (Reservation Boundary).

EASTERN PROTECTION ZONES
- Eastern Protection Zone South
- Eastern Protection Zone North

WESTERN PROTECTION ZONES
- Western Municipal Protection Zone
- Western Municipal and Industrial Protection Zone
- Central Protection Zone

Reservations
- Gila River Indian Reservation
- Ak-Chin Indian Reservation
- Sections
- Townships
- Cities

N

0 1 2 3 4 Miles

March 25, 2002

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

Southside M&I Groundwater Protection Zones

" Part of Exhibit 5.3"

Data analysis and Map Composition by:
GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

Exhibit 5.4.1.1

MSIDD/BOR Agreement

EXHIBIT NUMBER

AGREEMENT BETWEEN MARICOPA-STANFIELD IRRIGATION
& DRAINAGE DISTRICT
and
BUREAU OF RECLAMATION, DEPARTMENT OF INTERIOR
ON BEHALF OF THE UNITED STATES OF AMERICA

This agreement is entered into this 28th day of June, 1996, by and between the Maricopa-Stanfield Irrigation & Drainage District (District) and the Bureau of Reclamation, Department of Interior (Reclamation) on behalf of the United States of America.

Whereas, on the 21st day of November, 1983 , the District entered into a repayment contract (contract number 4-07-30-W0047) with the United States (Repayment Contract) for the repayment of funding of an irrigation distribution system (with an estimated repayment of $78 million) to facilitate the delivery of Central Arizona Project (CAP) water to member lands, and

Whereas, the District issued private bonds in order to provide for its required twenty percent (20%) share of the cost of construction of the distribution system, and

Whereas, the District has made semi-annual payments in the amount of $450,000 each during the first 4.5 years of the repayment period, and

Whereas, severe economic downturns in irrigated agriculture during the last few years has reduced payment capacity of agricultural operations, placing the District on the verge of Bankruptcy, and

Whereas the District previously sought relief from payment of two semi-annual payments due to the United States on August 1, 1995, and February 1, 1996, and

Whereas, Reclamation granted a deferral, on July 7, 1995, of the payments which were due on August 1, 1995, and February 1, 1996, until August 1, 1996, in order to provide time for working out the terms of restructuring of all existing District debt, and

Whereas, Reclamation completed a re-evaluation of the payment capacity of District lands and found a substantial reduction in ability to pay, compared with the ability to pay used in the original Repayment Contract, and

Whereas, the District has requested a restructuring of the payments associated with the Repayment Contract with the United States over an extended period of years, and

Whereas, the District and Reclamation believe that the restructure of the Repayment Contract debt will facilitate an appropriate similar action of restructuring by the private bondholders of the private bond debt, and

Whereas, the District is willing to provide groundwater pumping restrictions, as witnessed herein, to the United States in return for debt restructuring, in order to avoid seeking such restructuring in Federal bankruptcy proceedings,

Now, Therefore, the parties agree, promise, and covenant as follows:

1. Distribution System Debt to the United States and its Repayment. The total cost of the District CAP distribution system is estimated to be $97,500,000, plus interest during construction and accrued interest, if applicable. The estimated cost is based upon a Federal share of $78,000,000 and District contribution of $19,500,000. Reclamation shall work with the District to determine the final total project cost which includes both the Federal expenditures and required 20 percent contribution by the District, which are determined to be allowable project costs.

Once the total project cost is jointly finalized, Reclamation will so notify the District, in writing. Said notification shall indicate both the actual total repayment obligation of the District and the allowable project costs which can be applied to the District's contribution requirement.

As of the date of this agreement, the District has made payments in the amount of $4,050,000 toward the total repayment of the maximum Federal expenditure.

Should the amount determined to be expended by Reclamation exceed $78,000,000, a statement and itemization of the cost overruns will be submitted to the District. The amount of the cost overrun will be added to total obligation to be paid, thereby extending the repayment period.

Once the final cost of the project has been jointly determined, the minimum required District contribution will be re-calculated and a bill for collection for any shortfall of the District 20 percent share will be submitted to the District for payment as specified in paragraph 9.

A. Payment of the outstanding balance will be accomplished over 39 years in accordance with the schedule attached as Exhibit A. The District shall cause to be levied a tax on the lands within the District pursuant to A.R.S. §§48-3112 et seq. for purposes of raising the revenue necessary for payment of the debt. The amount of the per acre tax levy for payment of the Repayment Contract debt shall be the sum of $3.00 per acre for the first 5 years, $4.00 per acre for years 6 through 10, $5.00 per acre for year 11, estimated to be $6.86 for year 12, estimated to be $27.00 for year 13, and $30.00 from year 14 until the Repayment Contract debt is paid in full.

B. The District agrees to pledge all uncollected tax revenues (except for well lease payment revenues) to the United States for all tax years prior to 1995 (Delinquent Taxes), subject to any rights of the owners of any district Series 1989 Refinancing Bonds that are defeased pursuant to the restructure plan for such bonds, to such delinquent taxes in the event of a failure of the escrow established for such bonds. The District shall use its best efforts to effect the collection of delinquent taxes within a reasonable time-frame. Upon collection, these taxes will be paid to the United States to reduce the Repayment Contract debt, unless the United States agrees that said funds should be expended in the extinguishment or transfer of flexibility account credits as provided for in paragraph 4. In addition, the District will contribute

the funds necessary, when added to the delinquent taxes collected, to provide a total payment of $1,000,000, said additional funds to be paid within 60 days of the effective date of this Agreement.

C. Reclamation shall have the right to conduct payment capacity studies at five year intervals to determine any increases in the payment capacity of the District. In the event that the District is utilizing less than one hundred percent of its payment capacity for water costs, including purchasing of water, reduction of its Repayment Contract debt and bond debt, Reclamation shall have the right to increase the payments required to be made to the United States to an amount which, when added to the payments being made to the Bondholders, and other water costs, equals one hundred percent of the District's payment capacity.

2. Groundwater Pumping Restrictions. The District agrees that, until the Repayment Contract debt to the United States is paid in full, the following restrictions shall apply to all wells (Wells) owned and/or leased by the District and to groundwater pumped by the District:

A. Under no circumstances shall the District pump more than 250,000 acre feet of groundwater from the Wells on all lands in the District in any calendar year.

B. The District shall reduce the 250,000 acre feet of pumping in an amount of one acre foot for each acre foot of CAP water offered to the District, at usable times, at a cost not exceeding the Cost of Pumping, as defined in paragraph 2.G., plus ten percent, up to a maximum reduction of 100,000 acre feet. The limits provided for in this paragraph 2.B. shall, however, be subject to the minimum pumping provision set forth in paragraph 2.C. below.

C. In addition to paragraph 2.B. above, in the event the District is offered, at usable times, CAP water at a cost not exceeding its Cost of Pumping, as defined in paragraph 2.G., the District shall utilize such water for all its needs except that the District may pump up to 30,000 acre feet for meeting its general distribution requirements plus such quantities as are required to meet its needs regarding (1) the amount of water necessary to service landholders or lands within the District's boundaries which are ineligible for CAP water under the provisions of the Reclamation Reform Act, as amended, and (2) the amount of water necessary to service those lands within the District's boundaries that are eligible to receive only full cost water under federal law. Nothing in this paragraph shall, however, permit the District to exceed the limit set forth in paragraph 2.A.

D. Any groundwater pumped from the Wells or the lands to which the Wells and their related grandfathered water rights are appurtenant shall be considered as groundwater pumped by the District from the Wells for purposes of this Agreement, regardless of whether the groundwater is pumped by the District for its own use, by the District for the use by its members or others, or by any other party, and regardless of whether the groundwater pumped is considered to be groundwater, CAP water, or

any other type of water under Arizona, Federal, or other law. If parties other than the District pump groundwater considered under this Agreement to be groundwater pumped from the Wells, such groundwater shall be included within the pumping limits set forth above. Provided, however, that the recovery by the Central Arizona Water Conservation District (CAWCD) of stored water credit rights it may currently have, if any, or the recovery by any entity of future stored water credit rights, if such stored credits were counted as pumped groundwater under this Agreement at the time of storage, shall not be considered groundwater pumped by the District or be included within the pumping limits set forth above.

E. If the District in the future shall acquire any additional wells or rights to pump water, whether acquired outright, by well leases, by the drilling of new or replacement wells or otherwise, those wells shall be considered Wells for purposes of this agreement.

F. Except in those cases where the Wells are to be utilized for non-irrigation purposes, the District shall use its best efforts to not permit any of the leases for the Wells to terminate nor shall it assign those leases or any rights or privileges to pump groundwater from the Wells or from the lands to which the related grandfathered water rights are appurtenant before the Repayment Contract debt to the United States has been fully repaid as set forth in paragraph 1.A. In the event the District permits any of the leases for the Wells to terminate for purposes of retirement of the land from irrigation and utilization of the Wells by the landowner, or others, for non-irrigation purposes, the 250,000 acre foot limit set forth above shall be reduced by an amount equal to the new water allotment of the land so converted pursuant to A.R.S. §45-469 or as the statute may be amended in the future.

G. For purposes of this Agreement, "cost of pumping" shall mean the District's total energy cost plus the cost of operating, maintaining and repairing the Wells and the pump tax, for those Wells actually in production for the preceding three calendar years divided by the total groundwater pumped during the same period. Cost and pumping figures shall be reported to Reclamation annually and may be independently confirmed by Reclamation's review of the District's records.

H. The District shall submit to Reclamation annual water use reports which are submitted to the Arizona Department of Water Resources (ADWR) showing all water pumped, used, and/or delivered by the District during the year along with sources and quantities, with particular detail relative to the amounts, and areas, of groundwater pumped.

3. <u>CAP In Lieu Water Purchases</u>. CAP in-lieu water, as defined in A.R.S. §45-851.5, purchased by the District, if any, shall count as groundwater against the pumping limits set forth above. If the District purchases CAP in-lieu water, but no recharge and recovery permit is applied for or granted by ADWR, such water shall be counted as ordinary CAP water and not considered to be groundwater for the purpose of this agreement. By entering into this Agreement, the United States does not consent to or approve

any CAP in-lieu agreement. If in-lieu credits accrue to CAWCD or the State of Arizona through the ADWR program, the District is not opposed to the United States attempting to secure the credits for Federal purposes.

4. Groundwater Flexibility Credits. If requested by Reclamation, the District shall seek to obtain present and future flexibility credits to be extinguished or transferred to the United States, as state law may allow, with the following provisions:

A. The District shall utilize its best efforts to obtain from its landowner inhabitants, at a cost not to exceed $1.00 per acre foot, extinguishment or transfer to the United States of Flexibility Account Credits (Flex Credits) accrued by said landowners pursuant to A.R.S. §45-467. For each acre foot of Flex Credits transferred or extinguished, the District shall be allowed to defer the payment of $5.00 on the repayment of the Repayment Contract debt to Reclamation. The total amount so deferred shall be paid in equal annual payments over the period of repayment in years 13 through 39.

B. The obligation of Reclamation to seek transfer or extinguishment of Flex Credits shall be optional on the part of Reclamation and participation shall be optional for any or all District landowners.

C. The cost to the District for transfer or extinguishment of the Flex Credits shall be deducted from the Delinquent Taxes assigned to Reclamation as required in paragraph 1.B.

5. Reduction of Pumping Near Indian Reservation Boundaries. The District agrees to operate its water supply and delivery system in such a manner that the pumping of groundwater within the District from lands which are near the boundaries of Indian Reservations is reduced greater than overall District pumping reductions. With regard to specific reservations the following is agreed to:

A. Ak Chin Reservation. District lands completely surround the Reservation on all sides and a complete and final settlement of all water rights has been consummated, therefore, there is no groundwater pumping restriction associated with the Ak Chin Reservation.

B. Tohono O'odham Reservation. The District agrees to limit groundwater pumping within a specified area next to the Tohono O'odham Reservation boundary so that a maximum depth to the static groundwater table is not exceeded. The District agrees to limit groundwater pumping in this area to a maximum of 2,500 acre feet annually. A map, attached as Exhibit B, delineates the area of restriction or the sub-basin. The implementation of this restriction will be based upon measurement of indicator wells in the area. The number of indicator wells will not exceed 15. Specific indicator wells will be mutually agreed upon between the District and Reclamation. Depth to static groundwater measurements shall be taken during February of each year. Measurements will be accomplished by District staff and at District expense. The base indicator year will be 1997 with depth to groundwater measurements

beginning February 1st of that year. Changes in depth to groundwater will be based upon a 4-year rolling average. Depth to groundwater measurements during 1993, 1994, 1995, and 1996, if any, will constitute the initial beginning data. The District will convey the results of all past measurements in that area of District lands between the Tohono O'odham Reservation boundary and Interstate 8 to Reclamation as soon as practicable, but no later than the execution of the amendment to the Repayment Contract. Reclamation and the District shall mutually agree upon the base depth to groundwater, but if no agreement is reached by the execution of the amendment to the Repayment Contract, the base depth shall be calculated as the average of 15 indicator wells. In the event the rolling 4-year average depth to static groundwater shows an increased depth to groundwater, the District shall adjust pumping patterns in the District so as to correct the depth to groundwater back to the agreed upon base depth. If CAP water is unavailable, in a given year, at any price, the District may temporarily meet its delivery requirements to this area with pumps as part of the total limitation of 2.A. above, even if the depth to groundwater increases. Under no other circumstances may the District pump more than the limitation set forth above in any calendar year. In the event of restricted availability of CAP water, this area shall have first priority for delivery of CAP water over all other areas in the District. The intent is to maximize, as far as physically practicable, the application of surface water in place of groundwater pumping.

C. Gila River Reservation. A sub-basin shall be identified which includes lands within two miles of the Gila River Reservation boundary. A map with the boundaries of the sub-basin delineated is attached as Exhibit C. The District agrees that pumping from these lands, so identified, shall be restricted to 23,000 acre feet annually, whenever CAP water is available to the District at a price not exceeding District Cost of Pumping plus 10 percent, as defined in paragraph 2.G. If CAP water is available only at a cost greater than the District Cost of Pumping, as defined in paragraph 2.G., the restriction of pumping in the sub-basin shall be 30,000 acre feet annually. This higher pumping restriction, 30,000 acre feet annually, shall be applicable whenever CAP water is available at any price, above the District Cost of Pumping plus 10 percent. Under no circumstances shall the District pump more than this amount in any calendar year in the sub-basin, except, on a temporary basis, when CAP water is unavailable at any price. If CAP water is unavailable at any price, the District may temporarily meet its total average requirements with pumps as part of the total limitation of 250,000 acre feet. Under no other circumstances may the District pump more than these amounts in this sub-basin in any calendar year.

D. Nothing in paragraph 5 shall constitute an admission on the part of the District and its landowners that the pumping of groundwater from the Wells has or has had any adverse impact on any Indian reservation. The District is agreeing to the limitations in paragraph 5 solely to facilitate a debt restructure agreement with the United States outside of bankruptcy. Nor shall this agreement affect the ability of any Indian tribe or the United States, whether in its own right, or as

trustee for an Indian tribe or allottee, to seek relief against the District for groundwater trespass claims. Neither shall this agreement effect in any way, a compromise by the Tribes or the United States on any groundwater trespass claim.

6. Allocation of Santa Rosa Canal Costs. The District and Reclamation agree to an allocation of costs associated with the construction of the Santa Rosa Canal. For Santa Rosa "A", the costs are shared on the basis of (1) District, 61.88 percent, (2) Central Arizona Irrigation and Drainage District, 5.19 percent and (3) United States, 32.93 percent. For Santa Rosa "B" the costs are shared on the basis of (1) District, 38.96 percent and (2) United States, 61.04 percent. Agreement as to the total construction costs to be so allocated is outside the scope of this Agreement and will be mutually determined apart from this agreement.

7. Deferral of Repayment Contract Debt to Private Bond Debt. Reclamation is willing, as part of the Repayment Contract debt repayment restructuring, to defer a portion of the original scheduled payments on the Repayment Contract debt, in order to facilitate restructuring and repayment of the private bond obligations. The intended amount of deferral is shown on the revised repayment schedule which is attached as Exhibit A. In the event that tax revenues, in any year, decrease to the point where there are insufficient revenues to service both the bond debt and the Repayment Contract debt, Reclamation agrees that revenues may first be applied to the bond debt, with residual amounts applied to the Repayment Contract debt. Any such shortages so realized will be added to the outstanding payments over the balance of the repayment period after full repayment of the private bond debt. The maximum period which Reclamation agrees to bear any shortages, and defer, due to insufficient tax revenues, is 12 years from the date of this Agreement. Reclamation shall have first call on any payment of delinquent taxes in order to offset any shortages borne due to earlier insufficient tax revenues, subject to any rights of the owners of any District Series 1989 Refinancing Bonds that are defeased pursuant to the restructure plan for such bonds, to such delinquent taxes in the event of a failure of the escrow established for such bonds. In the event of District bankruptcy, this deferral provision becomes null and void and of no effect, at the option of Reclamation. Implementation of this Agreement does not constitute an admission by Reclamation with regard to the legal priority of debt between the United States and any other creditor.

8. Reserve Fund Requirements. Article 13 of the Repayment Contract is hereby amended to provide that the amount which the District is required to deposit in the Reserve Fund shall be $500,000. This amount shall be maintained with accrued interest, or other revenues, so that the total amount of the fund shall be equal to or more than $500,000 in "real" terms, based upon 1996 dollars. Increases in the fund shall be maintained in accordance with changes in the implicit price deflator of U.S. gross national product so as to equal the purchasing power of $500,000 in 1996. The District reserves the right to use whatever revenues are available to maintain the required level in the Reserve Fund. In the event of district emergency which severely depletes the reserve fund, the District shall rebuild the fund at the rate of $40,000 annually until the required level has been achieved.

9. District's Contribution to Total System Construction Costs. Once the final total cost of the distribution system has been determined, and agreed to between the District and Reclamation, the minimum District contribution required by the Repayment Contract will be re-calculated. In the event that such finally determined contribution requirement is greater than the amount of contributions actually made by the District, and allowed by Reclamation, the District shall be responsible for paying the balance of the contribution due to the United States. Such required payment may be by either: (1) The District paying the balance of the contribution due within 30 days of receipt of a bill for collection from the United States, or (2) The District paying the balance of the contribution due at the rate of $250,000 annually, including interest at the rate of 7 percent per year, until fully paid, beginning one year following notification of the balance due. The District's continued use of the distribution system for the delivery of water shall be contingent upon meeting the obligation to pay the United States the balance of any required contribution.

10. Modification of the District Repayment Contract. An amendment which modifies the District Repayment Contract shall be executed incorporating the changes specified in this Agreement. Except as specifically modified by this Agreement, the terms and conditions of the Repayment Contract shall remain in full force and effect.

11. Enforcement. It is the intention of the parties hereto that this Agreement may be enforced only by the parties hereto and not by any party claiming to be a third party beneficiary hereof. This agreement may be enforced by either party through a lawsuit for appropriate relief in the United States District Court.

12. Miscellaneous. This Agreement shall be contingent upon the approval of the majority of the acreage represented by the District's landowners participating in a landowner election which will be conducted in accordance with the District's acreage system of voting. A court validation proceeding will be initiated by the District. However, such court validation shall not be required for this agreement to be legally binding upon the United States and the District. The effective date of this agreement shall be the date of execution as set forth in the first paragraph. In the event of District bankruptcy or failure of the bondholder restructuring plan, this entire agreement becomes null and void, and of no effect, at the option of Reclamation. The District agrees, that in the event of District bankruptcy proceedings, the District will not use any of the provisions of this agreement as the basis for any claims in such proceedings.

In Witness Whereof, the parties hereto have executed this agreement as of the day and year first above written.

Legal Review and Approval

By: _____
Field Solicitor
Phoenix, Arizona

THE UNITED STATES OF AMERICA

By: _____
Regional Director
Lower Colorado Region
Bureau of Reclamation

MARICOPA-STANFIELD IRRIGATION
& DRAINAGE DISTRICT

ATTEST:

_____
Secretary

By: _____
President

Exhibit A. MARICOPA STANFIELD IRRIGATION AND DRAINAGE DISTRICT
Scheduled Repayment of 9(d) Obligation for Construction of CAP Distribution System
(dollars) (based upon 86,471 acres assessable)

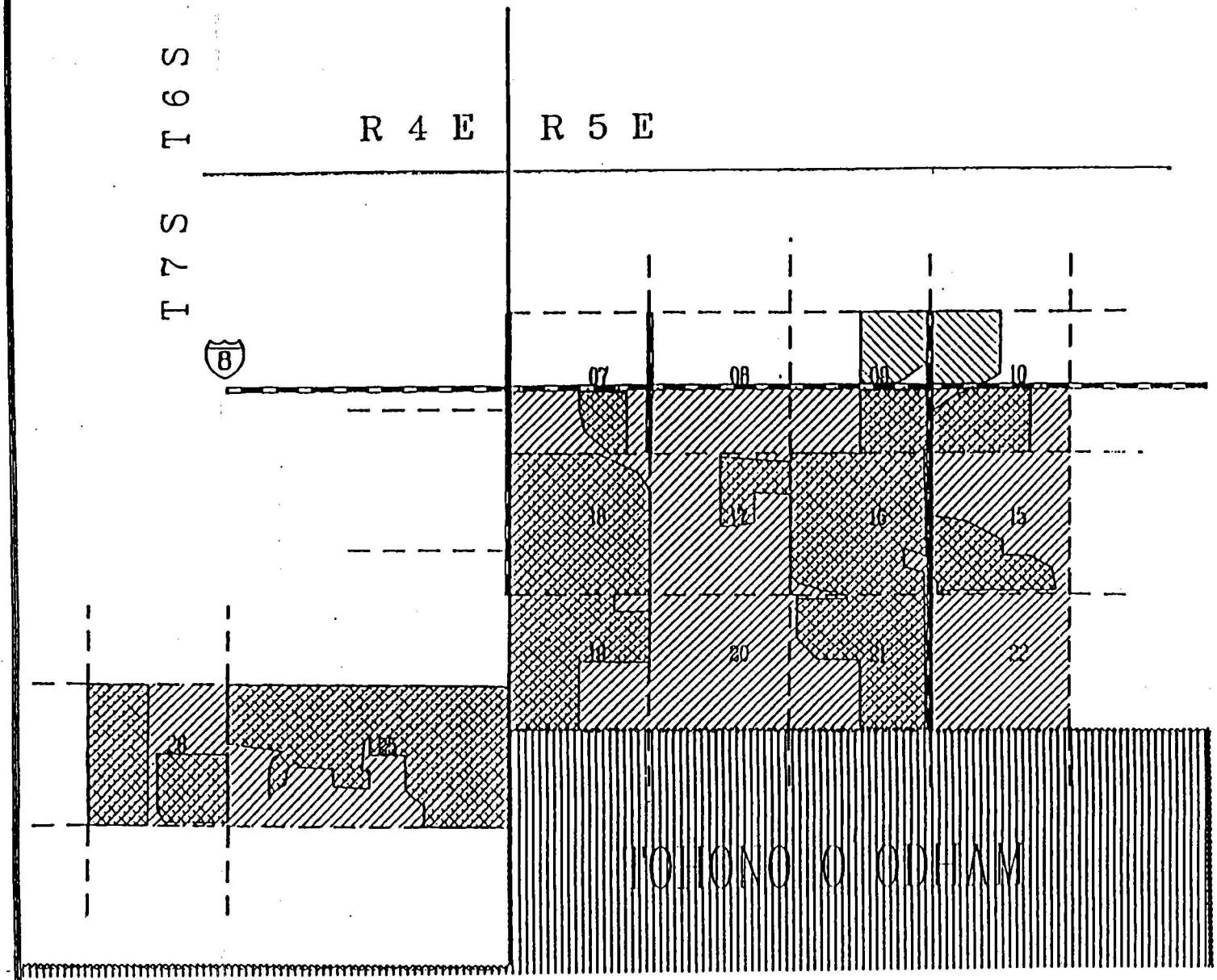
Year	Contract Schedule	Principal Balance	Assessment Rate (per acre)	Revised Schedule	Principal Balance	
		78,000,000			78,000,000	
1991	900,000	77,100,000		900,000	77,100,000	
1992	900,000	76,200,000		900,000	76,200,000	
1993	900,000	75,300,000		900,000	75,300,000	
1994	900,000	74,400,000		900,000	74,400,000	
1995	900,000	73,500,000		450,000	73,950,000	
1996	900,000	72,600,000		1,000,000	72,355,369	594,631
1997	973,000	71,627,000	3.00	259,413	72,095,956	see notes
1998	973,000	70,654,000	3.00	259,413	71,836,543	
1999	973,000	69,681,000	3.00	259,413	71,577,130	
2000	973,000	68,708,000	3.00	259,413	71,317,717	
2001	4,284,000	64,424,000	3.00	259,413	71,058,304	
2002	4,284,000	60,140,000	4.00	345,884	70,712,420	
2003	4,284,000	55,856,000	4.00	345,884	70,366,536	
2004	4,284,000	51,572,000	4.00	345,884	70,020,652	
2005	4,284,000	47,288,000	4.00	345,884	69,674,768	
2006	4,284,000	43,004,000	4.00	345,884	69,328,884	
2007	4,284,000	38,720,000	5.00	432,355	68,896,529	
2008	4,284,000	34,436,000	6.86	593,504	68,303,025	
2009	4,284,000	30,152,000	27.00	2,334,717	65,968,308	
2010	4,284,000	25,868,000	30.00	2,594,130	63,374,178	
2011	4,284,000	21,584,000	30.00	2,594,130	60,780,048	
2012	4,284,000	17,300,000	30.00	2,594,130	58,185,918	
2013	4,284,000	13,016,000	30.00	2,594,130	55,591,788	
2014	4,284,000	8,732,000	30.00	2,594,130	52,997,658	
2015	4,284,000	4,448,000	30.00	2,594,130	50,403,528	
2016	4,448,000	0	30.00	2,594,130	47,809,398	
2017			30.00	2,594,130	45,215,268	
2018			30.00	2,594,130	42,621,138	
2019			30.00	2,594,130	40,027,008	
2020			30.00	2,594,130	37,432,878	
2021			30.00	2,594,130	34,838,748	
2022			30.00	2,594,130	32,244,618	
2023			30.00	2,594,130	29,650,488	
2024			30.00	2,594,130	27,056,358	
2025			30.00	2,594,130	24,462,228	
2026			30.00	2,594,130	21,868,098	
2027			30.00	2,594,130	19,273,968	
2028			30.00	2,594,130	16,679,838	
2029			30.00	2,594,130	14,085,708	
2030			30.00	2,594,130	11,491,578	
2031			30.00	2,594,130	8,897,448	
2032			30.00	2,594,130	6,303,318	
2033			30.00	2,594,130	3,709,188	
2034			30.00	2,594,130	1,115,058	
2035			30.00	1,115,058	0	
Total	78,000,000			77,405,369		
	27,086,840	Present value at 7 percent to 1991.		14,788,428		

Old

New

notes: Under the revised repayment schedule, the amount of $1,000,000 for 1996 is a target. The actual realized payment is dependent upon the rate of receipt of delinquent taxes. The added $594,631 amount shown in 1996 is an amount requiring accounting resolution. This added amount is not expected to be repaid during 1996, but is entered here in order to reconcile this schedule with the audited District accounts. Actual total repayment during the repayment period is contingent upon determination of final actual total project costs. What is fixed is the annual payments during 1997 - 2008.

EXHIBIT B



MAJOR HIGHWAY

SECTION LINES

TOWNSHIP RANGE

RESERVATION BOUNDARY

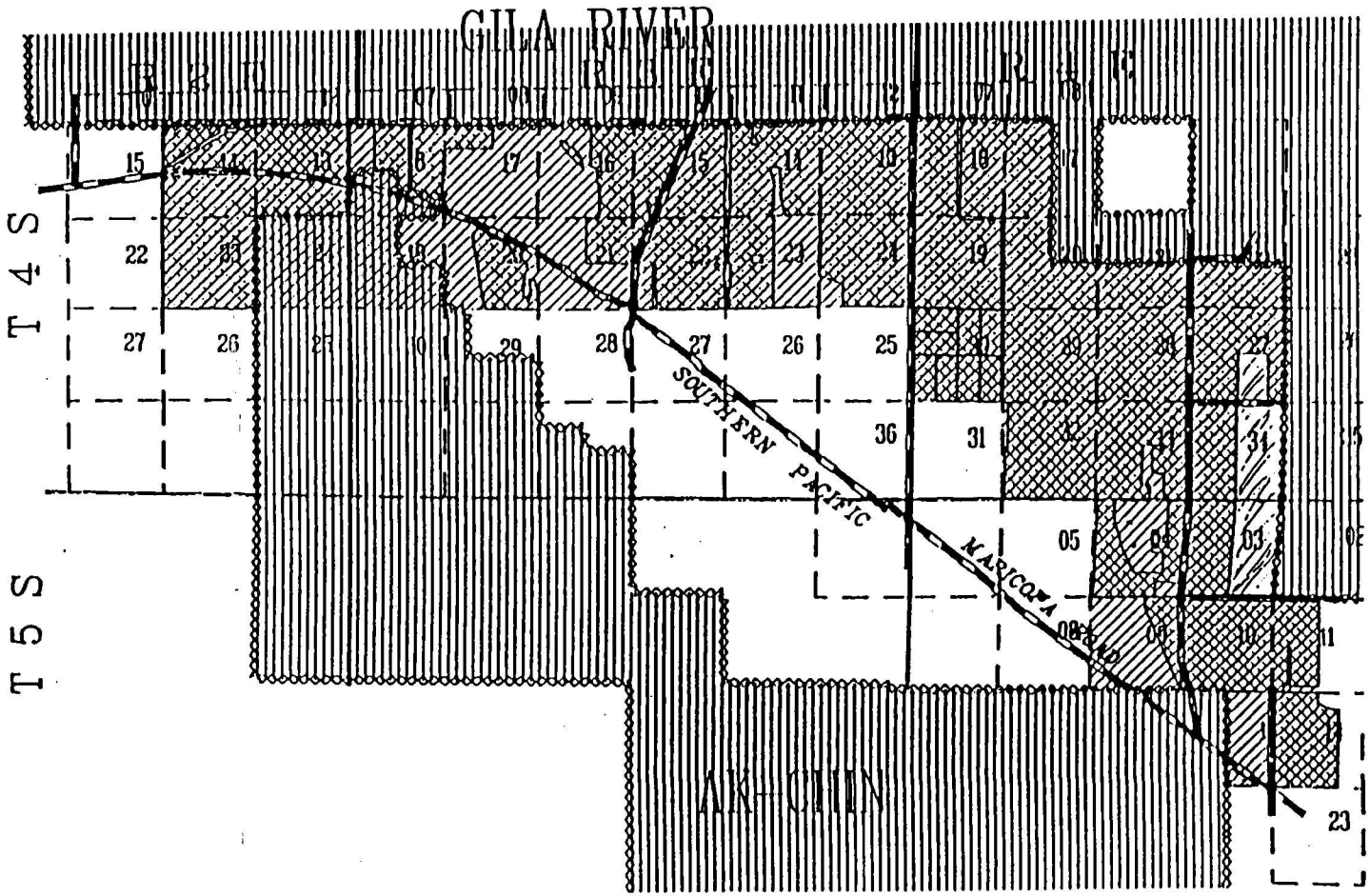
RESERVATION LANDS

SUB-BASIN

CAP ELIGIBLE LANDS WITHIN SUB-BASIN
4164.4 acres

MAP SCALE 1:63360
ONE INCH = ONE MILE

EXHIBIT C



MAJOR HIGHWAY

SECTION LINES

TOWNSHIP RANGE

RESERVATION BOUNDARY

RESERVATION LANDS

SUB-BASIN

CAP ELIGIBLE LANDS WITHIN SUB-BASIN
15,145 acres

MAP SCALE 1:112500
ONE INCH = 1.77 MILES

Final Execution Version
October 21, 2005

Exhibit 7.2

An Amendment to and Restatement of the Agreement Between the United States and the Salt River Valley Water Users' Association Concerning Pumping Water for Maricopa Indians on the Gila River Indian Reservation

This Amendment and Restatement, dated as of December 21, 2005, to the Agreement between the United States of America and the Salt River Valley Water Users' Association, a corporation organized and existing under the laws of the Territory, now the State of Arizona, dated May 5, 1936, is between the United States of America (hereinafter referred to as the "United States"), the Gila River Indian Community (hereinafter referred to as the "Community"), the Salt River Valley Water Users' Association (hereinafter referred to as the "Association"), and the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State of Arizona (hereinafter referred to as the "District"). The Association and the District are hereinafter jointly referred to as the "Salt River Project" or "SRP."

WITNESSETH:

THAT WHEREAS, the United States and the Association entered into that Agreement dated May 5, 1936, for the pumping of water for the Maricopa Indians on the Gila River Indian Reservation, as modified by that supplemental letter of agreement and understanding dated April 30, 1968, and any and all agreements supplemental thereto, hereinafter referred to as the "Maricopa Contract" or "Contract"; and

WHEREAS, the representatives of the United States of America, the State of Arizona; the Gila River Indian Community; the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Roosevelt Irrigation District; the

Arizona Water Company; the Arizona Cities of Casa Grande, Chandler, Coolidge, Glendale, Goodyear, Mesa, Peoria, Phoenix, Safford, Scottsdale and Tempe; the Arizona towns of Duncan, Florence, Gilbert, Kearny, and Mammoth; the Franklin Irrigation District; the Gila Valley Irrigation District; the Maricopa-Stanfield Irrigation & Drainage District; the Central Arizona Irrigation & Drainage District; the San Carlos Irrigation and Drainage District; the Hohokam Irrigation and Drainage District; the Arlington Canal Company; the Buckeye Irrigation Company, the Buckeye Water Conservation and Drainage District; the Central Arizona Water Conservation District; Phelps Dodge Corporation; and the Arizona Game and Fish Commission have agreed that the rights to water of the Gila River Indian Community, its Members, and Allottees shall be permanently settled through the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement dated as of _____, 2005, as authorized by the Gila River Indian Community Water Rights Settlement Act of 2004, P.L. 108-451, 118 Stat. 3478 (2004). hereinafter referred to as the "Settlement Agreement;" and

WHEREAS, as part of the Settlement Agreement, the United States, the Community, and the Salt River Project (hereinafter, "the parties to this Contract") agree to amend and restate the Maricopa Contract.

NOW THEREFORE, in consideration of the premises and the promises and agreements hereinafter set forth, the parties to this Contract agree that capitalized terms shall have the same meaning as provided in the Settlement Agreement and agree to amend and restate the Maricopa Contract, in its entirety, as follows:

Article I. SRP to equip, operate and maintain pumping station.

SRP agrees to equip (equipment shall include a good and efficient pump), at its cost and expense, a pumping plant on the Maricopa Drain at a point adjacent to the boundary of the Gila River Indian Reservation and SRP shareholder lands adequate to pump a minimum flow of four hundred (400) miners' inches. The pumping plant shall be known as the "Maricopa Drain Booster" or the "Booster" and is currently located in the southeast quarter of the southeast quarter of Section 35, Township 1 North, Range 1 East.

SRP further agrees that it shall maintain and operate said Booster as nearly as practicable on demand of the Community, or the United States on behalf of the Community for the production of water to be used for the irrigation of Indian lands as described in the Haggard Decree.

Article II. SRP to pump without cost to make up deficiency in flow of three hundred twenty four (324) miners' inches.

SRP shall furnish the power and operate the Booster as above described, without cost to the United States, or the Community, to the extent necessary to provide three hundred twenty four (324) miners' inches continuous flow or its equivalent. It is the intention of the parties to this Contract that SRP shall, during the life of this Contract, furnish all necessary facilities for making available sufficient water to be pumped from the Maricopa Drain to provide three hundred twenty four (324) miners' inches, as above defined, without cost to the United States or the Community. The United States, the Community, its Members, and Allottees shall accept delivery of water under the terms of this Contract in lieu of water to which they are entitled under the Haggard Decree and in full satisfaction of said rights.

SRP shall pump through the Booster up to five thousand nine hundred (5,900) AFY of water without cost to the United States or the Community, its Members, and Allottees, which amount of water is approximately the annual acre-foot equivalent of three hundred twenty four (324) miners' inches continuous flow. At the end of each Year, an audit of water pumped by SRP shall be made. If the United States or Community ordered, in the manner prescribed in this Contract, more water than SRP pumped during the Year in response to such order, and that amount pumped is less than five thousand nine hundred (5,900) AFY, then SRP shall be deemed out of compliance with this Contract. The extent of non-compliance shall be the difference between the amount of water so ordered, up to five thousand nine hundred (5,900) AFY, and the amount of water pumped in response to such order. SRP shall cure such non-compliance during the following Year by delivery of such amount of water ordered by the Community, up to five thousand nine hundred (5,900) AFY of water plus an additional amount of water equal to the extent of non-compliance, without charge to the Community, its Members, Allottees, or the United States. No damages of any kind shall be realized by the Community, its Members, Allottees, or the United States on their behalf for such amount of water pumped less than five thousand nine hundred (5,900) AFY during any Year of non-compliance provided SRP cures such non-compliance as provided in this article. However, if SRP fails to pump sufficient water to meet its full obligation under this Contract during the following Year, including the delivery of the additional amount of water required to cure the preceding Year's non-compliance, then SRP shall (1) accurately calculate the difference between the total amount of water that should have been delivered during the previous two years and the amount of water that was actually delivered during the previous two Years (hereinafter referred to as the "deficiency"), (2) within thirty (30)

days after the end of the Year, notify the Community of the deficiency, and (3) immediately credit to the Community's Current Account established pursuant to Paragraph 12.3 of the Settlement Agreement an amount of SRP stored water that is equal to the deficiency. Such credited SRP stored water shall be subject to the same terms and conditions as is the SRP Stored Water described in Paragraph 12.0 of the Settlement Agreement, except that such water shall not be subject to delivery charges, fees, or costs.

Except as provided in the preceding paragraph, if the amount of water pumped during the Year is in excess of five thousand nine hundred (5,900) AFY, the Community shall pay for the electrical power used in pumping such excess water at the rate provided in Article IV and such water shall not be debited against the Community's right to order and receive water under this Contract; provided, however, such excess water shall be included as water Diverted by the Community under Paragraph 4.0 of the Settlement Agreement.

Article III. Community or United States on its behalf to take all water when Booster operates.

Inasmuch as the Booster will have a fixed capacity of approximately four hundred (400) miners' inches, the Community or the United States on its behalf agree to take the full output of the Booster for the benefit of said lands when the Booster is operated in accordance with Article I.

Article IV. Community or United States on its behalf to pay for power used to pump all excess water.

For all water pumped pursuant to this Contract by SRP for delivery on order to the Indian lands in excess of five thousand nine hundred (5,900) AFY, except for water delivered to cure non-compliance in accordance with Article II, the Community or the United States on its behalf

herein agree to pay SRP, as soon as legally possible after the rendering of statements by SRP, for all power used in connection with supplying such excess water at a rate per kilowatt hour as established in the Salt River Project Agricultural Improvement and Power District's Electric Rate Schedule E-47 for Agricultural Pumping Service, or any future rate which is the lowest rate per kilowatt hour at that time being charged by SRP for similar service.

It is further also agreed that neither the Community or the United States on its behalf shall be obligated to pay a greater rate for power hereunder than will correspond to the expenditure of two (2) kilowatt hours of electrical energy for pumping one-acre-foot of water one-foot in height.

Article V. SRP to install proper measuring equipment and structures.

SRP shall pay for, install, maintain and test standard recording watt-hour meters in accordance with its general practice on the Salt River Project, as the same have been or may be approved by the Secretary of the Interior of the United States.

SRP shall also pay for and install a measuring device of type and construction in accordance with generally accepted engineering practice for the determination of water discharged from the Booster at all times, and shall maintain the Booster at reasonable efficiency, in accordance with modern installation.

Article VI. Measurement and place of use of water pumped.

The water pumped in accordance with the terms hereof shall be measured and delivered at the Booster.

Article VII. Force majeure.

SRP shall not be liable for failure to pump water as provided herein when its failure results from war, acts of God, accidents or other causes beyond its control. SRP agrees to use the same diligence afforded its other customers in restoring services so interrupted.

Article VIII. SRP to have possession of the Maricopa Drain Booster and appurtenances.

SRP shall have full and exclusive possession and control of the Booster and appurtenances during the life of this Contract.

It is mutually understood and agreed that the representatives and authorized agents of the United States or the Community shall at all reasonable times have access to SRP records pertaining to the Booster, and shall have the right, on paying the expense thereof, to make or have made special water or power measurements or tests of measuring devices. In case of a dispute as to the adequacy of SRP's measuring devices, SRP shall make corrections therein to comply with any written directions issued by the Secretary of the Interior.

Article IX. Term of Contract.

It is mutually agreed that, except as may be agreed upon between the parties to this Contract, this Contract shall endure so long as SRP, its successors or assigns continue to operate the Salt River Project. The Community's acceptance of such water under this Contract in lieu of its rights to 5,863 acre-feet of Salt River water under the Haggard Decree in full satisfaction of said rights shall not be deemed or construed in any manner to extinguish any right to water thereunder.

Article X. Settlement of controversial matters.

The execution of this Contract is intended as a compromise and settlement of the disputes between SRP and the Community, its Members, and Allottees, and the United States on their behalf in this matter and the fulfillment by SRP of the obligations hereby assumed shall be accepted as a complete settlement of the dispute over SRP's liability in connection with the alleged depletion of the Salt River water supply for irrigation of Indian lands as described in the Haggard Decree. In consideration of this amended and restated Contract, the Community, on behalf of itself and its Members, and the United States on behalf of the Community, its Members, and Allottees are executing the waivers and releases of claims attached as Exhibits 25.2, 25.3, 25.4, 25.5, 25.6, 25.7, 25.8, and 25.9 to the Settlement Agreement.

Article XI. Member of Congress clause.

No member of, or delegate to the Congress, or resident commissioner shall be admitted to any share or part of this Contract, or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Contract if made with a corporation for its general benefit.

Article XII. Successors.

It is intended that this Contract shall inure to the benefit of and be binding upon SRP and its successors and assigns, the Community, its Members, Allottees, and the United States on their behalf. The benefits, including delivery of water, provided to the Community, its Members, and Allottees, and the United States on their behalf under this Contract, as amended and restated, shall not be assignable or transferable by the Community, its Members, Allottees, or the United States on their behalf, and any such attempted assignment or transfer shall be void.

Article XIII. Water orders.

SRP shall make available, upon order by the Community, sufficient water for a maximum annual Diversion of five thousand nine hundred (5,900) AFY at the location of the SRP delivery point on the Maricopa Drain to satisfy the rights of the United States, the Community, its Members, and Allottees under the Haggard Decree. SRP shall not be obligated to provide more than three hundred twenty four (324) miners' inches of water on average over any eight (8)-day period. However, the Community may order additional water up to the capacity of the Booster as provided in Article I, and SRP shall deliver the additional water to the extent that it deems, in its sole and absolute discretion, that such additional water is available. The Booster shall be turned on and turned off by SRP upon order made directly to SRP's Booster operator by the representative of the Community, who shall be that person designated in writing to SRP by the Community. Unless otherwise agreed to in writing by SRP, the Community shall provide all orders and any changes to orders of Maricopa Contract water in writing to SRP at least seventy-two (72) hours in advance of any order.

The Community shall not be entitled to delivery of any water from SRP under the Maricopa Contract during any canal dry up or at any time when emergencies, maintenance or repair of the SRP water delivery system preclude water deliveries to the Community. SRP shall notify the Community on the same basis as SRP shareholders of future water delivery system dry ups and as soon as practicable of any emergencies, maintenance, or repairs that may interrupt deliveries to the Community. Such interruptions or curtailments of the ability of the Community to take delivery of water from SRP shall be at the sole discretion of SRP. However, where possible, SRP shall schedule such interruptions or curtailments in such a manner as to best

practicably serve the intent of this Contract. The United States and the Community agree to hold SRP harmless against any liability for damages occurring on the Gila River Indian Reservation by reason of such interruptions or curtailments.

Article XIV. Reports.

SRP shall send monthly statements of water deliveries to representatives designated by the Community and the United States.

Article XV. Water quality.

SRP neither guarantees nor warrants to the United States, the Community, its Members, and Allottees the quality of water provided to the Community pursuant to this Contract, and SRP shall not be required to purify or otherwise treat the water delivered by SRP to meet applicable water quality standards established by Federal, State or local authorities.

SRP shall cooperate with appropriate State and Federal regulatory agencies in their enforcement of water quality related regulations related to water quality against persons or entities whose actions have resulted in degradation of SRP water supplies. SRP shall also use its best efforts to restrict point source discharges to the SRP water delivery and drainage system to entities possessing such discharge permits as may be required by state or federal law. The pendency of an application for such a permit shall be regarded as the possession of such a permit for the purposes of this Article XV.

Article XVI. Change of delivery point or change of Booster location.

The location of the delivery point for water provided by SRP under this Contract or the location of the Maricopa Drain Booster may be changed to a point near the Maricopa Drain in the northeast quarter of the northeast quarter of Section 2, Township 1 South, Range 1 East. In

the future, other changes in location of the delivery point or Booster shall only be established by mutual agreement of the Community, the United States, and SRP. Provided, however, that all relocation costs associated with such changes in delivery points or Booster location shall be paid by the Community or the United States on its behalf.

Article XVII. No further obligation by SRP to equip, operate and maintain groundwater well.

SRP shall have no further obligation to equip, operate and maintain the groundwater well or replacement well(s) drilled by the United States as provided in the original Maricopa Contract. On the Enforceability Date, SRP shall transfer ownership of all SRP pumping equipment associated with the well to the Community or the United States on its behalf; provided, however, that the Community, its Members, and Allottees, and the United States on their behalf shall accept the equipment in the condition in which it exists as of the date of transfer.

In Witness whereof the parties hereto have caused this Amendment and Restatement of the Maricopa Contract to be Executed as of the day and year first above written.

THE UNITED STATES OF AMERICA

By: _____ Secretary of the Interior _____ Date

GILA RIVER INDIAN COMMUNITY

By: _____ Governor _____ Date

Attest:_____

Approved as
To Form:_____
General Counsel

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

By: _____ President

_____
Date

Attest:_____
Secretary

Approved as
To Form:_____

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By: _____ Governor

_____
Date

Attest:_____
Secretary

Approved as
To Form:_____

Final Execution Version
October 21, 2005

EXHIBIT 8.1

Contract No. 6-07-30-W0345
Amendment No. 1

UNITED STATES
BUREAU OF RECLAMATION
DEPARTMENT OF THE INTERIOR

AMENDMENT NO. 1 TO MASTER CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY FOR REPAYMENT OF CONSTRUCTION COSTS AND OPERATION, MAINTENANCE, AND REPLACEMENT OF A WATER DISTRIBUTION SYSTEM

CENTRAL ARIZONA PROJECT

1. PREAMBLE: THIS AMENDMENT NO. 1 TO CONTRACT NO. 6-07-30-W0345 is made between the UNITED STATES OF AMERICA, ("United States") acting through the Bureau of Reclamation, for and on behalf of the Secretary and the GILA RIVER INDIAN COMMUNITY ("Community") on this 15th day of May, 2006, pursuant to the Reclamation Act of June 17, 1902 (32 Stat.388), and acts amendatory thereof or supplementary thereto, including but not limited to the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885, 43 U.S.C. §1501), as amended, the Arizona Water Settlements Act (118 Stat.3478) ("Settlement Act"), the various authorities and responsibilities of the Secretary of the Interior ("Secretary"), in relation to Indians and Indian tribes as contained in Title 25 U.S.C. and 43 U.S.C. § 1457, and the Gila River Indian Community Water Rights Settlement Agreement ("Settlement Agreement"). The United States and the Community are sometimes hereinafter collectively called "Parties".

WITNESSETH, THAT:

2. EXPLANATORY RECITALS:

2.1 WHEREAS, on July 20, 1998, the Parties entered into a contract entitled "Master Contract Between the United States and the Gila River Indian Community for Repayment of

Construction Costs and Operation, Maintenance, and Replacement of a Water Distribution System", bearing Contract No. 6-07-30-W0345 and hereinafter referred to as the "Master Contract", for the purpose of, among other things, combining into one document the provisions, terms, and conditions for construction, repayment, operation, maintenance, and replacement of the Project Works;

2.2 WHEREAS, the Master Contract contains defined terms in Article 3, and the Parties intend to use certain defined terms from the Master Contract in this Amendatory Contract and to designate the use of such terms by capitalizing the first letters of any defined terms;

2.3 WHEREAS, the Settlement Act provides, among other things, that the Capital Costs of the Project Works are non-reimbursable; and

2.4 WHEREAS, the Master Contract provides for repayment of certain Capital Costs by the Community, and the Parties desire to enter into this Amendatory Contract to conform the Master Contract with the terms and conditions of the Settlement Act to provide that the Capital Costs are non-reimbursable;

NOW THEREFORE, in consideration of the covenants herein contained, it is agreed as follows:

3. AMENDMENT TO MASTER CONTRACT:

3.1 Subarticles 3.8 and 3.9 are deleted in their entirety from the Master Contract. The remaining defined terms in the Master Contract shall be unchanged and shall retain their same number designation.

3.2 Subarticle 4.1 is deleted in its entirety and replaced with the following:

4.1 The purpose of this Master Contract is to combine into one document the provisions, terms, and conditions for construction and OM&R of the Project Works.

3.3 Subarticle 4.2 is deleted in its entirety and replaced with the following:

4.2 Pursuant to the terms and conditions of this Master Contract, the Community agrees to OM&R the Project Works at no cost to the United States.

3.4 Article 6 of the Master Contract is deleted in its entirety and replaced with the following:

6. REPAYMENT OF CONSTRUCTION COSTS: The Capital Costs of the Project Works are non-reimbursable.

3.5 Subarticle 9.5 of the Master Contract is deleted in its entirety and replaced with the following:

9.5 No water will be made available to the Community through Project Works during any period in which the Community may be in arrears in the advance payment of any OM&R charges due the United States under section 11.1.7 of the Master Contract.

3.6 Subarticle 10.2.1 of the Master Contract and Exhibits IV and V to the Master Contract are hereby deleted in their entirety.

3.7 Subarticle 14.0 of the Master Contract is hereby deleted in its entirety.

3.8 Subarticle 31.0 of the Master Contract is amended by deleting all text after "In accordance with" and inserting the following in its place: "section 106(c) of the Arizona Water Settlements Act of 2004, P.L. 108-451, the Reclamation Reform Act of 1982 (43 U.S.C. 390aa et seq.) and any other acreage limitation or full cost pricing provisions of Federal law shall not apply to land located within the exterior boundaries of the Gila River Indian Reservation (as that term is defined in the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement), or land held in trust by the United States on behalf of the Gila River Indian Community.

4. OTHER PROVISIONS:

4.1 In all other respects, the Master Contract remains in full force and effect.

4.2 This Amendment No. 1 to the Master Contract shall become effective upon the "Enforceability Date" set forth in section 207(c) of the Settlement Act.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 to Master Contract No. 6-07-30-W0345 the day and Year first above written.

THE UNITED STATES OF AMERICA

By: _____
Robert W. Johnson
Regional Director

Legal Review and Approval

By: _____
Field Solicitor
Phoenix, Arizona

GILA RIVER INDIAN COMMUNITY

By: _____
Richard Narcia
Governor

Legal Review and Approval

By: _____
General Counsel

ATTEST:

By: _____
Secretary

Contract No. 6-07-30-W0345

UNITED STATES
BUREAU OF RECLAMATION
DEPARTMENT OF THE INTERIOR

MASTER CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY FOR REPAYMENT OF CONSTRUCTION COSTS AND OPERATION, MAINTENANCE, AND REPLACEMENT OF A WATER DISTRIBUTION SYSTEM

CENTRAL ARIZONA PROJECT

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Contract No. 6-07-30-W0345

UNITED STATES
BUREAU OF RECLAMATION
DEPARTMENT OF THE INTERIOR

MASTER CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY FOR REPAYMENT OF CONSTRUCTION COSTS AND OPERATION, MAINTENANCE, AND REPLACEMENT OF A WATER DISTRIBUTION SYSTEM

CENTRAL ARIZONA PROJECT

1. PREAMBLE: THIS MASTER CONTRACT, made this 20th day of July, 1998, pursuant to the Reclamation Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885, 43 U.S.C. § 1501), as amended, hereinafter referred to as the "Basin Project Act," all collectively hereinafter referred to as "Federal Reclamation Law," and the Leavitt Act approved July 1, 1932 (47 Stat. 564), and the various authorities and responsibilities of the Secretary of the Interior, hereinafter referred to as the "Secretary," in relation to Indians and Indian tribes as contained in Title 25 U.S.C. and 43 U.S.C., section 1457, between the UNITED STATES, acting through the Bureau of Reclamation, hereinafter referred to as "Reclamation," for and on behalf of the Secretary, and the GILA RIVER INDIAN COMMUNITY, hereinafter referred to as "Community," with its headquarters at Sacaton, Arizona; the United States and the Community are each individually sometimes hereinafter called "Party" and sometimes collectively called "Parties";

WITNESSETH, THAT:

2. EXPLANATORY RECITALS:

2.1 WHEREAS, the Basin Project Act provides, among other things, that for the purposes of furnishing irrigation and municipal and industrial water supplies to water deficient areas of

Arizona and western New Mexico through direct diversion or exchange of water, for control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project (CAP);

2.2 WHEREAS, construction of CAP has progressed to the point where it is physically possible to deliver CAP Water to the Community;

2.3 WHEREAS, the Community and the United States executed Contract No. 1-07-30-W0023, dated September 30, 1981, amended by Contract No. 6-07-30-W0157, dated June 2, 1987, pursuant to the Small Reclamation Projects Act (SRPA), for the primary purpose of lining canals and laterals;

2.4 WHEREAS, the Community and the United States executed SRPA Contract No. 6-07-30-W0129, dated June 18, 1986, as amended by Contract No. 6-07-30-W0157, dated June 2, 1987, and as amended by Amendment No. 2 to Contract No. 6-07-30-W0129, dated March 4, 1996, for the construction, rehabilitation and betterment of the Community's Sacaton Ranch South Irrigation System (SRSIS) ;

2.5 WHEREAS, on May 3, 1990, the Community and the United States entered into a distribution system repayment and operation, maintenance, and replacement (OM&R) contract, Contract No. 0-07-30-W0244, for the initial CAP delivery facility known as the Pima Lateral Interconnect or Feeder Canal;

2.6 WHEREAS, the Community received from the Secretary an allocation of 173,100 acre-feet of water per Year from CAP for irrigation purposes, and the Community and the Department of the Interior entered into Water Delivery Contract No. 3-07-30-W0284, dated October 22, 1992, for delivery of such water for irrigation of the Gila River Indian Reservation (Reservation) land;

2.7 WHEREAS, Article 6(f) of Water Delivery Contract No. 3-07-30-W0284 provides for a separate contract for OM&R of CAP distribution works, the appointment of a distribution

works operating agent, the setting and collection of appropriate charges for the OM&R of the distribution works, and for repayment of the cost thereof;

2.8 WHEREAS, by letter dated April 4, 1995, to the Gila River Farms Board, the Assistant Secretary - Water and Science directed that repayment of $621,500 of the Community's SRPA loan repayment obligation, under Contract No. 6-07-30-W0129, as amended, be deferred pursuant to the Leavitt Act (25 U.S.C. § 386(a));

2.9 WHEREAS, the Community and the United States executed SRSIS Repayment and OM&R Contract No. 5-07-30-W0328, dated September 15, 1995, which provided for the rehabilitation and further development of the SRSIS distribution system, including SRSIS Phase 2 facilities to deliver CAP Water to Laterals L-3 and L-4, for the Reservation lands;

2.10 WHEREAS, Article 17 of Contract No. 5-07-30-W0328 requires the negotiation and execution of a master repayment and OM&R contract that (1) supersedes and replaces Contract No. 5-07-30-W0328 and Contract No. 0-07-30-W0244; (2) provides for repayment and OM&R of all distribution system components built or anticipated to be built with CAP funds; (3) encompasses certain CAP distribution system facilities constructed with SRPA loan funds under Contract No. 6-07-30-W0129, as amended, and makes provision for performance of OM&R of such facilities; and (4) addresses other issues, including, but not limited to, payment capacity determinations, and establishment of procedures to administer the Master Contract as its terms and provisions are affected by the Leavitt Act and § 402 of the Basin Project Act;

2.11 WHEREAS, Reclamation, by letter to the Community dated June 8, 1996, pursuant to Section 7 of Public Law 103-435, provided for reimbursement to the Community of $1,842,205 for repayment of construction costs incurred by the Community for certain distribution system facilities deemed to be CAP facilities, under Contract No. 1-07-30-W0023, as amended;

2.12 WHEREAS, the Community and Reclamation executed Letter Agreement No. 5-07-30-W0328-LA, dated February 6, 1997, providing for the inclusion of the Mile Post 4 Pump Station into the SRSIS ;

2.13 WHEREAS, the Community and Reclamation agree that it is desirable to execute a Master Contract to comply with the provisions of Article 17, Contract No. 5-07-30-W0328, which Master Contract shall constitute the entire OM&R and repayment agreement between the Community and the United States for the Community's CAP distribution system;

2.14 WHEREAS, the execution of this Master Contract will satisfy the requirements of subarticle 6(f) of the Water Delivery Contract No. 3-07-30-W0284 for the entire distribution system;

2.15 WHEREAS, the Community and Reclamation desire to utilize Federal funding available under the Basin Project Act to construct a distribution system to allow the Community to beneficially use its CAP Water entitlement;

2.16 WHEREAS, the Community and Reclamation intend that CAP funds be expended in such a manner so that when all CAP funds have been expended, the completed Project Works will be capable of delivering 173,100 acre-feet of CAP Water per Year to Reservation lands for irrigation purposes;

2.17 WHEREAS, the Community was recognized by the United States as a Self-Governance Tribe on May 22, 1995; and

2.18 WHEREAS, the Community has assumed from Reclamation, programs, services, functions, and activities and the associated resources necessary to plan, conduct, consolidate, and administer Reclamation programs, services, functions, and activities, or portions thereof, related to the planning, design, and construction of the Project Works pursuant to Annual Funding Agreements;

2.19 WHEREAS, the Community is engaged in the development and construction of a distribution system which shall encompass the Project Works in a larger Master Plan, and which shall convey water from a variety of sources, including, but not limited to, the Community's CAP Water entitlement of 173,100 acre-feet per Year, Gila River water, Salt River water, groundwater, and other water supplies which may be made available to the Community;

2.20 WHEREAS, the Parties intend the Project Works and Capital Cost to encompass the

CAP portion of the distribution facilities constructed with SRPA loans under Contract No. 6-07-30-W0129, as amended, and under Contract No. 1-07-30-W0023, as amended; and

2.21 WHEREAS, the Parties desire to enter into this Master Contract to combine into one document the provisions, terms, and conditions for construction, repayment of construction costs, and the OM&R of the Project Works;

NOW THEREFORE, in consideration of the covenants herein contained, it is agreed as follows:

3. DEFINITIONS: When used herein, unless otherwise distinctly expressed or manifestly incompatible with the intent hereof, the term:

3.1 "Annual Funding Agreement" or "AFA" shall mean a legally binding and mutually enforceable agreement between Reclamation and the Community that contains a description of that portion or portions of Reclamation programs that are to be performed by the Community and associated funding; and terms and conditions under which the Community will assume a program or portion thereof.

3.2 "BIA" shall mean the Bureau of Indian Affairs of the United States Department of the Interior.

3.3 "Capital Cost" shall mean (1) with respect to Irrigation Water, the construction cost of the Project Works and (2) with respect to M&I Water, the construction cost of the Project Works plus IDC.

3.4 "Central Arizona Project" or "CAP" shall mean the project works authorized by Section 301(a) of the Basin Project Act and constructed by the United States pursuant to the provisions of said act.

3.5 "Exhibit I" is a map of the Master Plan.

3.6 "Exhibit II" is a copy of a letter from Commissioner Eluid Martinez to the Community dated February 11, 1998, stating that CAP funds to be expended on Project Works will

be adjusted over time using Reclamation's standard indexing procedures, recognizing unforeseen site conditions and/or circumstances.

3.7 "Exhibit III" is a description of categories of Capital Costs and indicates the total estimated CAP funding for the Project Works.

3.8 "Exhibit IV" is an example of using the formula to calculate reimbursable Capital Costs resulting from the conversion of lands receiving CAP Water (Irrigation Water or M&I Water) from Indian ownership to non-Indian ownership as described in subarticle 6.2.

3.9 "Exhibit V" is an example of using the formula to calculate reimbursable Capital Costs resulting from conversion from Irrigation Water to M&I Water as described in subarticle 6.3.

3.10 "IDC" shall mean interest during construction on Federal expenditures for the Project Works, calculated by Reclamation at 3.342 percent in accordance with Reclamation policy in effect at the time of execution of this Master Contract.

3.11 "Irrigation Water" or "Agricultural Water" shall mean Project Water used primarily in the commercial production of agricultural crops or livestock, including domestic use incidental thereto.

3.12 "Master Contract" shall mean this contract, which provides for repayment and OM&R of all CAP Project Works components built or anticipated to be built with CAP funds.

3.13 "Master Plan" shall mean the Community's plan entitled "Master Plan for Land and Water Use, 1985," which describes a common use irrigation delivery system for delivery of irrigation water to up to 146,330 acres.

3.14 "Miscellaneous Water" shall mean water delivered from the CAP for recreational and fish and wildlife purposes at other than CAP facilities.

3.15 "Municipal, Industrial, and Domestic Water," herein referred to as "M&I Water," shall mean CAP Water delivered by means of the Project Works and used for purposes other than uses served by Irrigation Water or Miscellaneous Water.

3.16 "OM&R" shall mean the operation, maintenance, and replacement of the Project

Works, or any part thereof.

3.17 "Project Water" or "CAP Water" shall mean (a) Colorado River mainstream water, (b) all other water conserved and developed by CAP dams and reservoirs and available for delivery by the United States, and (c) return flow captured by the Secretary for Project use.

3.18 "Project" or "Project Works" shall mean all distribution system components of the Master Plan built, or anticipated to be built, with CAP funds, including the land and rights-of-way associated with the distribution system components, and also including certain distribution system components previously built with SRPA funds. The Project Works will be integrated into four major subsystems displayed in Exhibit I: Pima Lateral, Southside Canal, Casa Blanca Canal, and Northside Canal, each composed of three major components--the main canal, the lateral distribution system, and farm delivery works.

3.19 "Secretary" shall mean the Secretary of the Department of the Interior of the United States.

3.20 "Self-Governance Tribe" shall mean a tribe that participated in permanent self-governance through application and selection from the applicant pool or has participated in the tribal self-governance demonstration project, pursuant to the Tribal Self-Governance Act of 1994 (Title II and Title IV of Public Law 103-413).

3.21 "Year" shall mean the calendar year.

4. PURPOSE OF MASTER CONTRACT:

4.1 The purpose of this Master Contract is to combine into one document the provisions, terms, and conditions for construction, repayment of construction costs, and OM&R of the Project Works.

4.2 Pursuant to the terms and conditions of this Master Contract, the Community agrees to repay reimbursable Capital Costs and to pay the costs of or perform the OM&R of the Project Works.

4.3 This Master Contract replaces and supersedes (1) Contract No. 5-07-30-W0328,

providing for repayment of construction costs and OM&R of the SRSIS; (2) Letter Agreement No. 5-07-30-W0328-LA, incorporating the Mile Post 4 Pump Station into the Sacaton Ranch South Contract No. 5-07-30-W0328; and (3) Contract No. 0-07-30-W0244, providing for the construction and OM&R of the Pima Lateral Feeder Canal.

4.4 Construction costs in the amount of $1,842,205, associated with the letter to the Community from Reclamation, dated June 8, 1996, and Contract Nos. 7-07-30-W002, dated June 3, 1977, and 1-07-30-W0023, as amended, and construction costs in the amount of $621,500 associated with the letter from the Assistant Secretary - Water and Science to the Community dated April 4, 1995, and with SRPA loan repayment Contract No. 6-07-30-W0129, as amended, are hereby incorporated into the total Capital Costs of the Project Works.

5. CAP FUNDING FOR THE MASTER PLAN:

5.1 The United States agrees to make available to the Community appropriated CAP funds not to exceed $388,000,000 for the construction of the Project Works planned to be constructed as part of the Master Plan facilities, including, but not limited to, all costs for rights-of-way and mitigation for disturbed cultural resources. The Parties agree that CAP funds in the amount of $10,679,804 in planning and pre-design costs and $3,891,452 in pre-AFA construction costs have been expended pursuant to prior agreements, leaving up to $373,428,744 to be made available through AFAs, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by cost indices applicable to the types of construction involved therein, using October 1996 price levels as a base for future construction costs (see Exhibit III). The amount of CAP funds to be expended on Project Works will be adjusted over time by Reclamation, using its standard indexing procedures, recognizing unforeseen site conditions and/or circumstances (see Exhibit II).

5.2 The United States will retain each Year such funds as are negotiated with the Community for work anticipated by the Community and Reclamation to be performed by Reclamation. The funds retained by Reclamation will be identified in each AFA negotiated between

the Community and the United States. The amount of funds will be adjusted from time to time by the Community as negotiated and agreed upon by the Community and Reclamation.

5.3 The Community agrees that it shall expend CAP funds in such a manner that when all CAP funds have been expended, the completed Project Works will be capable of delivering 173,100 acre-feet of CAP Water per Year to Reservation lands for irrigation purposes. The Community agrees to provide documentation in its annual AFA reports to Reclamation that will demonstrate that this condition is being satisfied during the construction period for the Project Works.

5.4 Upon completion of construction of the Project Works, as determined by Reclamation, or upon the expenditure of the maximum amount of funds authorized to be provided pursuant to subarticle 5.1, Reclamation shall provide to the Community written notification of such project completion with an accounting and notice of total funds provided to the Community or retained by Reclamation.

5.5 Before funds made available by Reclamation pursuant to this Master Contract are expended for construction activities affecting the BIA San Carlos Indian Irrigation Project (SCIIP) facilities, Reclamation, BIA, and the Community shall reach agreement on construction and OM&R issues affecting the operation and maintenance of the SCIIP facilities, as may be required by any Federal laws, regulations, contracts, Secretarial orders, and Federal court rulings governing the operation, maintenance, and administration of the SCIIP.

6. REPAYMENT OF CONSTRUCTION COSTS: The following provisions for repayment of Capital Costs and interest during repayment shall remain in full force and effect until such time as the Project Works are no longer able to serve the purposes for which they were constructed, as mutually determined by the Parties.

6.1 Irrigation Repayment.

6.1.1 The Community is obligated for the repayment of the total reimbursable costs of construction of the CAP-funded Project Works allocated to delivery of Irrigation Water in

accordance with § 402 of the Basin Project Act. Pursuant to § 402 of the Basin Project Act, (1) repayment of the construction costs allocated to the delivery of Irrigation Water to Reservation lands and within the repayment capability of such lands shall be deferred until such time as the lands are converted to non-Indian ownership, and (2) repayment of the construction costs allocated to delivery of Irrigation Water to Reservation lands and beyond the repayment capability of such lands shall be nonreimbursable.

6.1.2 Pursuant to § 402 of the Basin Project Act, Reclamation shall determine the repayment capability of Reservation lands, and the repayment capability so determined shall be the basis for categorizing construction costs as either deferred or nonreimbursable costs. The payment capacity study will be completed and the deferred/nonreimbursable allocation of CAP costs for both the main CAP water supply system and the Project Works will be determined upon completion of the final CAP cost allocation and construction of the Project Works, or at such other time as mutually agreed to by the Parties. Reclamation agrees to consult with the Community when conducting such payment capacity study and allocating CAP costs between the deferred and nonreimbursable categories.

6.2 Conversion of Reservation Lands to Non-Indian Ownership.

6.2.1 If at any time Reservation lands convert to non-Indian ownership, the Community may designate a source of either CAP M&I Water or Irrigation Water or non-CAP Water for those lands. In the event that the Community designates a CAP Water supply for the lands proposed for conversion, any Capital Costs allocable to CAP Water proposed for delivery to the converted lands must be paid to the United States in a lump sum at the time of conversion. The formula set forth in Exhibit IV shall be used to calculate the reimbursable project costs resulting from any conversion of lands to non-Indian ownership. In the event of any such conversion involving CAP Water, repayment of CAP main system Capital Costs shall be covered under Water Delivery Contract No. 3-07-30-W0284.

6.2.2 An amendment to Water Delivery Contract No. 3-07-30-W0284 shall be

required to reduce the Community's CAP Water entitlement by the amount of CAP Water designated as a source of water for any lands converting to non-Indian ownership.

6.3 Conversion to Municipal and Industrial Use.

6.3.1 At the time of execution of this Master Contract, the Community is not authorized to receive M&I Water pursuant to the Community's CAP Water Delivery Contract No. 3-07-30-W0284. Conversion of CAP Water from Irrigation Water to M&I Water requires an amendment to that contract authorizing the delivery of CAP M&I Water.

6.3.2 No CAP M&I Water may be delivered to the Community until such time as the Community has entered into contractual arrangements with the United States to repay the Capital Costs of the main CAP delivery system allocable to the CAP M&I Water deliveries.

6.3.3 In the event that CAP M&I Water is delivered through the Project Works, the Community must repay to Reclamation the Capital Costs of the Project Works that are allocated by Reclamation to the CAP M&I Water deliveries, plus interest during repayment at 3.342 percent; Provided, however, That the Community shall have the right to designate the source of water that is delivered for municipal and industrial purposes through the Project Works. The Community intends to utilize its non-CAP Water supplies first for delivery through the Project Works for municipal and industrial needs before designating any CAP Water for such uses. As long as there is sufficient non-CAP Water introduced into the Project Works each Year to meet the Community's municipal and industrial delivery requirements from the Project Works, no repayment shall be required under this subarticle 6.3.

6.3.4. On or before March 1 of each Year following completion of the Project Works, the Community shall provide Reclamation with a written report showing, for the previous Year, the quantity of water introduced into the Project Works for municipal and industrial uses, the quantity of water delivered to the municipal and industrial users from the Project Works, and the source of water relied upon for such deliveries.

6.3.5. In the event that CAP M&I Water is delivered through the Project Works, the

Community shall make capital and interest payments to Reclamation in accordance with the formula contained in Exhibit V. For each block of Irrigation Water converted to M&I Water, Reclamation shall establish a 30-Year repayment schedule equal to that block's pro-rata share of the total Capital Costs of the Project Works. The initial annual payment shall be due one (1) Year following the date of the conversion and subsequent annual payments shall be due on that date for the next 29 Years. The Community agrees to make all such payments on or before the established due dates.

6.3.6 At the time of execution of this Master Contract, the Parties do not anticipate that CAP M&I Water deliveries will be made through the Project Works prior to completion of such works. In the event that such deliveries take place during the construction period, Reclamation shall determine the appropriate capital and interest payments to be made each Year during the construction period, after consultation with the Community. The Community agrees to make any such capital and interest payments required by Reclamation.

7. CHARGES FOR DELINQUENT PAYMENTS:

7.1 The Community shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Community shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Community shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Community shall pay an additional penalty charge for each day the payment is delinquent beyond the due date, at an annual rate of 6 percent. Further, the Community shall pay any fees incurred for debt collection services associated with a delinquent payment.

7.2 The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by Section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

7.3 When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

8. EMERGENCY RESERVE FUND: The Community shall develop criteria for the establishment of an emergency reserve fund within the irrigation district the Community is establishing to OM&R the Project Works. The emergency reserve fund shall be kept available to meet the costs incurred during periods of special stress caused by short water supply conditions, storms, earthquakes, floods, or other emergencies threatening or causing interruption of water service. The emergency reserve fund shall be kept at a level of funding to provide for the continuation of water service following a period of special stress, as determined by the Community. The funding level shall be relative to the portion of the Project Works that is complete. On or before March 1 of each Year following the initial transfer of OM&R of any specific facility, subsystem, or component of the Project Works to the Community, the Community shall report to Reclamation, in writing, the balance in the emergency reserve fund.

9. GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT:

9.1 The obligation of the Community to pay the United States as provided in this Master Contract is a general obligation of the Community.

9.2 The payment of fees and charges becoming due hereunder is a condition precedent to receiving benefits under this Master Contract.

9.3 The termination of this Master Contract shall not relieve the Community of any obligation then owing the United States.

9.4 All payments to be made to the United States shall be made by the Community, as such payments fall due.

9.5 No water will be made available to the Community through Project Works during any period in which the Community may be in arrears in the advance payment of any OM&R charges due the United States under this Master Contract. No water will be made available to the

Community through Project Works during any period in which the Community may be in arrears for more than 12 months in the payment of any Capital Costs or interest during repayment due the United States pursuant to this Master Contract.

10. SUMMARY OF COMMUNITY'S REPORTS TO RECLAMATION:

10.1 During Construction.

10.1.1 Pursuant to subarticle 5.3, the Community shall provide documentation in annual AFA reports to Reclamation that will demonstrate that Project Works being constructed shall be capable of delivering 173,100 acre-feet of CAP Water per Year to Reservation lands for irrigation purposes.

10.1.2 Pursuant to Article 8, on or before March 1 of each Year, the Community shall provide a written report to Reclamation of the balance in the emergency reserve fund.

10.1.3 Pursuant to Article 23, the Community shall provide to Reclamation reports pertaining to administration of the terms and conditions of this Master Contract that Reclamation may require.

10.1.4 Pursuant to Article 26, the Community shall provide to Reclamation information and reports required by Reclamation and the Secretary of Labor for purposes of investigation to ascertain compliance with equal opportunity rules, regulations, and orders.

10.2 After Construction.

10.2.1 Pursuant to subarticle 6.3.4, on or before March 1 of each Year following completion of the Project Works, the Community shall provide to Reclamation a written report showing a breakdown of the quantity of water introduced into the Project Works for municipal and industrial use and delivered to the users, and the source of water for such deliveries.

10.2.2 Pursuant to Article 8, on or before March 1 of each Year, the Community shall provide to Reclamation a written report of the balance in the emergency reserve fund.

10.2.3 Pursuant to Article 14, at five (5)-Year intervals, the Community shall submit a report to Reclamation on the results of the water conservation program.

10.2.4 Pursuant to Article 23, the Community shall provide reports to Reclamation pertaining to administration of the terms and conditions of this Master Contract that Reclamation may require.

10.2.5 Pursuant to Article 26, the Community shall provide to Reclamation information and reports required by Reclamation and the Secretary of Labor for purposes of investigation to ascertain compliance with equal opportunity rules, regulations, and orders.

11. OM&R OF PROJECT WORKS--PAYMENT OF MISCELLANEOUS COSTS:

11.1 Project Works.

11.1.1 Upon execution of this Master Contract, the Community shall be responsible for the OM&R, at no cost to Reclamation, of the portion of the facilities originally constructed or rehabilitated with SRPA funding under Contract Nos. 1-07-30-W0023, as amended, and 6-07-30-W0129, as amended.

11.1.2 Except as provided below, upon substantial completion of any specific facility, subsystem, or component of the Project Works, the Community shall be responsible for the OM&R of such facility, subsystem, or component, at no cost to Reclamation. The Community and Reclamation shall jointly determine when any facility, subsystem, or component of the Project Works is substantially complete, and Reclamation will then provide the Community with a written notice transferring responsibility for OM&R of such facility, subsystem, or component to the Community. During the period of time beginning with execution of this Master Contract but prior to the anticipated transfer of OM&R of the first facility, subsystem, or component of the Project Works to the Community, the Community and Reclamation shall jointly develop written criteria for determining substantial completion. The Parties intend to include BIA in the development of such criteria for any SCIIP facilities that have been or will be modified, replaced, or rehabilitated with CAP funding. The Parties agree that one criterion for substantial completion is that construction of any facility, subsystem, or component of the Project Works has progressed to the point where such facility, subsystem, or component is capable of delivering water in accordance with its intended

design. The Parties further agree that it is their intent that OM&R of any facility, subsystem, or component of the Project Works be transferred to the Community at the earliest practicable date following substantial completion of construction, so as to eliminate or minimize the amount of OM&R costs that are capitalized. For any Project Works that are transferred to the Community for OM&R, the Community agrees to OM&R such Project Works in full compliance with the terms of this Master Contract, and in such manner that the Project Works will remain in good and efficient condition. Title to all Project Works shall remain in the name of the United States.

11.1.2 The AFAs shall cover the funding of any OM&R activities performed by the Community during construction prior to the time that the Project Works are transferred to the Community for OM&R purposes in accordance with subarticle 11.1.1.

11.1.3 Necessary repairs of the Project Works shall be made promptly by the Community. In case of unusual conditions or serious deficiencies in the OM&R of the Project Works threatening or causing interruption of water service, Reclamation, after consultation with the Community, may issue to the Community a special written notice of the necessary repairs. Within 60 days of receipt of such notice, the Community shall either make the repairs or submit an acceptable plan for accomplishing said repairs. If the Community fails to do either within 60 days of receipt of said notice, Reclamation may cause the repairs to be made and the cost thereof shall be paid by the Community.

11.1.4 The Community shall ensure that no unauthorized encroachment occurs on the lands and rights-of-way acquired with CAP funds.

11.1.5 The United States agrees to indemnify the Community for, and to hold the Community and all of its representatives harmless from, all damages resulting from suits, actions, or claims of any character brought on account of any injury to any person or property arising out of any act, omission, neglect, or misconduct in the manner or method of performing any OM&R, supervision, examination, inspection, or other duties performed by the United States.

11.1.6 The Community agrees to indemnify the United States for, and to hold the

United States and all of its representatives harmless from, all damages resulting from suits, actions, or claims of any character brought on account of any injury to any person or property arising out of any act, omission, neglect, or misconduct in the manner or method of performing any OM&R, supervision, examination, inspection, or other duties performed by the Community.

11.1.7 In the event the Community is found to be operating the Project Works or any part thereof in violation of this Master Contract, Reclamation, after consultation with the Community, may issue to the Community a special written notice of the specific violations. Within 60 days of receipt of such notice, the Community shall either correct the violations or submit an acceptable plan for correcting the violations. If the Community fails to do either within 60 days of receipt of said notice, Reclamation may take over from the Community the OM&R of the Project Works by giving written notice to the Community of such election and the effective date thereof. Thereafter, during the period of operation by Reclamation, the Community shall pay to Reclamation, annually in advance, the cost of OM&R of the works. Following written notification from Reclamation, the OM&R of the works may be transferred back to the Community.

11.2 Miscellaneous Costs.

11.2.1 Upon execution of this Master Contract and annually thereafter, the Community shall pay Reclamation's costs to administer this Master Contract, as determined by Reclamation after consultation with the Community. The current annual fee is one thousand dollars ($1,000), which shall be the minimum annual fee.

11.2.2 The initial annual administration fee shall be due upon execution of this Master Contract. Thereafter, the fee for each subsequent Year shall be due on January 1.

12. ADMINISTRATION OF PROJECT WORKS: The Community shall ensure that no unauthorized encroachment occurs on Project Works, including the lands and rights-of-way acquired by the United States for the purpose of construction and OM&R of the Project Works.

13. EXAMINATION AND INSPECTION OF PROJECT WORKS FOR DETERMINING ADEQUACY OF OM&R PROGRAM:

13.1 Reclamation shall have the right to review the Community's ongoing detailed work plans for OM&R activities to assure compliance with Federal Reclamation Law, the Basin Project Act, and for protection against a finding of imminent jeopardy to a physical trust asset, natural resources, or the public health and safety pursuant to the Self-Governance Act of 1994.

13.2 Reclamation may, from time to time, examine the Community's books, records and reports, and the Project Works being operated by the Community to assist the Community in determining the condition of the Project Works, and the adequacy of the OM&R program and the water conservation program. Reclamation may examine any or all of the Project Works which were constructed by the Community with funds advanced or reimbursed by the United States. Prior to any examination of the Community's books, records, and reports, or the Project Works being operated by the Community, Reclamation shall provide in writing the purpose and nature of the examination, the number of personnel to be involved in the examination, the amount of time estimated to be required for the examination and the estimated cost to be incurred.

13.3 Reclamation may conduct, or the Community may request that Reclamation conduct, special inspections of any Project Works and special audits of the Community's books and records to ascertain the extent of any OM&R deficiencies, to determine the remedial measures required for their correction, and to assist the Community in solving specific problems. Except in an emergency, any special inspection or audit shall be made only after written notice thereof has been delivered to the Community by Reclamation.

13.4 For any audits required by Reclamation of the Community, the Community shall comply with the Single Audit Act of 1984, 31 U.S.C. § 7501, et seq. The United States shall require no other audit unless requested by the Community.

13.5 The Community shall, with reasonable notice given in writing by Reclamation, provide access to the Project Works, operate any mechanical or electrical equipment, and be

available to assist in the examination, inspection or audit.

13.6 Reclamation shall prepare reports based on the examinations, inspections or audits, and furnish copies of such reports and any recommendations to the Community.

13.7 Pursuant to bills for collection provided to the Community by Reclamation, the Community shall reimburse the actual cost incurred by Reclamation in making OM&R examinations, inspections and audits, and preparing associated reports and recommendations. Reclamation shall notify the Community before incurring any costs in excess of the estimated cost provided to the Community pursuant to subarticle 13.2 of this Master Contract. If the cost incurred by Reclamation is less than the estimated cost, Reclamation shall apply the remaining funds to future costs for OM&R examinations, inspections and audits.

14. WATER CONSERVATION: Prior to the delivery of water provided from or conveyed through Project Works, the Community shall develop an effective water conservation program. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent five (5)-Year intervals, the Community shall submit a report on the results of the program to Reclamation for review. Based on the conclusions of the review, Reclamation and the Community shall consult and agree to continue or to revise the existing water conservation program.

15. WATER DELIVERIES: Water may be introduced into the Project Works from all sources available to the Community whenever the Parties mutually determine that facilities, subsystems, and components of the Master Plan necessary to deliver water are substantially complete, as determined pursuant to subarticle 11.1.2.

16. WATER MEASUREMENT:

16.1 Water measurement devices with a rated accuracy of plus or minus 5 percent shall be installed and maintained at all times by the Community to determine the quantities of water delivered by and through the Project Works. Reclamation shall be allowed access to said measurement devices with reasonable notice to the Community.

16.2 Prior to delivery of water through the Project Works, the Community shall develop a water measurement plan for Reclamation's review and comment.

17. QUALITY OF WATER: The OM&R of Project Works shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable.

18. QUALITY OF RETURN FLOW WATER:

18.1 The Community shall assume responsibility for meeting Community Department of Environmental Quality (DEQ) guidelines and criteria for the quality of the surface and subsurface return flow water stemming from the use of water delivered pursuant to CAP Water Delivery Contract No. 3-07-30-W0284 or use of water from any other source and shall comply with all applicable Community guidelines and criteria and Federal water quality laws, regulations, codes, and standards.

18.2 The Community shall obtain all required discharge permits from appropriate Community and Federal agencies and shall comply with such permits.

18.3 The Community shall retain copies of all issued permits and all water quality tests and reports required by the permitting agencies and shall allow Reclamation access to review the permits, tests and reports with reasonable notice to the Community.

18.4 If the Community fails to comply with discharge permit conditions, Reclamation may issue to the Community a special written notice of the failure. Within 60 days of the receipt of such notice, the Community shall either comply with the discharge permit conditions or submit a plan for accomplishing said compliance. If the Community fails to do either within 60 days of receipt of said notice, Reclamation may cause the compliance to be made and the cost thereof shall be paid by the Community.

19. WATER AND AIR POLLUTION CONTROL: The Community, in carrying out this Master Contract, shall comply with all applicable water and air pollution laws and regulations of the Community and the United States, and shall obtain all required permits or licenses from the

appropriate Community and Federal authorities.

20. ENVIRONMENTAL QUALITY: The Community has an established Department of Environmental Quality (DEQ). The Community has a solid waste ordinance that prohibits the illegal disposal of solid waste. The Community will establish a hazardous waste ordinance that will parallel the Federal regulations and will primarily regulate hazardous waste facilities. The DEQ shall maintain a close working relationship with the Federal Environmental Protection Agency (EPA). Quarterly meetings shall be held with EPA and communication shall be maintained on a routine basis on technical issues. The Community shall meet all regulatory reporting requirements for hazardous material. For incidents having an environmental or public health component, the DEQ shall maintain trained emergency personnel who can evaluate the incident to determine if mitigation can be accomplished from within DEQ or with other local assistance. The DEQ can contract with an emergency response environmental firm to mitigate incidents. The DEQ may utilize State and EPA resources which shall include risk assessment personnel and emergency responders to mitigate such incidents.

21. ENVIRONMENTAL COMPLIANCE: Notwithstanding any other provision of this Master Contract, no construction shall commence for which CAP authorized funds will be used until the Community obtains final environmental clearance from Reclamation for construction of the Project Works or any other land disturbing activities for which CAP authorized funds will be used. This environmental clearance requirement includes filing of a final programmatic environmental impact statement on the entire Master Plan, issuance of a Record of Decision by Reclamation, and any follow-up environmental review and documentation necessitated by Federal approval or issuance of permit(s), or use of Federal funds to carry out any aspect of the Master Plan. The environmental reviews will be carried out according to the requirements of the National Environmental Policy Act of 1969 (83 Stat. 884). In addition, environmental clearances for this Master Contract will not be final until compliance is achieved with the applicable provisions of the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563) and Endangered Species Act of 1973 (87 Stat. 884). Any

additional action(s) required on behalf of the Community, in order to obtain final environmental clearance from Reclamation, will be identified to the Community by Reclamation, and no construction shall commence, unless and until the Community has completed all such action(s).

22. MITIGATION FOR DISTURBED CULTURAL RESOURCES: The Community, on behalf of Reclamation, shall conduct cultural resource inventory surveys to identify significant cultural resources and make recommendations regarding their eligibility to the National Register of Historic Places, as appropriate. The Community, under the guidance of an acceptable mitigation plan (as defined in the National Historic Preservation Act of 1966, as amended), will conduct data recovery mitigation measures on significant historic properties. The cost of such cultural surveys and mitigation measures shall be non-reimbursable in accordance with the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469-469c) as amended.

23. BOOKS, RECORDS, AND REPORTS:

23.1 The Community shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Master Contract, including: the Community's financial transactions, water supply data, OM&R logs, and land and right-of-way use agreements; the water users' land-use (crop census), land ownership, land-leasing and water-use data; and other matters related to the administration of this Master Contract that Reclamation may require. Reports thereon shall be furnished to Reclamation in such form and on such date or dates as agreed to by the Community and Reclamation. Subject to applicable Federal laws and regulations, each Party to this Master Contract shall have the right during office hours, upon reasonable notice, to examine and make copies of the other Party's books and records relating to matters covered by this Master Contract.

23.2 Except for previously provided copies of the Community records which Reclamation demonstrates are clearly required to be maintained as part of the record keeping system of the Department of the Interior, the Community records shall not be considered Federal records for purposes of Chapter 5 of Title 5, United States Code.

23.3 Reclamation shall provide to the Community Reclamation's policies and guidelines relating to construction and OM&R activities for the Project Works.

24. COMPLIANCE WITH FEDERAL RECLAMATION LAW: The Parties agree that the delivery of Project Water or the use of Federal facilities pursuant to this Master Contract is subject to applicable Federal Reclamation Law and regulations.

25. NOTICES: Any notice, demand, or request authorized or required by this Master Contract shall be deemed to have been given, on behalf of the Community, when mailed, postage prepaid, or delivered to the Regional Director, Lower Colorado Region, Bureau of Reclamation, P.O. Box 61470, Boulder City, Nevada 89006-1470, with a copy to the Phoenix Area Office, P.O. Box 81169, Phoenix, Arizona 85069-1169, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Governor of the Community, P.O. Box 97, Sacaton, Arizona 85247. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

26. EQUAL OPPORTUNITY: During the performance of this Master Contract, the Community agrees, except as provided by Article 28, as follows:

26.1 The Community will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. The Community will take affirmative action to ensure that applicants are employed, and the employees are treated during employment, without regard to their race, color, religion, disability, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Community agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by Reclamation setting forth the provisions of this nondiscrimination clause.

26.2 The Community will, in all solicitations or advertisements for employees placed by or on behalf of the Community, state that all qualified applicants will receive consideration for

employment without discrimination because of race, color, religion, sex, or national origin.

26.3 The Community will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by Reclamation, advising the said labor union or workers' representative of the Community's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

26.4 The Community will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

26.5 The Community will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by Reclamation and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

26.6 In the event of the Community's noncompliance with the nondiscrimination clauses of this Master Contract or with any of such rules, regulations, or orders, this Master Contract may be canceled, terminated, or suspended, in whole or in part, and the Community may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

26.7 The Community will include the provisions of subarticles 1 through 7 of this article in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Community will take such action

with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, That in the event the Community becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Community may request the United States to enter into such litigation to protect the interests of the United States.

27. COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS:

27.1 Except as provided by Article 28, the Community shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (Public Law 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.), and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the United States Department of the Interior and/or Reclamation.

27.2 These statutes require that no person in the United States shall, on the grounds of race, color, national origin, disability, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from Reclamation. By executing this Master Contract, the Community agrees to immediately take any measures necessary to implement this obligation, including permitting of officials of the United States to inspect premises, programs, and documents.

27.3 The Community makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other Federal financial assistance extended after the date hereof to the Community by Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance, which were approved before such date. The Community recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article, and that the United States reserves the right to seek judicial enforcement thereof.

28. EXCEPTIONS TO APPLICATION OF CIVIL RIGHTS AND OTHER ACTS: The provisions of Articles 26 and 27 apply except where they conflict with Sections 701(b)(1) and 703(i)

of Title VII of the Civil Rights Act of 1964, 73 Stat. 253-257, 42 U.S.C. § 2000e-2(i), which pertains to Indian tribes and to preferential treatment given to Indians residing on or near a reservation or other applicable laws which exclude applicability to Indians or Indian reservations. In addition, the provisions of Articles 26 and 27 shall be construed in a manner consistent with Title 12 (the Tribal Employment Rights ordinance - "TERO") of the Gila River Indian Community Law and Order Code governing Tribal Employment Rights and if any provision of Articles 26 and 27 conflicts with the provisions of Title 12 of the Gila River Indian Community Law and Order Code, then such provision shall be deemed not to apply.

29. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS: The expenditure or advance of any money or the performance of any work by the Community or Reclamation under this Master Contract shall be contingent upon appropriation or allotment of funds. No liability shall accrue to the United States in case funds are not appropriated or allotted.

30. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED: The provisions of this Master Contract shall apply to and bind the successors and assigns of the Parties hereto, but no assignment or transfer of this Master Contract or any right or interest therein shall be valid until approved by the Community and Reclamation.

31. RECLAMATION REFORM ACT: In accordance with the Acreage Limitation Rules and Regulations [43 CFR 426.16(f), effective January 1, 1998], the acreage limitation and full cost pricing provisions of the Reclamation Reform Act of 1982 (Public Law 97-293) are not applicable to Indian trust or restricted lands.

32. OFFICIALS NOT TO BENEFIT: No Member of or Delegate to Congress, Resident Commissioner, or Official of the Community shall benefit from this Master Contract other than as a water user or landowner in the same manner as other water users or landowners.

33. AMENDMENT OR MODIFICATION OF THIS CONTRACT: Except as otherwise provided in this Master Contract, or by law, any modification of this Master Contract shall be in the form of a written amendment and shall require written consent of the Community and Reclamation.

IN WITNESS WHEREOF, the Parties hereto have executed this Master Contract No. 6-07-30-W0345 the day and Year first above written.

THE UNITED STATES OF AMERICA

Legal Review and Approval

By: Katherine Ott Verburg
Field Solicitor
Phoenix, Arizona

By: _____
Eluid L. Martinez
Commissioner

GILA RIVER INDIAN COMMUNITY

Legal Review and Approval

By: _____
General Counsel

By: _____
Mary V. Thomas
Governor

ATTEST:

By: _____
Secretary

EXHIBIT I
Contract No. 6-07-30-W0345

UNITED STATES
BUREAU OF RECLAMATION
DEPARTMENT OF THE INTERIOR

MASTER CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY FOR REPAYMENT OF CONSTRUCTION COSTS AND OPERATION, MAINTENANCE AND REPLACEMENT OF A WATER DISTRIBUTION SYSTEM

CENTRAL ARIZONA PROJECT

MAP OF THE COMMUNITY'S MASTER PLAN

GILA RIVER INDIAN COMMUNITY
PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT

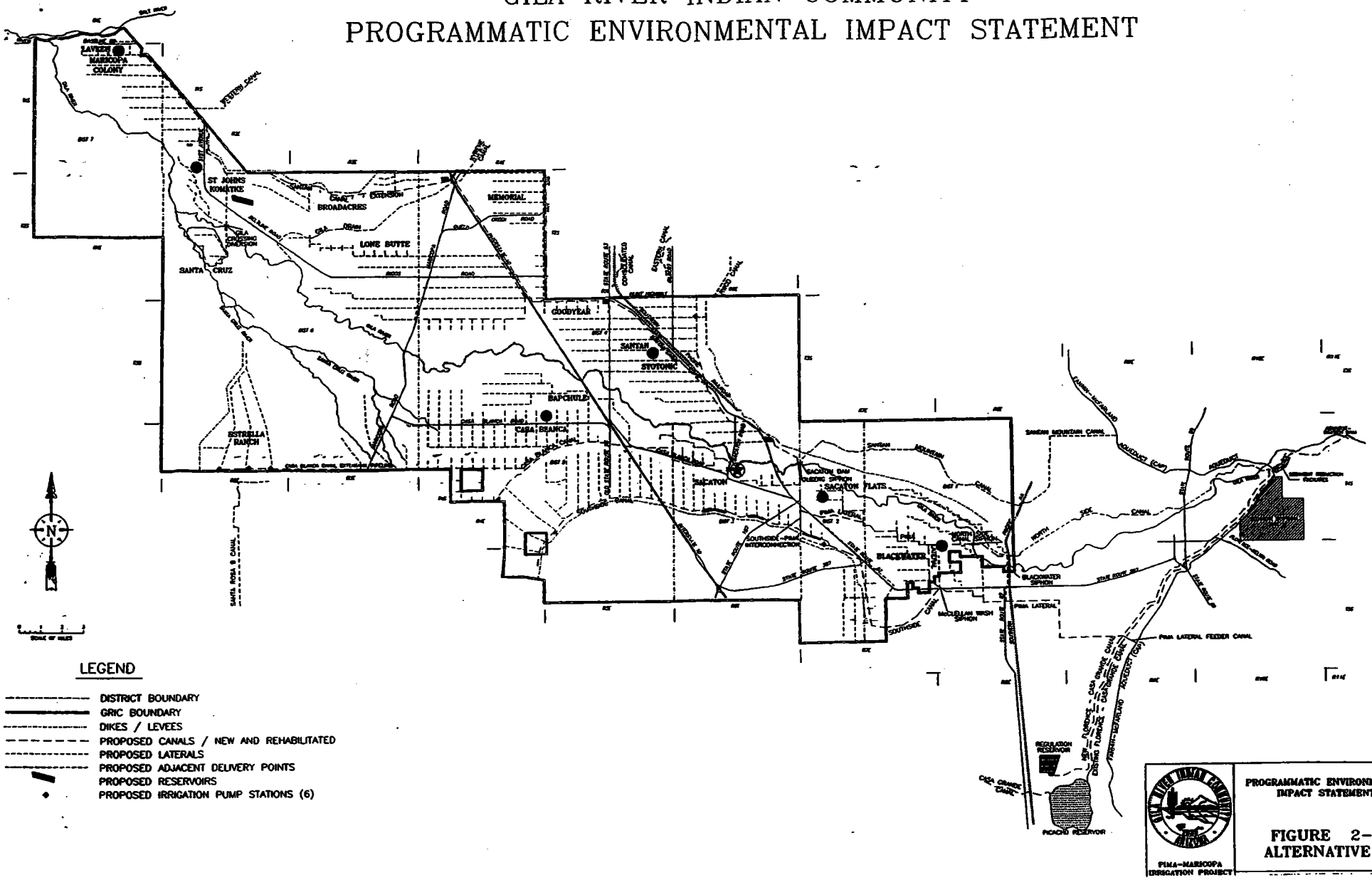

EXHIBIT II
Contract No. 6-07-30-W0345

UNITED STATES
BUREAU OF RECLAMATION
DEPARTMENT OF THE INTERIOR

MASTER CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY FOR REPAYMENT OF CONSTRUCTION COSTS AND OPERATION, MAINTENANCE AND REPLACEMENT OF A WATER DISTRIBUTION SYSTEM

CENTRAL ARIZONA PROJECT

LETTER DATED FEBRUARY 11, 1998
TO THE GILA RIVER INDIAN COMMUNITY
FROM THE COMMISSIONER OF RECLAMATION

United States Department of the Interior

BUREAU OF RECLAMATION
Washington, D.C. 20240

IN REPLY REFER TO:
W-6333

RECEIVED 2-17-98
Action
Action Taken (Initials)

Date	To	Initials
	1000	
	1015	
FEB 11 1998		
cc	2000	
cc	8000	
cc	1300	RD
File		

G-7 q

Honorable Mary V. Thomas
Governor, Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

Dear Governor Thomas:

As you know, over the course of the last year, I have met with representatives and staff from the Gila River Indian Community repeatedly to try to resolve issues and move the Pima-Maricopa Irrigation Project (P-MIP) forward as expeditiously and effectively as possible. On November 4, 1997, I met with Messrs. Lee Thompson and Larry Sinclair in Albuquerque to discuss outstanding prerequisites to construction. At this meeting, Reclamation was asked to clarify or confirm its position on how much flexibility Reclamation would allow if unforeseen circumstances or events resulted in increased project costs in the future.

At a previous meeting (August 25, 1997), the Community voiced concern related to the unpredictability of right-of-way values and cultural resource mitigation costs and that it was reluctant to agree to a "cost ceiling" for the P-MIP without some assurance that Reclamation would exercise some discretion in the future should changed circumstances or site conditions warrant. In response, I assured the Community that Reclamation understood that conditions or circumstances could change in the future and that the Project Cost Estimate (PCE) would not be viewed as a hard ceiling that could not be modified under any circumstances. The Community responded with a summary report of the August 25th meeting, stating its understanding of issues and commitments from that meeting. As that report relates to the right-of-way and cultural resource mitigation costs, it states that "with or without resolution (agreement on cost estimate), an amount will be negotiated and inserted on the condition that any unforeseen site conditions and /or circumstances will be reviewed on a case-by-case basis and, if deemed appropriate, additional funding will be made available to account for any funding shortfall." The Community stated that this process would be acceptable and would resolve the associated issues.

I would like to reiterate my support for a periodic review of the project costs and adjustments as necessary. However, because the project is a long term endeavor, the variations in costs based on site conditions will commonly fluctuate up and down over time, making it very difficult and labor intensive to review costs on a case by case basis. Additionally, the fact that the Community plans to construct a system significantly different than that used as the basis for the PCE makes a case by case analysis problematic. In lieu of a case by case analysis, it is my recommendation that long-term cost trends related to specific components be reviewed periodically to determine if the original estimates were accurate and adjust if necessary. This process would be in addition to the

standard Reclamation construction cost indexing process employed to keep pace with normal inflation and construction cost trends.

Finally, as a reminder, a pre-requisite to construction is the submission of a plan by the Community that shows the ability to fully deliver the Community's 173,100 acre-feet of CAP allocation after full expenditure of its CAP funding. As the project progresses, we can periodically review, not only the issues associated with the costs, but the status of the Reclamation/Community coordination efforts to ensure that the relationship remains cooperative and constructive. Reclamation fully supports the Community's efforts and remains available to assist in its efforts as needed.

Sincerely,

SGD ELUID L. MARTINEZ

Eluid L. Martinez
Commissioner

bc: Regional Director, Boulder City, Nevada
Attention: LC-1000
Area Manager, Phoenix, Arizona
Attention: PXAO-1000, PXAO-1300
W-1130, W-5000, W-6100, W-6300, W-6330,
W-6333, D-5000

WBR:WSteele:dLs:1/13/98:00032
REV:BQuint:dls: 1/16/98
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EXHIBIT III
Contract No. 6-07-30-W0345

UNITED STATES
BUREAU OF RECLAMATION
DEPARTMENT OF THE INTERIOR

MASTER CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY FOR REPAYMENT OF CONSTRUCTION COSTS AND OPERATION, MAINTENANCE AND REPLACEMENT OF A WATER DISTRIBUTION SYSTEM

CENTRAL ARIZONA PROJECT

CATEGORY	ACTUAL COST	ESTIMATED COST	COST EST. DATE	OCTOBER, 1996 COST	JUNE, 1998 COST
PLANNING AND PREDESIGN					
Reclamation (costs through FY95)	$8,485,000			$8,485,000	$8,485,000
Community (Coop Agmt. #3-FC-32-01250)	$2,194,804				
Subtotal	**$10,679,804**			$10,679,804	$10,679,804
PRE-AFA CONSTRUCTION COSTS					
Pima Lateral Feeder Canal	$1,427,747			$1,427,747	$1,427,747
SRPA Loan No. 1 (No. 6-07-30-W0129)	$1,842,205			$1,842,205	$1,842,205
SRPA Loan No. 2 (No. 6-07-30-W0129)	$621,500			$621,500	$621,500
Subtotal	$3,891,452			$3,891,452	$3,891,452
DESIGN AND CONSTRUCTION					
Project Design & Const		$294,893,000	May, 1997	$293,369,522	$296,342,399
SRSIS-Phase II (Part A)	$1,051,601			$1,051,601	$1,051,601
SRSIS-Phase II (Part B)		$1,207,059	October, 1996	$1,207,059	$1,219,190
Cultural Res. Survey		$4,000,000	June, 1998	$3,872,146	$4,000,000
Cultural Res. Mitigation		$11,500,000	July, 1997	$11,132,420	$11,500,000
R-O-W Acquisition		$62,000,000	March, 1998	$54,718,121	$63,042,268
Reclamation Admin.		$8,011,684	June, 1998	$7,642,482	$8,011,684
Subtotal	$1,051,601	$381,611,743		$372,993,351	$385,165,142
TOTAL				**$387,564,607**	

This exhibit is intended to document the CAP funding limit ($388,000,000) for construction of the Project Works. It is not intended to limit the amount of funding made available for a component or subsystem of the Project Works.

EXHIBIT IV
Contract No. 6-07-30-W0345

UNITED STATES
BUREAU OF RECLAMATION
DEPARTMENT OF THE INTERIOR

MASTER CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY FOR REPAYMENT OF CONSTRUCTION COSTS AND OPERATION, MAINTENANCE, AND REPLACEMENT OF A WATER DISTRIBUTION SYSTEM

CENTRAL ARIZONA PROJECT

CONVERSION OF RESERVATION LAND TO NON-INDIAN OWNERSHIP

Assumptions	
Project Costs = $396,000,000 173,100 acre-feet of CAP Water Entitlement IDC @ 3.343% = $765 per acre-foot[1] 100 acre-feet CAP M&I Water designated for lands converted to non-Indian ownership	
Example	**Example**
CAP M&I Water Formula: [(Total CAP Construction Costs + IDC) divided by the 173,100 acre-foot CAP Water entitlement] = cost per acre foot **Example: $396,000,000/173,100 AF = $2,289 + $765 IDC = $3,054 of Capital Costs per acre-foot converted to non-Indian municipal and industrial use. The Community would be required to pay Reclamation $305,400 prior to the conversion.**	CAP Irrigation Water Formula: [(Total CAP Construction Costs) divided by the 173,100 acre-foot CAP Water entitlement] = cost per acre foot **Example: $396,000,000/173,100 AF = $2,289 of Capital Costs per acre-foot converted to non-Indian agricultural use. The Community would be required to pay Reclamation $228,900 prior to the conversion.**

[1]The IDC was calculated by assuming that over a 20-year construction period, one-half of the Federal expenditures ($396,000,000 divided by 2) was outstanding at 3.342 percent interest ($198 million * 3.342% * 20 years = $132,343,200 divided by 173,100 acre-feet = $765 per acre-foot).

EXHIBIT V
Contract No. 6-07-30-W0345

UNITED STATES
BUREAU OF RECLAMATION
DEPARTMENT OF THE INTERIOR

MASTER CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY FOR REPAYMENT OF CONSTRUCTION COSTS AND OPERATION, MAINTENANCE AND REPLACEMENT OF A WATER DISTRIBUTION SYSTEM

CENTRAL ARIZONA PROJECT

CONVERSION OF PROJECT WATER TO MUNICIPAL AND INDUSTRIAL USE

The following example, based on the conversion of 100 acre-feet of CAP Water to municipal and industrial use, uses a pro-rata share of Capital Costs of $396,000,000 divided by 173,100 acre feet of CAP Water Entitlement, with IDC added.

Assumptions:

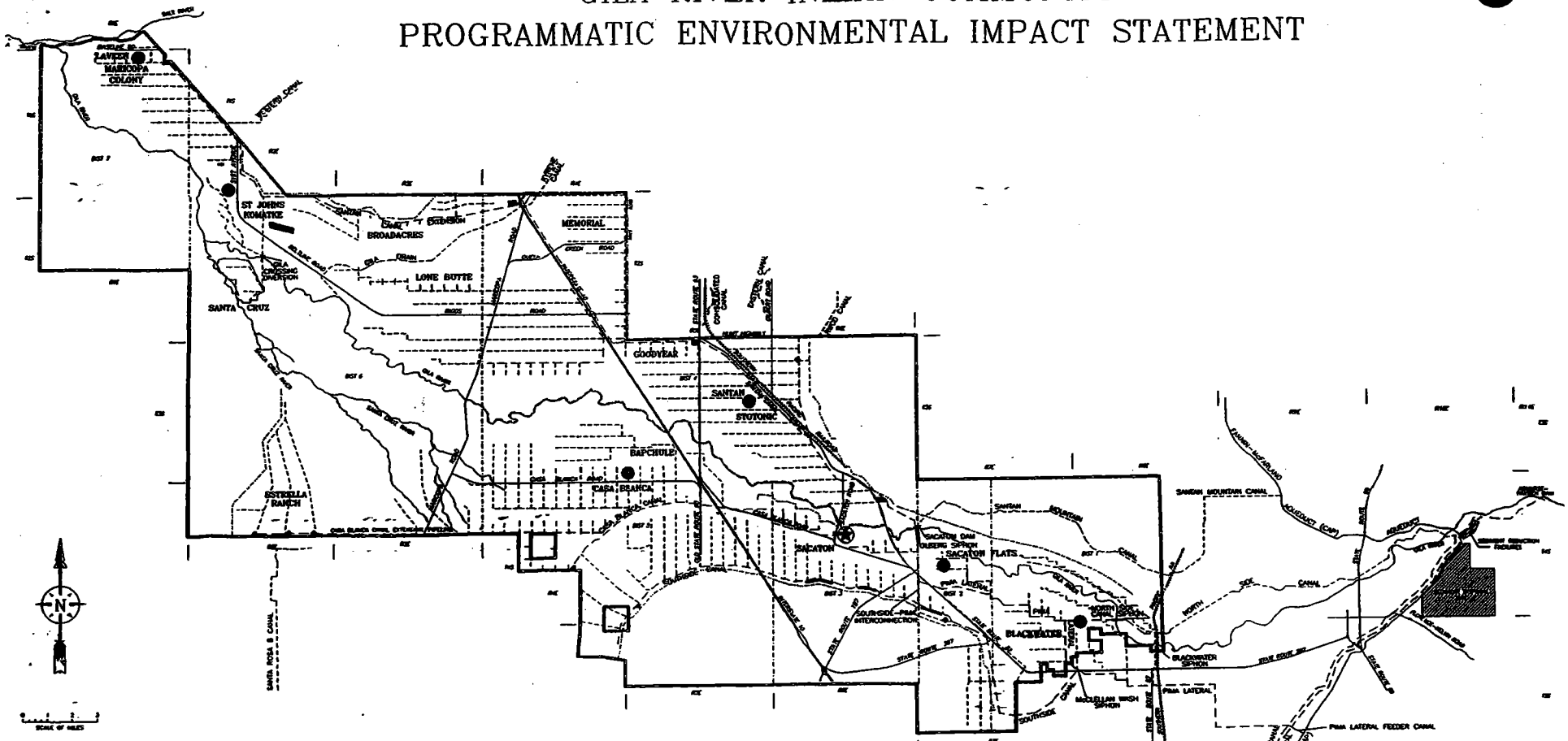
- Project Costs = $396,000,000
- 173,100 acre-feet of CAP Water Entitlement
- IDC @ 3.343% = $765/acre foot (see Exhibit III)
- .0533 = amortization factor @ 3.343% over 30 years
- Conversion date = January 1, 2020

$396,000,000/173,100 = $2,289 per acre foot

$2,289 + $765 = $3,054 per acre-foot
$3,054 * .0533 = $162.78 per acre-foot per year
100 acre foot allocable costs = $305,400 (rounded)
annual payment = 305,400 * .0533 = $16,300 (rounded) for 30 years
or:
annual payment = $162.78 * 100 = $16,300 (rounded) for 30 years
(regardless of how much of the 100 acre-feet is delivered in any year)

Summary: the Community would be required to pay Reclamation $16,300 beginning on January 1, 2021, and on January 1 of each succeeding year for the next 29 Years.

GILA RIVER INDIAN COMMUNITY
PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT



LEGEND

- DISTRICT BOUNDARY
- GRIC BOUNDARY
- DIKES / LEVEES
- PROPOSED CANALS / NEW AND REHABILITATED
- PROPOSED LATERALS
- PROPOSED ADJACENT DELIVERY POINTS
- PROPOSED RESERVOIRS
- PROPOSED IRRIGATION PUMP STATIONS (6)

PIMA-MARICOPA IRRIGATION PROJECT

PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT

FIGURE 2-4
ALTERNATIVE 4

Final Execution Version
October 21, 2005

EXHIBIT 8.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

AMENDED CENTRAL ARIZONA PROJECT WATER DELIVERY CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY

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4	Definitions:	2
5	Delivery Of Water:	9
6	Other Water:	27
7	Payments:	27
8	General Provisions:	32
9	Exceptions To Application Of Civil Rights And Other Acts:	36
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11	Other Provisions:	37
	Exhibit A	

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

AMENDED CENTRAL ARIZONA PROJECT WATER DELIVERY CONTRACT BETWEEN THE UNITED STATES AND THE GILA RIVER INDIAN COMMUNITY

1 PREAMBLE: THIS AMENDED CONTRACT, is made this ___ day of _____, between the UNITED STATES OF AMERICA, acting through the Bureau of Reclamation for and on behalf of the Secretary of the Interior, and the GILA RIVER INDIAN COMMUNITY, pursuant to the Reclamation Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057), the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885, 43 U.S.C. § 1501), as amended, the Arizona Water Settlements Act (118 Stat. 3478) (hereinafter referred to as "Settlements Act") the various authorities and responsibilities of the Secretary of the Interior, hereinafter referred to as the "Secretary", in relation to Indians and Indian tribes as contained in Title 25 U.S.C. and 43 U.S.C. § 1457, and the "Gila River Indian Community Water Rights Settlement Agreement" as approved by the Settlements Act.

WITNESSETH, THAT:

2 EXPLANATORY RECITALS:

2.1 WHEREAS, the Parties entered into Contract No. 3-07-30-W0284, dated October 22, 1992, hereinafter referred to as the "1992 Contract," pursuant to which the United States agreed to deliver Project Water in an amount not in excess of 173,100 acre-feet each Year, for a term of 50 Years, subject to renewal;

2.2 WHEREAS, section 205(a)of the Settlements Act and paragraph 8.2 of the Settlement Agreement require that certain terms and conditions of the 1992 Contract be amended;

2.3 WHEREAS, the Parties desire to amend the 1992 Contract as provided for in the Settlement Acts and the Settlement Agreement; and

2.4 WHEREAS, in order to facilitate contract administration, the Parties also desire to supercede and replace the 1992 Contract with this Amended Contract;

NOW, THEREFORE, in consideration of the mutual covenants contained in this and other pertinent agreements between the Parties, it is agreed as follows:

3 STATUS OF THE 1992 CONTRACT: The 1992 Contract is superceded and replaced by this Amended Contract when it becomes effective pursuant to section 11.1.

4 DEFINITIONS: When used herein, unless otherwise distinctly expressed or manifestly incompatible with the intent hereof, the terms:

4.1 "Agricultural Water" or "Irrigation Water" shall mean Project Water used primarily in the commercial production of agricultural crops or livestock, including domestic use incidental thereto.

4.2 "Allottees" shall mean persons who hold a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

4.3 "Available CAP Supply" shall mean for any given Year all Fourth Priority Water available for delivery through the CAP System, water available from CAP dams and reservoirs other than modified Roosevelt Dam, and return flows captured by the Secretary for CAP use.

4.4 "Basin Project Act" shall mean the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended.

4.5 "CAP Contract" shall mean a long-term contract, as that term is used in the CAP Repayment Stipulation, between any person or entity and the United States for delivery of water through the CAP System.

4.6 "CAP Contractor" shall mean a person or entity that has entered into a long-term contract (as that term is used in the CAP Repayment Stipulation) with the United States for delivery of water through the CAP System.

4.7 "CAP Fixed OM&R Charge" shall mean Fixed OM&R Charge as that term is defined in the CAP Repayment Stipulation.

4.8 "CAP Indian Priority Water" shall mean that water having an Indian delivery priority as described in section 5.7 of this Amended Contract.

4.9 "CAP Repayment Contract" shall mean the contract dated December 1, 1988 (Contract No. 14-06-W-245, Amendment No. 1) between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project. The term "CAP Repayment Contract" includes all amendments to and revisions of that contract. This is the same contract referred to in the Settlement Act as Contract No. 14-0906-09W-09245, Amendment No. 1.

4.10 "CAP M&I Priority Water" shall mean that water having a municipal and industrial delivery priority as described in section 5.7 of this Amended Contract.

4.11 "CAP NIA Priority Water" shall mean that water having a non-Indian agricultural delivery priority as described in section 5.7 of this Amended Contract.

4.12 "CAP Operating Agency" shall mean the entity or entities authorized to assume responsibility for the care, operation, maintenance and replacement of the CAP System. As of December 31, 2002, CAWCD is the CAP Operating Agency.

4.13 "CAP Pumping Energy Charge" shall mean Pumping Energy Charge as that term is defined in the CAP Repayment Stipulation.

4.14 "CAP Repayment Stipulation" shall mean the Revised Stipulation Regarding a Stay of Litigation, Resolution of Issues During the Stay and for Ultimate Judgment Upon the Satisfaction of Conditions, filed in *Central Arizona Water Conservation District v. United States, et al.*, No. CIV 95-625-TUC-WDB (EHC), No. CIV 95-1720-PHX-EHC (Consolidated Action), United States District Court for the District of Arizona, and the Order dated April 28, 2003, entered therein, and any amendment or revision thereof. This is the same case referred to in the Settlements Act as No. CIV 95-09625-09TUC-09WDB (EHC), No. CIV 95-091720-PHX-EHC (Consolidated Action).

4.15 "CAP Subcontract" shall mean a long-term subcontract, as that term is used in the CAP Repayment Stipulation, among any person or entity, the United States, and CAWCD for the delivery of water through the CAP System.

4.16 "CAP Subcontractor" or "Subcontractor" shall mean a person or entity that has entered into a long-term subcontract (as that term is used in the CAP Repayment Stipulation) with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

4.17 "CAP System" shall mean (A) the Mark Wilmer Pumping Plant, (B) the Hayden-Rhodes Aqueduct, (C) the Fannin-McFarland Aqueduct, (D) the Tucson Aqueduct, (E) the pumping plants and appurtenant works of the Central Arizona Project aqueduct system that are described in (A) through (D); and (F) any extensions of, additions to, or replacements for the features described in (A) through (E).

4.18 "CAWCD" shall mean the political subdivision of the State that is the contractor under the CAP Repayment Contract.

4.19 "Central Arizona Project" or "Project" or "CAP" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 et seq.).

4.20 "Community's CAP Service Area" shall mean the Reservation, other lands held in trust by the United States for the benefit of the Community within the State, or lands leased or owned in fee by the Community within the State, where CAP water is put to use.

4.21 "Community's CAP Indian Priority Water" shall mean that portion of the Community's CAP Water that is CAP Indian Priority Water.

4.22 "Community CAP Water" or "Community's CAP Water" shall mean water to which the Community is entitled pursuant to this Amended Contract.

4.23 "Community Repayment Contract" shall mean Contract No. 6-07-03-W0345 between the United States and the Community dated July 20, 1998, providing for the construction of water delivery facilities on the Reservation. The term "Community Repayment Contract" includes any amendments to such contract. This is the same contract referred to in the Settlements Act as Contract No. 6-0907-0903-09W0345.

4.24 "Contracting Officer" shall mean the Secretary or his or her authorized designee acting on his or her behalf.

4.25 "Delivery Point(s)" shall mean the turnout(s) constructed or to be constructed by the United States at such point(s) on the Main System as may be agreed upon in writing by the Contracting Officer and the Community, or in the event they are unable to agree, as selected by the Secretary.

4.26 "Distribution Works" shall mean those facilities constructed or financed by the United States for the primary purpose of distributing Community CAP Water to the Reservation after said Community CAP Water has been transported or delivered through the CAP System.

4.27 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in Section 207(c) of the Act.

4.28 "Excess CAP Water" shall mean Excess Water as that term is defined in the CAP Repayment Stipulation.

4.29 "Excess CAP Water Contract" shall mean a contract between any person or entity and CAWCD for the delivery of Excess CAP Water.

4.30 "Excess CAP Water Contractor" or "Excess CAP Water Contractors" shall mean one or more persons or entities having an Excess CAP Water Contract.

4.31 "Fourth Priority Water" shall mean Colorado River water available for delivery within the State for satisfaction of entitlements: (i) pursuant to contracts, Secretarial reservations, perfected rights, and other arrangements between the United States and water users in the State entered into or established subsequent to September 30, 1968, for use on Federal, State, or privately owned lands in the State (for a total quantity of not to exceed 164,652 acre-feet of diversions annually); and (ii), after first providing for the delivery of water under 43 U.S.C. § 1524(e), pursuant to the CAP Repayment Contract for the delivery of Colorado River water for the Central Arizona Project, including use of Colorado River water on Indian lands.

4.32 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated).* This is the same case referred to in the Settlements Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).*

4.33 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

4.34 "Gila River Indian Reservation" or "Reservation" shall mean, land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

4.35 "Harquahala Valley Irrigation District" shall mean the entity of that name that is a political subdivision of the State organized under the laws of the State.

4.36 "Hohokam Agreement" shall mean the Agreement Among the United States, the Central Arizona Water Conservation District, the Hohokam Irrigation and Drainage District, and the Arizona Cities of Chandler, Mesa, Phoenix and Scottsdale, dated December 21, 1993.

4.37 "Hohokam Irrigation and Drainage District" shall mean the entity of that name that is a political subdivision of the State and an irrigation district organized under the laws of the State.

4.38 "Main System" shall mean those principal works of the Project listed as follows: Mark Wilmer Pumping Plant, the Hayden-Rhodes Aqueduct, the Fannin-McFarland Aqueduct; the Tucson Aqueduct, Buttes Dam, and Navajo Power Project, together with all appurtenances thereto and all lands, interests in lands, and rights-of-way for such works and appurtenances.

4.39 "Member" or "Members" shall mean any person or persons, duly enrolled as members of the Gila River Indian Community.

4.40 "OM&R" shall mean the care, operation, maintenance, and replacement of the Main System, or any part thereof.

4.41 "Party" shall mean either the Community or the United States, and "Parties" shall refer to both the Community and the United States collectively.

4.42 "Project Water" shall mean "Project Water" as that term is defined in the CAP Repayment Stipulation.

4.43 "Return Flow" shall mean waste water, seepage, and groundwater which originates or results from water contracted for from CAP pursuant to this Amended Contract.

4.44 "Roosevelt Water Conservation District" shall mean the entity of that name that is a political subdivision of the State and an irrigation district organized under the law of the State.

4.45 "San Tan Irrigation District" shall mean the entity of that name that is a political subdivision of the State and an irrigation district organized under the laws of the State.

4.46 "Secretary" shall mean the Secretary of the United States Department of the Interior.

4.47 "Settlements Act" shall mean the Arizona Water Settlements Act (118 Stat. 3478).

4.48 "Settlement Agreement" shall mean that amended and restated agreement entered into among the United States, the Community and other parties as approved by the Settlement Act.

4.49 "State" shall mean the State of Arizona.

4.50 "Supreme Court Decree" shall mean the Decree of the Supreme Court of the United States in the case of *Arizona v. California, et al.*, entered March 9, 1964 (376 U.S. 340), including the Court's Supplemental Decrees entered January 9, 1979 (439 U.S. 419), April 16, 1984 (466 U.S. 144), and October 10, 2000, or as it may be further modified.

4.51 "Tohono O'odham Nation" or "TON" shall mean the Tohono O'odham Nation (formerly known as the Papago Tribe) organized under a constitution approved in accordance with section 16 of the Act of June 18, 1934 (25 U.S.C. 476).

4.52 "TON CAP Water Delivery Contract shall mean the contract for delivery of Project Water entered into by the United States and the Tohono O'odham Nation on December 11, 1980, as amended.

4.53 "Year" shall mean a calendar year.

The first letters of defined terms are capitalized herein.

5 DELIVERY OF WATER:

5.1 Obligations of the United States. Subject to the terms, conditions, and provisions set forth in this Amended Contract, during such periods as it operates and maintains the Project, the United States will deliver up to 311,800 acre-feet of Community CAP Water each Year to the Community. The United States will use reasonable diligence to make available to the Community the quantities of water specified in the schedule submitted by the Community pursuant to section 5.5 herein and shall make deliveries of Community CAP Water to the Community to meet the Community's water requirements within the constraints of and in accordance with section 5.5 herein. After the United States has transferred responsibility for the care, operation, maintenance and replacement of the CAP System to the CAP Operating Agency, the United States will make deliveries of Community CAP Water to the CAP Operating Agency for subsequent delivery to the Community as provided herein.

5.2 Term of Amended Contract. This Amended Contract is for permanent service, as that term is used in section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. § 617d, and is without limit as to term.

5.3 Conditions Relating to Delivery. The Community hereby agrees that:

5.3.1 The obligation of the United States to deliver water under this Amended Contract is subject to:

5.3.1.1 The availability of such water for use in Arizona under the provisions of the Colorado River Compact, executed November 24, 1922; the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057); the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885); the contract between the United States and the State of Arizona dated February 9, 1944; the Opinion of the Supreme Court of the United States in the case of *Arizona* v. *California, et al.*, 373 U.S. 546, rendered June 3, 1963; and the Supreme Court Decree.

5.3.1.2 Executive A, Seventy-eighth Congress, Second Session, a treaty between the United States of America and the United Mexican States, signed at Washington, D.C., on February 3, 1944, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande River from Fort Quitman, Texas, to the Gulf of Mexico, and Executive H, Seventy-eighth Congress, Second Session, a protocol signed at Washington, DC, on November 14, 1944, supplementary to the treaty.

5.3.1.3 The express understanding and agreement by the Community that this Amended Contract is subject to the condition that Hoover Dam and Lake Mead shall be used: first, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact approved by section 13(a) of the Boulder Canyon Project Act; and third, for power; and furthermore, that this Amended Contract is made upon the express condition and with the express covenant that all rights hereunder shall be subject to and controlled by the Colorado River Compact and the Supreme Court Decree and that the Parties hereto shall observe and be subject to and controlled by said Colorado River Compact, Boulder

Canyon Project Act, and the Supreme Court Decree in the construction, management, and operation of Hoover Dam, Lake Mead, canals, and other works, and the storage, diversion, delivery, and use of water to be delivered to the Community hereunder.

5.3.1.4 The right of the United States or the CAP Operating Agency temporarily to discontinue or reduce the amount of water to be delivered hereunder whenever such discontinuance or reduction is made necessary for purposes of investigations, inspections, replacements, maintenance, or repairs to any works whatsoever affecting, utilized or, in the opinion of the Secretary, necessary for delivery of water hereunder, it being understood that so far as feasible the United States or the CAP Operating Agency will give thirty (30) days notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Neither the United States, its officers, agents, employees, successors, or assigns, nor the CAP Operating Agency, its officers, agents, employees, successors, or assigns shall be liable for damages when, for any reason whatsoever, any such temporary discontinuance or reduction in delivery of water occurs. If any such discontinuance or temporary reduction results in deliveries to the Community of less water than what has been paid for in advance by the Community, the Community shall be given credit toward the next payment of OM&R charges, pursuant to section 7 hereof.

5.3.2 Measures shall be in effect, adequate in the judgment of the Secretary, to provide for the internally integrated management and control of surface and groundwater within the Community's CAP Service Area to the end that groundwater withdrawals are managed on a responsible basis.

5.3.3 The Distribution Works must be maintained with linings adequate in the Secretary's judgment to prevent excessive conveyance losses.

5.3.4 The Community shall not pump nor permit others to pump groundwater from within the exterior boundaries of the Community's CAP Service Area for use outside the Community's CAP Service Area unless the Secretary and the Community agree, or shall have previously agreed, that a surplus of groundwater exists and drainage is required.

5.3.5 [Intentionally not used].

5.3.6 The Community may, with the approval of the Secretary, including approval as to the Secretary's authority under section 7 of the Act of February 8, 1887 (25 U.S.C. 381):

5.3.6.1 enter into contracts or options to lease (for a term not to exceed 100 years) or contracts or options to exchange Community CAP Water within Maricopa, Pinal, Pima, La Paz, Yavapai, Gila, Graham, Greenlee, Santa Cruz or Coconino Counties, Arizona, providing for the temporary delivery to others of any portion of the Community's CAP Water. Contracts to exchange or options to exchange shall be for the term provided for in each such contract or option.

5.3.6.2 renegotiate any lease at any time during the term of the lease, so long as the term of the renegotiated lease does not exceed 100 years.

5.3.7 The Community, and not the United States, shall be entitled to all consideration due to the Community under any leases or options to lease and exchanges or options to exchange Community CAP Water entered into by the Community.

5.3.7.1 The United States shall have no trust obligation or other obligation to monitor, administer, or account for: (i) any funds received by the Community as consideration under any such leases or options to lease or exchanges or options to exchange; or (ii) the expenditure of such funds.

5.3.8 None of the Community CAP Water shall be leased, exchanged, forborne or otherwise transferred in any way by the Community for use directly or indirectly outside of the State.

5.3.9 Community CAP Water scheduled for delivery in any Year under this Amended Contract that the Community does not use may be made available by the Contracting Officer to other users, or the Contracting Officer may request that the CAP Operating Agency make such water available to other users; *provided, however*, that the Community shall first have an opportunity to enter in contracts to lease, options to lease, contracts to exchange or options to exchange or resell such water as provided in section 5.3.6. If such Community CAP Water is made available to others by the Contracting Officer or the CAP Operating Agency, the Community shall be relieved of its payment obligations hereunder but only to the extent of the amount paid to the Contracting Officer or the CAP Operating Agency by such other users, up to the amount the Community is obligated to pay under this Amended Contract for said water. In the event the Community or the Contracting Officer and the CAP Operating Agency are unable to sell any portion of the Community's CAP Water scheduled for delivery and not used by the Community, the Community shall be relieved of the CAP Pumping Energy Charges associated with the undelivered water.

5.3.10 None of the Community's CAP Water may be permanently alienated.

5.3.11 The Community may use Community CAP Water on or off the Reservation for Community purposes.

5.3.12 The Secretary shall deliver or cause to be delivered Community CAP Water in accordance with water delivery schedules provided by the Community to the Secretary and the CAP Operating Agency pursuant to section 5.5 of this Amended Contract, or pursuant to lease or exchange agreements approved by the Secretary.

5.3.13 If Community CAP Water is to be delivered for use outside the boundaries of the Reservation, neither the Secretary nor the CAP Operating Agency shall be obligated to make such deliveries if, in the judgment of the CAP Operating Agency or of the Secretary, delivery or schedule of deliveries for such off-Reservation use would limit deliveries of CAP water to other CAP Contractors, CAP Subcontractors, or Excess CAP Water Contractors to a degree greater than would delivery of Community CAP Water to the Reservation; *provided*, *however*, that Excess CAP Water Contracts that are first entered into after the off-Reservation delivery of Community CAP Water has been established shall not limit such delivery. For purposes of the preceding sentence, an Excess CAP Water Contract for delivery of water within a given reach of the CAP System shall be considered as "first entered into" if the Excess CAP Water Contractor did not hold an Excess CAP Water Contract for the delivery of water within the same reach of the CAP System in any prior Year.

5.3.14 The Community shall schedule delivery of Community CAP Water in accordance with this Amended Contract. If the combined delivery requests for all CAP Contractors, CAP Subcontractors, and Excess CAP Water Contractors similarly located on the CAP System exceed the delivery capacity of the CAP System, then the CAP Operating Agency will consult with all affected CAP Contractors, CAP Subcontractors and Excess CAP Water Contractors and shall coordinate any necessary schedule reductions until all schedules can be satisfied. Neither the Secretary nor the CAP Operating Agency may reduce the Community's delivery schedule for any month unless and until the requested monthly delivery schedules for all similarly located CAP Contractors, CAP Subcontractors and Excess CAP Water Contractors have been reduced to the same percentage of their annual CAP delivery schedules that the Community requested in that month, or in the case of the Ak-Chin Indian Community by the maximum amount allowed by law. Thereafter, if further reductions are needed because of

limitations on the delivery capacity of the CAP System, the Community's requested monthly delivery schedule will not be reduced unless and until the requested monthly delivery schedules for all similarly located CAP Contractors, CAP Subcontractors, and Excess CAP Water Contractors have been reduced to the same percentage of their annual CAP delivery schedules as the Community, or in the case of the Ak-Chin Indian Community by the maximum amount allowed by law. A CAP Contractor, CAP Subcontractor, or Excess CAP Water Contractor shall be considered "similarly located" for purposes of this section if the CAP delivery schedule requested by that CAP Contractor, CAP Subcontractor, or Excess CAP Water Contractor will affect the quantity of Community CAP Water available for delivery to the Community.

5.3.15 All Community CAP Water shall be delivered through the CAP System. If the delivery capacity of the CAP System is significantly reduced or anticipated to be significantly reduced for an extended period of time, the Community shall have the same CAP delivery rights as other CAP Contractors and CAP Subcontractors, if such CAP Contractors and CAP Subcontractors are allowed to take delivery of water other than through the CAP System.

5.4 Delivery of Community CAP Water.

5.4.1 Subject to the terms and conditions of this Amended Contract, and in addition to any water delivered to the Community pursuant to section 304(d) or (f) of the Basin Project Act, the United States or the CAP Operating Agency shall deliver to the Community annually, up to:

5.4.1.1 173,100 acre-feet of CAP Indian Priority Water that was allocated to the Community in accordance with the Secretarial notice published in the Federal Register on March 24, 1983, and subsequently contracted to the Community for delivery in the 1992 Contract;

5.4.1.2 102,000 acre-feet of CAP NIA Priority Water that was previously allocated to non-Indian agricultural entities and that has been reallocated by the Secretary to the Community pursuant to the Settlement Act;

5.4.1.3 18,600 acre-feet of CAP NIA Priority Water that was previously allocated and contracted to the Roosevelt Water Conservation District and subsequently relinquished by that entity and reallocated by the Secretary to the Community pursuant to the Settlement Act; and

5.4.1.4 18,100 acre-feet of CAP Indian Priority Water that was acquired by the Secretary through the permanent relinquishment of the Harquahala Valley Irrigation District CAP Subcontract entitlement in accordance with Contract No. 3-07-30-W0290 among CAWCD, the Harquahala Valley Irrigation District, and the United States, and converted from CAP NIA Priority Water to CAP Indian Priority Water pursuant to the Fort McDowell Indian Community Water Rights Settlement Act of 1990, P.L. 101-628, Title IV, 104 Stat. 4468, 4480, and reallocated by the Secretary to the Community, pursuant to the Settlement Act.

5.5 Procedure for Ordering Water.

5.5.1 The Community will, in accordance with the procedures hereinafter set out, submit written schedules to the Contracting Officer showing the quantities of water requested for delivery.

5.5.1.1 On or before October 1 of each Year, the Community shall submit in writing to the Contracting Officer a water delivery schedule indicating the amount of Community CAP Water desired by the Community during each month of the following Year along with a preliminary schedule of water desired for the succeeding two (2) Years.

5.5.1.2 Upon receipt of the schedule, the Contracting Officer shall review it and, after consultation with the CAP Operating Agency and the Community, shall make

only such modifications in it as are necessary to ensure that the amounts, times and rates of delivery to the Community will be consistent with the provisions of sections 5.3.1 and 5.3.12. On or before December 1 of each Year, the Contracting Officer shall determine and furnish to the Community the water delivery schedule for the next succeeding Year which shall show the amounts of water to be delivered to the Community during each month of that Year.

5.5.2 A water delivery schedule may be amended by the Contracting Officer upon the Community's written request. Proposed amendments shall be submitted by the Community to the Contracting Officer within a reasonable time before the desired change is to become effective, and shall be subject to review and modification by the Contracting Officer in like manner as the schedule itself.

5.5.3 The Community shall hold the United States, its officers, agents, and employees, harmless on account of damage or claim of damage of any nature arising out of or connected with the actions of the United States regarding water delivery schedules furnished to the Community.

5.5.4 In lieu of the Community submitting water delivery schedules to the Contracting Officer for approval, the Contracting Officer reserves the right to direct the Community to submit such schedules to the CAP Operating Agency under such criteria as the Contracting Officer determines to be appropriate, after consultation with the Community and the CAP Operating Agency and so long as the Community's rights to require the delivery of Community CAP Water are not thereby adversely impacted or diminished.

5.6 Points of Delivery - Measurement and Responsibility for Distribution of Water.

5.6.1 The Community CAP Water to be furnished to the Community pursuant to this Amended Contract will be delivered at (i) the turnout(s) from the CAP System to the Distribution Works as agreed upon in writing by the Contracting Officer and the Community, or

in the event they are unable to agree, as selected by the Secretary and at (ii) such other points as may otherwise be agreed upon or approved by the Secretary.

5.6.2 All water delivered to the Community shall be measured with equipment furnished and installed by the United States and operated and maintained by the United States or the CAP Operating Agency. Upon request of the Community, the accuracy of such measurements will be investigated by the Contracting Officer or the CAP Operating Agency and the Community, and any errors appearing therein adjusted; *provided*, that in the event the Parties cannot agree on the required adjustment, the Contracting Officer's determination shall be conclusive.

5.6.3 Neither the United States nor the CAP Operating Agency shall be responsible for the control, carriage, handling, use, disposal, or distribution of water beyond the turnout point(s) from the CAP System. The Community shall hold the United States and the CAP Operating Agency harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury, or death arising out of or connected with the Community's control, carriage, handling, use, disposal, or distribution of such water beyond said turnout point(s).

5.7 Priority.

5.7.1 In time of shortage the Available CAP Supply shall be distributed as described in this section 5.7.

5.7.2 For purposes of administering this Amended Contract, a time of shortage shall be a Year when:

5.7.2.1 Prior to January 1, 2044, any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements to (i) three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water; (ii) six hundred

thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water; and (iii) up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

5.7.2.2 On or after January 1, 2044, any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements to (i) three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority water; (ii) six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water; (iii) up to forty-seven thousand three hundred three (47,303) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water pursuant to the Hohokam Agreement; and (iv) up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

5.7.3 In time of shortage the initial distribution of water shall be determined in the following manner:

5.7.3.1 If the Available CAP Supply is equal to or less than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then 36.37518 percent of the Available CAP Supply shall be available for delivery as CAP Indian Priority Water and the remainder shall be available for delivery as CAP M&I Priority Water.

5.7.3.2 If the Available CAP Supply is greater than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water shall be determined in accordance with the following equation and the remainder shall be available for delivery as CAP M&I Priority Water:

$$I = \{[32{,}770 \div (E - 853{,}079)] \times W\} + (343{,}079 - \{[32{,}770 \div (E - 853{,}079)] \times E\})$$

where:

I = the quantity of water available for delivery as CAP Indian Priority Water;

E = the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in section 5.7.2.1 or 5.7.2.2, whichever is applicable; and

W = the Available CAP Supply.

Examples:

A. If, before January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in section 5.7.2.1 is nine hundred eighty-one thousand nine hundred two (981,902) acre-feet (343,079 + 638,823), then the quantity of water available for delivery as CAP Indian Priority Water would be ninety-three thousand three hundred three (93,303) acre-feet plus 25.43800 percent of the Available CAP Supply.

B. If, after January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in section 5.7.2.2 is one million twenty-nine thousand three hundred twenty-three (1,029,323) acre-feet (343,079 + 638,823 + 47,303 + 118), then the quantity of water available for delivery as CAP Indian Priority Water would be one hundred fifty-one thousand six hundred ninety-one (151,691) acre-feet plus 18.59354 percent of the Available CAP Supply.

5.7.4 In a time of shortage unscheduled CAP Water shall be redistributed in the following manner:

5.7.4.1 Distribution of CAP Indian Priority Water among those entities with contracts for the delivery of CAP Indian Priority Water shall be as provided in section 5.7.5. Any water available for delivery as CAP Indian Priority Water that is not scheduled for delivery

pursuant to contracts, leases, or exchange agreements for the delivery of CAP Indian Priority Water shall become available for delivery as CAP M&I Priority Water.

5.7.4.2 Distribution of CAP M&I Priority Water among those entities with contracts for the delivery of CAP M&I Priority Water shall be determined by the Secretary and the CAP Operating Agency in consultation with users of CAP M&I Priority Water to fulfill all delivery requests to the greatest extent possible. Any water available for delivery as CAP M&I Priority Water that is not scheduled for delivery pursuant to contracts, leases, or exchange agreements for the delivery of CAP M&I Priority Water shall become available for delivery as CAP Indian Priority Water.

5.7.4.2.1 In consideration of the Community's agreement to incur additional shortages beyond those that it would have incurred under the approach described in Exhibit A hereto, the Secretary shall first make available to the Community any water made available for delivery as CAP Indian Priority Water under section 5.7.4.2, to the extent necessary in any Year, to offset the additional shortages borne by the Community. After the additional shortages borne by the Community have been fully offset, the Secretary shall then make any remaining water available in accordance with CAP Contracts and CAP Subcontracts for the delivery of CAP Indian Priority Water, including this Amended Contract, in proportion to the contractual entitlements to CAP Indian Priority Water.

5.7.4.3 Any water remaining after all requests for delivery of CAP Indian Priority Water and CAP M&I Priority Water have been satisfied shall become available for delivery as CAP NIA Priority Water.

5.7.4.4 Nothing in section 5.7.4 shall be construed to allow or authorize any CAP Contractor or CAP Subcontractor to receive, pursuant to such contracts, CAP water in amounts greater than such contractor's entitlement.

5.7.5 The distribution of CAP Indian Priority Water among CAP Indian Priority Water users shall be accomplished as follows:

5.7.5.1 If the Available CAP Supply is greater than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet but less than the sum of the entitlements described in section 5.7.2.1 or 5.7.2.2, as applicable, then the Tohono O'odham Nation shall incur the portion of such shortage of CAP Indian Priority Water determined under the formula set forth in exhibit 5.3.4.1 to the TON CAP Water Delivery Contract and the Community shall incur all remaining shortages of CAP Indian Priority Water to the extent that sufficient quantities of CAP water, including all CAP M&I Priority Water available for delivery as CAP Indian Priority Water in accordance with section 5.7.4.2.1, are not available to meet orders for CAP Indian Priority Water.

5.7.5.2 If the Available CAP Supply is greater than eight hundred one thousand five hundred seventy-four (801,574) acre-feet but less than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, up to fifty one thousand five hundred five (51,505)acre-feet of shortages to the Indian sector will be shared among the Community, the Ak-Chin Indian Community, the Salt River Pima-Maricopa Indian Community, the Tohono O'odham Nation, and the San Carlos Apache Tribe. Notwithstanding the provisions of this section 5.7.5.2, during a time of shortage, the CAP Indian Priority Water available to the other four (4) tribes referenced above shall be determined in accordance with the provisions of their respective CAP water delivery contracts and any amendments thereto, which amendments shall be consistent with sections 5.7.4.2.1 and 5.7.5.

5.7.5.3 In the event that the Available CAP Supply is less than eight hundred one thousand five hundred seventy-four (801,574) acre-feet, the available CAP Indian Priority Water determined under section 5.7.3.1 shall be distributed to the Community by the

Secretary based on the ratio of the amount of water delivered pursuant to this Amended Contract in the latest non-shortage Year relative to the total quantity of water delivered to all CAP Contractors for CAP Indian Priority Water in that same Year. However, if during the last non-shortage Year the Community had not completed construction of the distribution system necessary to take and use its CAP entitlement, the Secretary will impute in the calculation the quantity of CAP water that the Community would have been expected to take had the distribution system, as it exists at the time of the shortage, been in place during such non-shortage Year. For example, if the Secretary determines that (i) in the last non-shortage Year the Community used only one hundred thirty thousand (130,000) acre-feet of its entitlement because the Distribution Works were only partially completed and would permit the delivery of only one hundred thirty thousand (130,000) acre-feet, and (ii) as of the then current Year, additional construction of the Distribution Works has been completed, and (iii) the Community can take and use, and has ordered for delivery, one hundred sixty-five thousand (165,000) acre-feet of CAP water, then the Secretary will use an imputed quantity of one hundred sixty-five thousand (165,000) acre-feet for the Community when pro-rating the available water supply among the CAP Contractors for CAP Indian Priority Water.

5.7.5.4 If any Indian tribe or nation, other than the Community, enters into a new contract or amends the term or quantity of water in an existing contract for the delivery or exchange of CAP water, then the Secretary shall require such tribe or nation to include in such new contract or amendment, a provision to share, on a proportional[1] basis with the Community and the TON, the additional shortage that the Community and TON are bearing pursuant to sections 5.7.5.1 and 5.7.5.2 of this Amended Contract. In that event, the Community

[1] The proportion shall be based on a ratio with the numerator being the amount of such tribe's entitlement to CAP Indian Irrigation Water and the denominator being the sum of the amounts of all tribes' entitlement to CAP Indian Irrigation Water.

and the Secretary shall modify this Amended Contract to reflect such sharing of shortages by the other Indian tribe(s) or nation(s); provided, however, that any such shortage shared by the other tribe(s) or nation(s) shall not be greater than would have been incurred by the tribe(s) or nation(s) under their existing CAP Water Delivery Contracts at an Available CAP Water Supply of 801,574 acre-feet. The Secretary shall divide any water made available to the Community pursuant to Subparagraph 5.7.4.2.1 among the Community and those contractors whose contracts have been so amended, on the same proportional basis as shortages were shared. Such amendments shall not require the Community to incur any greater shortage of CAP Indian priority Water than is required under this Amended Contract.

5.7.6 In the event that there is any dispute regarding the amount of CAP water available to the Community during a time or shortage, or dispute regarding the operation of section 5.7 the Secretary shall make a final determination after consulting with the Community, which decision shall be subject to such challenge or appeal processes as are available or applicable.

5.7.7 If the Available CAP Supply is insufficient to meet the CAP Contracts or CAP Subcontracts for the delivery of CAP NIA Priority Water, then the Secretary and the CAP Operating Agency shall pro-rate the CAP NIA Priority Water to the CAP Contractors and CAP Subcontractors holding such entitlements on the basis of the quantity of CAP NIA Priority Water used by each such Contractor or Subcontractor in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. However, if during the last such Year the Community had not completed construction of the distribution system necessary to take and use its entire entitlement to CAP NIA Priority Water, the Secretary shall impute in the calculation the quantity of CAP NIA Priority Water that the Community would have been expected to take had the distribution system, as it exists in the then current Year, been in place

5.10 Exchange Water.

5.10.1 In order to permit the Secretary to contract for water service with users in the State of New Mexico in accordance with section 304(f) of the Basin Project Act, the Community agrees to accept Project Water in exchange for existing supplies available to the Community from the Gila River system.

5.10.2 In addition to any exchange required under section ~~5.9.1~~ 5.10.1, if the Contracting Officer determines that the Community is physically able to receive Project Water in exchange for or in replacement of existing supplies of water from surface sources other than the Colorado River, the Contracting Officer may require that the Community accept Project Water in exchange for or in replacement of said existing supplies pursuant to the provisions of section 304(d) of the Basin Project Act.

5.10.3 All exchanges and replacements required of the Community under this section 5.10 by the Secretary must be accomplished without economic injury or cost to the Community. Prior to implementing any such exchange, the United States shall conduct or cause to be conducted a study to document that the exchange can be accomplished without economic injury or cost to the Community.

5.10.4 If, in the event of shortages, the Community has yielded water from other surface water sources in exchange for Project Water, the Community shall have first priority against other users supplied with Project Water that have not yielded water from other surface water sources, but only in quantities adequate to replace the water so yielded by the Community.

5.10.5 The Community shall have the opportunity to participate in exchange agreement negotiations, and the Secretary shall include necessary terms and conditions in any exchange agreement which operate to protect the interests of the Community. Notwithstanding the Community's participation in the exchange agreement negotiations, the Contracting Officer

shall make the final decision regarding any exchange agreement. Within thirty (30) days of receipt of the Contracting Officer's decision, the Community may appeal the Contracting Officer's decision to the Secretary for review, in accordance with the appeal procedures set forth in 43 CFR 4.700, *et seq.*, subpart G. The decision of the Secretary shall be final for the Department of the Interior, and thereafter the Community may seek review of the Secretary's decision in Federal court pursuant to any applicable law under the procedures provided in the Administrative Procedures Act.

5.11 Nothing in this Amended Contract precludes the Community from contracting for the delivery of any other water available for delivery through the CAP System, and no such delivery shall affect any rights under this Amended Contract.

6 OTHER WATER:

Nothing in this Amended Contract shall be construed to require that the Community's CAP Water entitlement be reduced or diminished as a result of the Community's receipt of water from other sources.

7 PAYMENTS:

7.1 Pursuant to section 205(a)(7) of the Settlements Act, the cost associated with the Main System allocable to the Community:

7.1.1 shall be nonreimbursable; and

7.1.2 shall be excluded from any repayment obligation of the Community.

7.2 Pursuant to section 205(a)(8) of the Settlement Act, no CAP water service capital charges shall be due or payable for Community CAP Water, whether CAP water is delivered for use by the Community or is delivered under any leases of or options to lease, exchanges or options to exchange Community CAP Water entered into by the Community.

7.3 Except as provided in sections 7.3.5 and 7.3.6, the Community shall be responsible for the payment of the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the delivery of Community CAP Water.

7.3.1 Community CAP Water shall not be delivered to the Community unless the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the delivery of such water are paid in advance of water delivery pursuant to bills for collection from the United States, or the CAP Operating Agency if the Community is directed by the Contracting Officer to pay such charges to the CAP Operating Agency.

7.3.2 Unless otherwise directed by the Contracting Officer, the annual CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the delivery of Community CAP Water shall be paid in twelve (12) equal monthly installments and shall be paid on or before the first day of each month in order for the Community to receive water deliveries in the succeeding month.

7.3.3 Unless otherwise agreed, differences between the estimated and actual CAP Fixed OM&R Charge and the estimated and actual CAP Pumping Energy Charge shall be determined by the Contracting Officer and shall be adjusted in the next succeeding annual CAP Fixed OM&R Charge and CAP Pumping Energy Charge; *provided, however*, that if in the opinion of the Contracting Officer the amount of funds advanced by the Community is likely to be insufficient to cover the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge during the Year, the Contracting Officer may increase the annual estimate of the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the deliver of Community CAP Water by written notice thereof to the Community, and the Community shall forthwith increase its remaining monthly payments in such Year by the amount necessary to cover the insufficiency; *provided further,* that, unless otherwise agreed, if in the opinion of the Contracting

Officer the amount of funds advanced by the Community is likely to be greater than what is required to cover the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the deliver of Community CAP Water during the Year, the Contracting Officer shall reduce the remaining monthly payments on a pro rata basis to adjust the total payment for the Year to the revised estimate. The Community agrees to make all advances or payments required under this section.

7.3.4 Pursuant to 25 U.S.C. 385 and regulations promulgated pursuant thereto (25 CFR Part 171), the Secretary may adjust the amount of the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge for which the Community is responsible.

7.3.5 Notwithstanding section 7.3 and except as provided in section ~~7.3.7~~ 7.3.6, the United States shall pay the CAP Operating Agency the CAP Fixed OM&R Charge for Community CAP Water scheduled for delivery in any Year under this Amended Contract if monies are available for such purpose pursuant to section 403(f) of the Basin Project Act .

7.3.6 The Community and the United States shall not be obligated to pay the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the delivery of Community CAP Water, or any other charges, payments or fees with respect to Community CAP Water delivered or required to be delivered to entities other than the Community pursuant to leases or options to lease. The Community shall require its lessees to pay the CAP Operating Agency any such charges in any contracts, leases, options to lease, or other agreements providing for the temporary delivery to, or use by, such lessees of any portion of the Community's CAP Water.

7.4 In the event the Community fails or refuses to accept delivery at the Delivery Point(s) of the quantities of water available for delivery to and required to be accepted by it pursuant to this Amended Contract, or in the event the Community fails in any Year to submit a

Officer the amount of funds advanced by the Community is likely to be greater than what is required to cover the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the deliver of Community CAP Water during the Year, the Contracting Officer shall reduce the remaining monthly payments on a pro rata basis to adjust the total payment for the Year to the revised estimate. The Community agrees to make all advances or payments required under this section.

7.3.4 Pursuant to 25 U.S.C. 385 and regulations promulgated pursuant thereto (25 CFR Part 171), the Secretary may adjust the amount of the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge for which the Community is responsible.

7.3.5 Notwithstanding section 7.3 and except as provided in section 7.3.7, the United States shall pay the CAP Operating Agency the CAP Fixed OM&R Charge for Community CAP Water scheduled for delivery in any Year under this Amended Contract if monies are available for such purpose pursuant to section 403(f) of the Basin Project Act .

7.3.6 The Community and the United States shall not be obligated to pay the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the delivery of Community CAP Water, or any other charges, payments or fees with respect to Community CAP Water delivered or required to be delivered to entities other than the Community pursuant to leases or options to lease. The Community shall require its lessees to pay the CAP Operating Agency any such charges in any contracts, leases, options to lease, or other agreements providing for the temporary delivery to, or use by, such lessees of any portion of the Community's CAP Water.

7.4 In the event the Community fails or refuses to accept delivery at the Delivery Point(s) of the quantities of water available for delivery to and required to be accepted by it pursuant to this Amended Contract, or in the event the Community fails in any Year to submit a

schedule for delivery as provided in section 5.5, said failure or refusal shall not relieve the Community of its obligation to make the payments required in this section 7. The Community agrees to make payment therefor in the same manner as if said water had been delivered to and accepted by it in accordance with this Amended Contract except as provided in sections 5.3.7 and section 7.5; *provided*, that the Community shall be relieved from such obligation to pay if Distribution Works are not in place to receive water because the United States has not made funds available to the Community to construct Distribution Works or the United States has not constructed Distribution Works for the Community.

7.5 The Community shall have no right to delivery of water from Project facilities during any period in which the Community may be in arrears in the payment of any charges due the Contracting Officer or the CAP Operating Agency. The Contracting Officer may sell to another entity any water determined to be available under the Community's entitlement for which payment is in arrears or the Contracting Officer may request that the CAP Operating Agency sell such water; *provided*, *however*, that the Community may regain the right to use any unsold portion of the water determined to be available under the original entitlement upon payment of all delinquent charges plus any difference between the contractual obligation and the price received in the sale of the water by the Contracting Officer or the CAP Operating Agency and payment of charges for the current period.

7.6 The Community shall be subject to interest, administrative, and penalty charges on any delinquent payments for the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the delivery of Community CAP Water.

7.6.1 When a payment is not received by the due date, the Community shall pay an interest charge for each day the payment is delinquent beyond the due date. The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the

Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

7.6.2 When a payment becomes 60 days delinquent, the Community shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment.

7.6.3 When a payment is delinquent 90 days or more, the Community shall pay an additional penalty charge of 6 percent per Year calculated on a daily basis for each day the payment is delinquent beyond the due date.

7.6.4 The Community shall pay any fees incurred for debt collection services associated with a delinquent payment.

7.6.5 When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment for the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the delivery of Community CAP Water.

7.7 The obligation of the Community to pay the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge associated with the delivery of Community CAP Water to the Contracting Officer, or the CAP Operating Agency as provided in this Amended Contract, is a general obligation of the Community notwithstanding the manner in which the obligation may be distributed among the Community's water users and notwithstanding the default of individual water users in their obligations to the Community.

8 GENERAL PROVISIONS:

8.1 Water and Air Pollution Control. The Community, in carrying out this Amended Contract, shall comply with all applicable water and air pollution laws and regulations of the Community and the United States, and shall obtain all required permits or licenses from the appropriate Community and Federal authorities.

8.2 Quality of Water. The CAP System shall be operated in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. Neither the United States nor the CAP Operating Agency warrants the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

8.3 Compliance With Federal Reclamation Laws. The delivery of water or the use of Federal facilities pursuant to this Amended Contract is subject to applicable Federal Reclamation laws.

8.4 Books, Records, and Reports. The Community shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Amended Contract. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each Party shall have the right during office hours to examine and make copies of the other Party's books and records relating to matters covered by this Amended Contract.

8.5 Notices. Any notice, demand, or request authorized or required by this Amended Contract shall be deemed to have been given, on behalf of the Community, when mailed, postage prepaid, or delivered to the Regional Director, Lower Colorado Region, Bureau of Reclamation, P.O. Box 61470, Boulder City, Nevada 89006-1470, and on behalf of the United States, when

mailed, postage prepaid, or delivered to the Governor, Gila River Indian Community, P.O. Box 97, Sacaton, Arizona 85247. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this section for other notices.

8.6 Contingent on Appropriation or Allotment of Funds. The expenditure or advance of any money or the performance of any obligation by the United States under this Amended Contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Community from any obligations under this Amended Contract. No liability shall accrue to the United States in case funds are not appropriated or allocated.

8.7 Assignment Limited – Successors and Assigns Obligated. The provisions of this Amended Contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Amended Contract or any part or interest therein shall be valid until approved in writing by the Contracting Officer.

8.8 Officials Not to Benefit. No Member of or Delegate to Congress, Resident Commissioner or official of the Community shall benefit from this Amended Contract other than as a water user or landowner in the same manner as other water users or landowners.

8.9 Equal Opportunity.

8.9.1 In accordance with the provisions of Title 42 U.S.C. 2000-e-2(i), the Community shall give preference in employment to Indian residents of the Reservation. The Bureau of Indian Affairs Office of Employment Assistance shall be notified of employment opportunities 48 hours before any positions are advertised to the general public.

8.9.2 Except as provided above, during the performance of this Amended Contract, the Community agrees as follows:

8.9.2.1 The Community will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Community will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Community agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

8.9.2.2 The Community will, in all solicitations or advertisements for employees placed by or on behalf of the Community, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

8.9.2.3 The Community will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of the Community's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

8.9.2.4 The Community will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

8.9.2.5 The Community will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

8.9.2.6 In the event of the Community's noncompliance with the nondiscrimination clauses of this Amended Contract or with any such rules, regulations, or orders, this Amended Contract may be canceled, terminated, or suspended, in whole or in part, and the Community may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

8.9.2.7 The Community will include the provisions of sections 8.9.2.1 through 8.9.2.7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Community will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; *provided*, *however*, that in the event the Community becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Community may request the United States to enter into such litigation to protect the interests of the United States.

8.10 Compliance with Civil Rights Laws and Regulations.

8.10.1 The Community shall comply with Title VI of the Civil Rights Act of 1964 (42U.S.C. 2000d), section 504 of the Rehabilitation Act of 1975 (Public Law 93-112,as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, *et seq*.) and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the Department of the Interior and/or Bureau of Reclamation.

8.10.2 These statutes require that no person in the United States shall, on the grounds of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation. By executing this Amended Contract, the Community agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

8.10.3 The Community makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other Federal financial assistance extended after the date hereof to the Community by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Community recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this section, and that the United States reserves the right to seek judicial enforcement thereof.

9 <u>EXCEPTIONS TO APPLICATION OF CIVIL RIGHTS AND OTHER ACTS:</u>

The provisions of sections 8.9 and 8.10 apply except where they conflict with sections 701(b)(1) and 703(i) of Title VII of the Civil Rights Act of 1964 (73 Stat. 253-257), which pertain to Indian tribes and to preferential treatment given to Indians residing on or near a

reservation or other applicable laws which exclude applicability to Indians or Indian reservations.

10 ENVIRONMENTAL COMPLIANCE:

Notwithstanding any other provision of this Amended Contract, Community CAP Water shall not be delivered to the Community unless and until the Community obtains final environmental clearance from the Contracting Officer for construction of the Distribution Works and use of Community CAP Water. Based on the Community's plans to take and use Community CAP Water, Reclamation shall carry out any and all environmental reviews it considers necessary for construction of the Distribution Works and use of Community CAP Water. The environmental reviews will be tiered off of information in the Final Environmental Impact Statement--Water Allocations and Water Service Contracting (FES 82-7, filed March 19, 1982) and carried out according to the requirements of the National Environmental Policy Act of 1969 (83 Stat. 884). In addition, environmental clearance for this Amended Contract will not be final until the applicable provisions of the Endangered Species Act have been complied with. Any additional action(s) required on behalf of the Community in order to obtain final environmental clearance from the Contracting Officer will be identified to the Community by the Contracting Officer, and no Community CAP Water shall be delivered to the Community unless and until the Community has completed all such action(s) to the satisfaction of the Contracting Officer. The Parties understand that the Distribution Works will be constructed in phases, and that separate environmental clearance will be completed for each phase thereby permitting the construction of each phase and delivery of water through such phase prior to obtaining final environmental clearance for all phases.

11 OTHER PROVISIONS:

11.1 This Amended Contract shall become effective on the Enforceability Date.

11.2 Nothing in this Amended Contract shall be construed as a limitation on the Community's ability to enter into any agreement with the Arizona Water Banking Authority, or its successor agency or entity, in accordance with State law.

IN WITNESS WHEREOF, the Parties have executed this Amended Contract on the date written above.

THE UNITED STATES OF AMERICA

Legal Review and Approval

By:_____
Field Solicitor
Phoenix, Arizona

By: _____
Robert W. Johnson
Regional Director
Bureau of Reclamation

GILA RIVER INDIAN COMMUNITY

Legal Review and Approval

By:_____
General Counsel

By: _____
Richard Narcia
Governor

ATTEST:

By:_____
Secretary

By: _____

Exhibit A

Secretary's Approach for Determining the Amount of Water Available to the Community During a Time of Shortage Under the 1992 Contract

If the Available CAP Supply is insufficient to fill all orders for CAP water, the Secretary shall take the following steps, in succession, as necessary to match the available supply with orders for the delivery of CAP water in each of the categories described below:

1. First, miscellaneous uses of CAP water are reduced, pro rata. If, after eliminating all miscellaneous uses of CAP water, there is still insufficient available CAP water to meet outstanding orders for the delivery of CAP water, the Secretary shall take the following measure.

2. Uses of CAP NIA Priority Water are reduced, pro rata. If, after eliminating all uses of CAP NIA Priority Water, there is still insufficient available CAP water to meet outstanding orders for delivery of CAP water, then the Secretary shall take the following measure.

3. Uses of CAP M&I Priority Water in excess of 510,000 acre-feet are reduced, pro rata. If, after eliminating all uses of CAP M&I Priority Water in excess of 510,000 acre-feet, there is still insufficient available CAP water to meet outstanding orders for delivery of CAP water, then the Secretary shall take the following measure.

4. If the preceding reductions do not bring CAP water orders in line with the Available CAP Supply, uses of CAP Indian Priority Water in excess of 291,574 acre-feet are

reduced, in accordance with the Secretarial Decision published in the Federal Register on March 24, 1983.

5. If the preceding reductions do not bring CAP water orders in line with the Available CAP Supply, the available CAP water supply will be allocated between users of CAP Indian Priority Water and users of CAP M&I Priority water on a 36.37518 and 63.62482 percentage basis, respectively.

6. If step 5 is implemented, the amount of water available for the Community shall be determined by multiplying the amount of CAP Indian Priority Water by the ratio of the amount of water delivered pursuant to the Community's CAP Water Delivery Contract in the latest non-shortage Year relative to the total quantity of water delivered to all CAP Contracts for Indian Priority Water in that same Year.

Exhibit 8.16.4.1

Secretary's Approach for Determining
the Amount of Water Available to the Community
During a Time of Shortage Under the 1992 Contract

If the Available CAP Supply is insufficient to fill all orders for CAP water, the Secretary shall take the following steps, in succession, as necessary to match the available supply with orders for the delivery of CAP water in each of the categories described below:

1. First, miscellaneous uses of CAP water are reduced, pro rata. If, after eliminating all miscellaneous uses of CAP water, there is still insufficient available CAP water to meet outstanding orders for the delivery of CAP water, the Secretary shall take the following measure.

2. Uses of CAP NIA Priority Water are reduced, pro rata. If, after eliminating all uses of CAP NIA Priority Water, there is still insufficient available CAP water to meet outstanding orders for delivery of CAP water, then the Secretary shall take the following measure.

3. Uses of CAP M&I Priority Water in excess of 510,000 acre-feet are reduced, pro rata. If, after eliminating all uses of CAP M&I Priority Water in excess of 510,000 acre-feet, there is still insufficient available CAP water to meet outstanding orders for delivery of CAP water, then the Secretary shall take the following measure.

4. If the preceding reductions do not bring CAP water orders in line with the Available CAP Supply, uses of CAP Indian Priority Water in excess of 291,574 acre-feet are reduced, in accordance with the Secretarial Decision published in the Federal Register on March 24, 1983.

5. If the preceding reductions do not bring CAP water orders in line with the Available CAP Supply, the available CAP water supply will be allocated between users of CAP Indian Priority Water and users of CAP M&I Priority water on a 36.37518 and 63.62482 percentage basis, respectively.

6. If step 5 is implemented, the amount of water available for the Community shall be determined by multiplying the amount of CAP Indian Priority Water by the ratio of the amount of water delivered pursuant to the Community's CAP Water Delivery Contract in the latest non-shortage Year relative to the total quantity of water delivered to all CAP Contracts for Indian Priority Water in that same Year.

Exhibit 8.16.4.2

Exhibit 5.3.4.1 to the TON Settlement Agreement

Secretary's Approach for Determining
The Amount of Water Available to the Nation
During a Time of Shortage Under 1980 Contract

If the Available CAP Supply is insufficient to fill all orders for CAP water, the Secretary shall take the following steps, in succession, as necessary to match the available supply with orders for the delivery of CAP water in each of the categories described below:

1. First, miscellaneous uses of CAP water are reduced, pro rata. If, after eliminating all miscellaneous uses of CAP water, there is still insufficient available CAP water to meet outstanding orders for the delivery of CAP water, the Secretary shall take the following measure.
2. Uses of CAP NIA Priority Water are reduced, pro rata. If, after eliminating all uses of CAP NIA Priority Water, there is still insufficient available CAP water to meet outstanding orders for delivery of CAP water, then the Secretary shall take the following measure.
3. Uses of CAP M&I Priority Water in excess of 510,000 acre-feet are reduced, pro rata. If, after eliminating all uses of CAP M&I Priority Water in excess of 510,000 acre-feet, there is still insufficient available CAP water to meet outstanding orders for delivery of CAP water, then the Secretary shall take the following measure.
4. If the preceding reductions do not bring CAP water orders in line with the Available CAP Supply, uses of CAP Indian Priority Water in excess of 291,574 acre-feet are reduced, in accordance with the Secretarial Decision published in the Federal Register on March 24, 1983.

5. If the preceding reductions do not bring CAP water orders in line with the Available CAP Supply, the available CAP water supply will be allocated between users of CAP Indian Priority Water and users of CAP M&I Priority Water on a 36.37518 and 63.62482 percentage basis, respectively.

6. If step 5 is implemented, the amount of water available for the Nation shall be determined by multiplying the amount of CAP Indian Priority Water by the ratio of the amount of water delivered pursuant to the Nation's CAP Water Delivery Contract in the latest non-shortage Year relative to the total quantity of water delivered to all CAP Contracts for Indian Priority Water in that same Year.

Final Execution Version
October 21, 2005

AMENDED AND RESTATED AMENDMENT No. 1 TO THE SETTLEMENT AGREEMENT AMONG THE UNITED STATES OF AMERICA, THE ROOSEVELT WATER CONSERVATION DISTRICT, AND THE GILA RIVER INDIAN COMMUNITY

This Amended and Restated Amendment No. 1 to the May 10, 1999 Settlement Agreement (the "RWCD Agreement") between: (i) the United States of America, acting through its Attorney General and Secretary of the Interior; (ii) the Roosevelt Water Conservation District, an irrigation district organized under the laws of the State of Arizona ("RWCD"); and (iii) the Gila River Indian Community, an Indian Community organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat, 987, 25 U.S.C. § 476) ("GRIC" or "Community"); is made this _____ day of _____, 2005. Collectively, the United States, RWCD and the Community are referred to herein as the "Parties" and each is individually referred to as a "Party."

RECITALS

A. The Parties have previously entered into the RWCD Agreement, pursuant to which the water rights claims of the Community, and the United States on behalf of the Community, were settled as against RWCD in exchange for certain water supplies and other forms of consideration specified in the RWCD Agreement.

B. The Community and the United States have been engaged in negotiations with numerous other claimants in the Gila River Adjudication in an effort to settle comprehensively the water rights claims of the Community, and the United States on behalf of the Community. During the course of these settlement negotiations, other participating claimants have expressed concerns about certain provisions contained in the RWCD Agreement.

C. The Community and RWCD have executed the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, to which the RWCD Agreement

(including this Amended and Restated Amendment No. 1) is attached as Exhibit 9.1. At the request of certain of the parties to the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, the Community, RWCD and the United States have agreed to include the RWCD Agreement, as amended by this Amended and Restated Amendment No. 1, in the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement. This Amended and Restated Amendment No. 1 addresses those concerns raised by various parties to the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement as to certain provisions in the RWCD Agreement.

Capitalized terms in this Amended and Restated Amendment No. 1 that are not expressly defined herein shall have the same meaning as in the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement.

AGREEMENT

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in further consideration of the mutual promises set forth in this Amended and Restated Amendment No. 1, the Parties agree as follows:

1.0 Amended Provisions of RWCD Agreement

The following provisions of the RWCD Agreement are hereby amended as specified below:

1.1 Inserting a new definition 1.15A: "Enforceability Date" shall have the same meaning as the same phrase in the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, which phrase is defined at subparagraph 2.71 of the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement.

1.2 Subsection 4.1.2 of the RWCD Agreement is hereby deleted from the RWCD Agreement.

1.3 Subsections 4.1.1 and 5.4 of the RWCD Agreement shall be deemed deleted and no longer binding or enforceable upon the occurrence of the Enforceability Date.

1.4 Subparagraph 5.1.1 is amended by inserting the following text after the words "year in which": "either of the following events have occurred, whichever shall occur first, either the Enforceability Date, or"

1.5 The Community, the United States on behalf of the Community, and RWCD hereby confirm that the provisions of subsections 7.2, 7.3, 7.4, 7.5 and 7.6 of the RWCD Agreement shall not apply to the City of Mesa, the City of Chandler or the Town of Gilbert. The Community and the United States on behalf of the Community shall not seek to enforce the provisions of subsections 7.2, 7.3, 7.4, 7.5 or 7.6 of the RWCD Agreement against the City of Mesa, the City of Chandler or the Town of Gilbert; provided however, all withdrawals of water, without limitation, from wells described in Exhibit "C" of the RWCD Agreement or their replacement wells, by or on behalf of the City of Mesa, the City of Chandler or the Town of Gilbert, shall not count towards the 8,000 acre-feet limitation described in subsection 7.2 of the RWCD Agreement.

2. Waiver and Release of Claims

As of the Enforceability Date, the waivers and releases set forth in Subparagraphs 25.2 through 25.6, together with Exhibits 25.2 through 25.6, shall be in substitution of and not in addition to the waivers and releases granted to RWCD and others in subsection 8.2 of the RWCD Agreement.

3. Other Provisions Not Affected

All provisions of the RWCD Agreement not explicitly modified by this Amended and Restated Amendment No. 1 shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Amendment No. 1 to the RWCD Agreement as of the dates set forth below.

UNITED STATES OF AMERICA

By_____
Secretary of the Interior

Date:_____
By_____
Attorney General

Date:_____

ROOSEVELT WATER CONSERVATION DISTRICT

By_____
Its President
Date:_____

GILA RIVER INDIAN COMMUNITY

By:_____
Its Governor
Date:_____

Approved as

To Form:

_____

General Counsel

SETTLEMENT AGREEMENT

THIS AGREEMENT ("Settlement Agreement"), dated May 10, 1999, is made and entered into by and among the United States of America acting through its Attorney General and Secretary of the Interior, the Roosevelt Water Conservation District, an irrigation district organized under the laws of the State of Arizona, and the Gila River Indian Community, an Indian Community organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987, 25 U.S.C. § 476), and duly recognized by the Secretary of the Interior.

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EXHIBITS

Exhibit "A"	Relinquishment Agreement
Exhibit "B"	Map of Gila River Indian Reservation
Exhibit "C"	Map of Roosevelt Water Conservation District (including existing wells located south of Pecos Road)
Exhibit "D"	Exhibit "12.3" to Salt River Pima - Maricopa Indian Community Water Rights Settlement Agreement
Exhibit "E"	Stipulation and Judgment
Exhibit "F"	Letter Regarding Administration of Rights
Exhibit "G"	Roosevelt Water Conservation District Water Rights
Exhibit "H"	Exhibit "10.2" to Salt River Pima - Maricopa Indian Community Water Rights Settlement Agreement
Exhibit "I"	Roosevelt Water Conservation District Bylaws, Rules and Regulations

In consideration of the premises and of the promises and agreements hereinafter set forth, the parties hereto agree as follows:

1.0 Definitions

In this Settlement Agreement, the following terms shall have the meaning set forth below:

1.1 "Allottees" shall mean owners of the beneficial interest in the allotted land within the Gila River Indian Reservation.

1.2 "Attorney General" shall mean the Attorney General of the United States or her lawful designee.

1.3 "CAP" shall mean the Central Arizona Project, a Reclamation project constructed by the United States pursuant to the Colorado River Basin Project Act of September 30, 1968, 82 Stat. 885, as amended.

1.4 "CAWCD" shall mean the Central Arizona Water Conservation District, a political subdivision of the State of Arizona, which has executed a contract to repay to the United States the reimbursable costs of the CAP.

1.5 "Effective Date" shall mean the date on which this Settlement Agreement has been executed by all the parties hereto.

1.6 "FMIC" shall mean the Fort McDowell Mohave-Apache Indian Community, a community of Yavapai Indians organized under Section 16 of the Indian Reorganization Act of June 18, 1934, 48 Stat. 987, and duly recognized by the Secretary, and its members.

1.7 "FMIC Settlement Agreement" shall mean that agreement dated as of January 15, 1993, among the United States, FMIC, RWCD and others providing for the settlement of the water rights claims of FMIC.

1.8 "Gila River Adjudication" shall mean that action pending in the Superior Court of the State of Arizona, in and for the County of Maricopa styled as In Re The General Adjudication of All Rights To Use Waters in the Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W7-4 (San Pedro).

1.9 "GRIC" shall mean the Gila River Indian Community, an Indian community organized under Section 16 of the Indian Reorganization Act of June 18, 1934, 48 Stat. 987, and duly recognized by the Secretary, and its members.

1.10 "Relinquishment Agreement" shall mean that agreement dated August 7, 1992, among RWCD, the United States and GRIC underwhich RWCD's rights to the delivery of CAP agricultural water were transferred to the United States to be held for the benefit of GRIC, a copy of which is attached hereto as Exhibit "A" and is hereby made a part hereof.

1.11 "Reservation" shall mean the Gila River Indian Reservation, as it exists on the Effective Date, which is that area of land shown on the map attached as Exhibit "B" to this Settlement Agreement, which Exhibit "B" is hereby made a part hereof.

1.12 "RWCD" shall mean the Roosevelt Water Conservation District, an irrigation district and political subdivision of the State of Arizona organized under the laws of the State of Arizona, which delivers water within the area shown on Exhibit "C" hereto, which Exhibit "C" is hereby incorporated herein, and shall mean also as the context requires, the land within its boundaries.

1.13 "RWCD Claimants" shall mean all owners of land and claimants of water rights, including claimants, or future claimants, of

rights to withdraw groundwater, within RWCD, and their successors in interest. Although some RWCD Claimants have filed statements of claimant in the Gila River Adjudication, the term as used herein includes not only those who have filed statements of claimant, but also all those who claim (now or in the future) water rights either directly or indirectly through RWCD whether or not they have filed statements of claimant in the Gila River Adjudication.

1.14 "RWCD System" shall mean the RWCD Canal from the discharge point of the RWCD pump station on the South Canal into the RWCD Canal to the end of the RWCD Canal at the north side of Hunt Highway, which line is marked on Exhibit "C" hereto. The RWCD System shall not include the RWCD pump station, the RWCD interconnect with the CAP Aqueduct, the Eastern Canal, or any laterals within RWCD.

1.15 "Secretary" shall mean the Secretary of the Interior or his lawful designee.

1.16 "Settlement Agreement" shall mean this Settlement Agreement.

1.17 "Special Procedural Order" shall mean the Special Procedural Order providing for the approval of federal water rights settlements including those of Indian Tribes, issued by the Arizona Supreme Court on May 16, 1991.

1.18 "Spill Water" shall mean flood flow waters from the Salt and Verde Rivers in excess of the storage capacities of SRP Reservoirs on those Rivers as of February 12, 1988.

1.19 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State of

Arizona, and the Salt River Valley Water Users' Association, an Arizona Corporation.

1.20 "SRPMIC" shall mean the Salt River Pima-Maricopa Indian Community, a community of Pima and Maricopa Indians organized under Section 16 of the Indian Reorganization Act of June 17, 1934, 48 Stat. 987, and duly recognized by the Secretary, and its members.

1.21 "SRPMIC Settlement Agreement" shall mean that agreement dated as of February 12, 1988, among the United States, SRPMIC, RWCD and others providing for the settlement of the water rights claims of SRPMIC.

1.22 "United States" shall mean the United States of America in the capacities set forth in Subsection 3.2.

1.23 "Water Rights" shall mean all those water rights which GRIC or the United States owns or holds for the benefit of the lands of the Reservation and the people thereon, with respect to those lands.

2.0 <u>Explanatory Recitals</u>

2.1 The United States, GRIC, the Allottees, and RWCD are currently asserting water rights claims in the Gila River Adjudication. The United States, on behalf of GRIC and the Allottees, is also asserting water rights and money damages claims against RWCD, lands within RWCD and RWCD Claimants in litigation which is pending in the United States District Court for the District of Arizona.

2.2 RWCD, GRIC and the United States have agreed to settle permanently the water rights and money damages claims of GRIC, and the Allottees against RWCD, land within RWCD, and RWCD Claimants with respect to their use of water on land within RWCD. All RWCD Claimants

are intended to be third party beneficiaries of this Settlement Agreement.

2.3 RWCD has relinquished to the United States, and the United States has agreed to hold for the use and benefit of GRIC, subject to certain reservations of right and obligations described in the Relinquishment Agreement, five and ninety-eight hundredths percent (5.98%) of the agricultural water supply of the CAP, which supply was available to RWCD under that subcontract among RWCD, the United States of America and the CAWCD dated November 18, 1991, No. 2-07-30-W0268, together with the reallocated agricultural water supply apportioned to RWCD under the Final Reallocation Decision published in the Federal Register, Volume 57, No. 24, on February 25, 1992, at page 4470, et seq.

2.4 As further consideration for the effectuation of this settlement, which involves all claims of the Allottees against RWCD, land within RWCD, and RWCD Claimants with respect to their use of water on land within RWCD, provision is made in this Settlement Agreement for the delivery to the Reservation of a portion of the water supply available to RWCD from the Salt and Verde River systems and for the use of the RWCD System for the conveyance and delivery of water to the Reservation.

2.5 The settlement provided for in this Settlement Agreement, including the satisfaction of the claims of GRIC and the Allottees, is intended to be effective as provided in this Settlement Agreement and constitutes an exercise by the Secretary and of the Attorney General of all powers vested in them by which this settlement may be accomplished.

3.0 Capacities In Which Settlement Agreement is Executed

3.1 This Settlement Agreement is executed by GRIC on behalf of itself.

3.2 This Settlement Agreement is executed by the United States, acting through the Secretary and the Attorney General, in the following capacities:

(a) As trustee for GRIC and of the Reservation; and

(b) As trustee for the Allottees and of allotted lands on the Reservation.

3.3 This Settlement Agreement is executed by RWCD on behalf of itself and all land within RWCD and for the benefit of RWCD, and all RWCD Claimants, to the extent herein provided.

4.0 Delivery of CAP Water to the Reservation

4.1 The Secretary has agreed to hold the CAP water acquired from RWCD pursuant to the Relinquishment Agreement, including any additional CAP water which is or would have been reallocated to RWCD, for the use and benefit of GRIC, but subject to the rights to water previously assigned by RWCD to the Cities and Town of Chandler, Glendale, Scottsdale, Tempe, Mesa, and Phoenix, Arizona, and the Town of Gilbert, Arizona, pursuant to Exhibit "12.3" to the SRPMIC Settlement Agreement, which Exhibit "12.3" is attached hereto as Exhibit "D" and hereby made a part hereof. The rights of the Cities and Town under Exhibit "12.3" are unaffected by this Settlement Agreement.

4.1.1 Pursuant to the Relinquishment Agreement, the Secretary has agreed to deliver the CAP water acquired by the United States pursuant to and subject to the terms and conditions of a water

delivery contract to be entered into between GRIC and the United States. The costs associated with the delivery of CAP water acquired by the United States pursuant to the Relinquishment Agreement are governed by Contract No. 14-06-W-245, Amendment No.1, between the United States and CAWCD dated December 1, 1988 and any amendment or revision thereof.

4.1.2 The CAP water acquired by the United States pursuant to the Relinquishment Agreement is retained by the Secretary in a CAP non-Indian agricultural water priority and at the Secretary's discretion and subject to other contractural limitations, may be converted to a municipal and industrial or Indian priority, as provided in this Subsection 4.1.2. All or part of the CAP water acquired by the United States pursuant to the Relinquishment Agreement, at the discretion of the Secretary, may be converted to a municipal and industrial or Indian priority under either or both of the circumstances set forth in Subsections 4.1.2 (a) and (b) to the extent provided therein and in Subsection 4.1.2 (c).

(a) At such time or times as seventy-five percent (75%) of the water available under that contract between GRIC and the United States made October 22, 1992, and providing for the delivery to GRIC of 173,100 acre-feet per annum of CAP water is fully utilized by GRIC for non-irrigation purposes, to the same extent that a conversion or conversions of the CAP water acquired under the Relinquishment Agreement would have been permitted with respect to such water if the water were held by a non-Indian subcontractor pursuant to a non-Indian agricultural water service subcontract from the CAP; or

(b) to the extent that the Secretary determines that a conversion or conversions to municipal and industrial priority should be permitted in order to prevent the reliability or dependability of the water acquired for GRIC under the Relinquishment Agreement from being adversely affected as a result of conversions of CAP water from a non-Indian agricultural priority to a municipal and industrial priority by other subcontractors or contractors of the CAP.

(c) The total of all conversions permitted under Subsection 4.1.2 (a) or (b), if any, shall not exceed 27,409 acre-feet of water.

4.1.3 At such time as GRIC's Water Rights are finally determined in the Gila River Adjudication or in any other judicial or administrative proceeding, the CAP water made available to GRIC pursuant to the Relinquishment Agreement shall be credited against those Water Rights on such terms and conditions as may be agreed upon between the Secretary and GRIC at that time. Thereafter, GRIC may use the CAP water made available pursuant to the Relinquishment Agreement for all and any uses consistent with such Water Rights or the uses authorized in the contract to be entered into as provided in Subsection 4.1.1 hereof. Until such time as GRIC's Water Rights are finally determined, the CAP water made available to GRIC pursuant to the Relinquishment Agreement is supplemental water and is not credited against, or in any way related to, GRIC's Water Rights. Anything in this Subsection 4.1.3 to the contrary notwithstanding, the water made available to the Reservation pursuant to Section 5.0 of this Settlement Agreement may be used only as is provided in that Section.

4.1.4 GRIC shall pay for CAP water made available pursuant to the Relinquishment Agreement in accordance with the terms and conditions of the contract to be entered into between the United States and GRIC as provided in Subsection 4.1.1 hereof. RWCD shall have no obligation to pay any costs, including, but not limited to, capital, operation, maintenance and replacement costs, associated with CAP water made available to GRIC pursuant to the Relinquishment Agreement.

5.0 Delivery of RWCD Water to the Reservation.

5.1 Subject to the limitations set forth in this Section 5.0 and in Subsection 10.4, RWCD shall deliver not to exceed 4,500 acre-feet of water per annum to the Reservation from the Salt and Verde River systems water which is available to RWCD under the agreements and rights described and confirmed in Section 7.0 of this Settlement Agreement. RWCD shall deliver such water at the northern boundary of the Reservation, at the north side of Hunt Highway, or at such other point or points as RWCD, GRIC and the United States may agree.

5.1.1 The obligation to deliver water pursuant to this Section 5.0 and to provide capacity in the RWCD System pursuant to Section 6.0 hereof shall not accrue and no water shall be delivered or capacity provided, until the first day of January of the year immediately succeeding the year in which all of the following conditions have been fulfilled:

(a) This Settlement Agreement has been executed by RWCD, GRIC, the Secretary and the Attorney General;

(b) A final judgment substantially in the form attached as Exhibit "E" hereto has been entered by the Arizona Superior

Court in and for Maricopa County, in the Gila River Adjudication, approving this Settlement Agreement and the settlement hereby evidenced, and the time for appeal from such judgement shall have elapsed, or if there shall have been an appeal, such judgement shall have been affirmed and the time for any further appeal or certiorari proceeding shall have expired.

(c) The action styled United States of America on behalf of the Gila River Indian Community v. Roosevelt Water Conservation District, et al., Civil No. 82-2174, PHX RGS, currently pending in the United States District Court for the District of Arizona, has been dismissed with prejudice as against RWCD and all RWCD Claimants with respect to their past use of water on land within RWCD and the judgment dismissing the action with prejudice as against RWCD and all RWCD Claimants with respect to their use of water on land within RWCD has become a final judgment from which no further appeal may be taken;

(d) GRIC or the United States have constructed, and RWCD has approved, the connecting facilities to the RWCD System at the northern boundary of the Reservation including the measuring device referred to in Subsection 6.2, at the north side of Hunt Highway, into which water to be provided by RWCD pursuant to this Settlement Agreement is to be delivered; and

(e) GRIC or the United States have secured such environmental approvals as may be required for the delivery of water pursuant to this Settlement Agreement.

5.1.2 Water to be made available to the Reservation pursuant to this Section 5.0 shall be delivered to and must be used in

the period January 1 through September 30 of each year. Subject to the maximum 4,500 acre-foot entitlement hereunder, the Reservation shall be entitled to the delivery in any one month of up to 1,035 acre-feet of its entitlement hereunder, provided that water not used on the Reservation in any month shall be available for use by RWCD. The Reservation's entitlement under this Section 5.0 shall not be carried over from month-to-month or have storage rights for annual carryover. A letter describing the manner in which this Subsection 5.1.2 is to be administered is attached hereto as Exhibit "F" and is hereby made a part hereof.

5.1.3 The Reservation's entitlement to the delivery of water from RWCD shall be subject to the conditions set forth in Section 10.4 and shall also be subject to the availability to RWCD of water from the Salt and Verde River systems. Specifically, water will be available for delivery to the Reservation only when RWCD has sufficient diversion credits available to it pursuant to the agreements and rights described in Section 7.0 to be able to meet GRIC's water order. The Reservation shall not be entitled to the delivery of water from RWCD during any period in which Spill Water is being released from SRP Reservoirs or over Granite Reef Dam. The Reservation's entitlement to the delivery of water pursuant to this Settlement Agreement is subordinate to the rights of the SRPMIC under the SRPMIC Settlement Agreement and the FMIC under the FMIC Settlement Agreement, which shall have priority over the Reservation's entitlement in times of shortage.

5.1.4 The water to be delivered to the Reservation pursuant to this Section 5.0 shall be a net delivered amount and no transmission loss shall be charged by RWCD against such water.

5.1.5 In the event GRIC obtains the right to use Spill Water in connection with the settlement of its claims against water users in the Salt River Valley other than RWCD, RWCD shall deliver Spill Water to the Reservation through the RWCD System, subject to the conditions set forth in Subsection 5.1.1, 10.4 and to the terms of Section 6.0 of this Settlement Agreement.

5.1.6 Water made available by RWCD to the Reservation pursuant to this Section 5.0 shall be used only on the Reservation and shall not be marketed or transferred for use off of the Reservation.

5.2 Water delivered to the Reservation pursuant to this Section 5.0 shall be delivered at a delivery charge of $18.50 per acre-foot, which charge consists of a $5.00 per acre-foot electrical power and energy charge for pumping RWCD's water from the South Canal into the RWCD System and a $13.50 per acre-foot charge for transporting the water through the RWCD System. The per acre-foot transportation charge imposed by this Subsection 5.2 shall be adjusted commencing on the third anniversary of the Effective Date and on each third anniversary thereafter. The adjustment shall be in direct proportion to the percentage change in the "Implicit Price Deflater" for U.S. gross domestic product (1987 = 100), published by the U.S. Department of Commerce, which occurs during the previous three year period. The adjustment factor is calculated by dividing the index for the last month of the three year period by the index for the first month of the three

year period. The per acre foot transportation charge effective during the previous three years is then multipled by the adjustment factor. The product is the new transportation charge to be used during the subsequent three years. In the event the index series is discontinued or for any reason is not available at such time or times as an adjustment is to be made, RWCD, GRIC and the United States shall select a comparable index. The $5.00 electrical power and energy charge may be adjusted by RWCD whenever power and energy rates charged to RWCD are changed, in proportion to such change. Delivery charges for water to be delivered pursuant to this Section 5.0 shall be paid in advance in accordance with RWCD's by-laws, rules and regulations as in effect from time to time. A copy of the RWCD's current by-laws, rules, and regulations are attached as Exhibit "I" and are hereby made a part hereof. GRIC shall be treated under the by-laws, rules and regulations, the same as RWCD landowners for purposes of ordering, delivering, and paying for water delivered under this Agreement.

5.3 For water obtained by GRIC from other sources which is delivered to the Reservation by means of the capacity made available in the RWCD System pursuant to Subsection 6.1 of this Settlement Agreement, RWCD shall impose the same delivery charges as are imposed with respect to the water made available pursuant to this Section 5.0; <u>provided, however</u>, that RWCD shall not be responsible for or required to pay any charge or cost made to or incurred by the United States or GRIC in obtaining such water, transporting it to the RWCD System, or delivering it into the RWCD System.

5.4 The United States and GRIC agree that water made available by RWCD to the Reservation under this Section 5.0 shall be credited against that portion of the Water Rights which is adjudicated to the area of the Reservation located outside of the area subject to the decrees in The United States of America vs. Gila Valley Irrigation District, et al., Globe Equity No. 59, entered June 29, 1935, in the District Court of the United States in and for the District of Arizona; Benson vs. Allison, et al., decree filed November 14, 1917, in the Superior Court of Arizona; and, United States vs. Haggard, et al., decree filed on June 11, 1903, in the District Court of Arizona.

5.5 RWCD declares that it holds in trust for the benefit exclusively of GRIC and the United States on behalf of GRIC and the Allottees that portion of the rights to water which are confirmed to RWCD under Subsections 7.1 and 7.1.1 of this Agreement which is necessary to satisfy the entitlement of the Reservation to receive water as provided in Subection 5.1 hereof.

6.0 Capacity in the RWCD System

6.1 From and after the date on which all of the conditions in Subsection 5.1.1 have been fulfilled and subject to the conditions set forth in Subsection 10.4, RWCD shall provide to GRIC and the United States, at the northern boundary of the Reservation, at the north side of Hunt Highway, or at such other point or points on the RWCD System as RWCD, GRIC and the United States may agree, the right to the use of thirty cubic feet per second (cfs) of delivery capacity in the RWCD System, to be available on a continuous flow basis except during any period described in Subsection 10.4 hereof. The delivery capacity used

for the water to be delivered to the Reservation pursuant to Section 5.0 hereof shall be included within the 30 cfs of capacity to be made available in the RWCD System for use by GRIC and the United States. RWCD shall bear all capital and operation, maintenance and replacement costs of making the 30 cfs of capacity in the RWCD System available to GRIC and the United States, except for the charges imposed by Subsections 5.2 and 5.3 hereof. RWCD may provide to GRIC and the United States, but shall not be obligated to provide, the occasional use of unused capacity in the RWCD System in addition to the 30 cfs of capacity to be made available hereunder, subject to the terms and conditions of this Settlement Agreement.

6.2 Prior to the delivery of any water to the Reservation, GRIC or the United States shall install, and thereafter continuously operate and maintain, a measuring device in the facilities described in Subsection 5.1.1(d). The measuring device shall be of a type which is acceptable to RWCD and is an approved measuring device under guidelines respecting measuring devices which are promulgated by the Arizona Department of Water Resources. RWCD shall have the right to inspect the measuring device at any time and, on written request and during normal business hours, shall be given access for inspection and copying to all records of flows through the measuring device.

6.3 RWCD shall provide the United States or GRIC with access to the right-of-way of the RWCD System for the purpose of increasing the capacity of the RWCD System to provide for the delivery of up to 200 cfs of additional water to the Reservation. Neither GRIC nor the United States shall be entitled to take any action to effect such increase in

capacity except in accordance with a further agreement among RWCD, GRIC, and the United States, which shall include such terms as RWCD may reasonably require including, but not limited to, the following:

(a) RWCD shall impose no charge for GRIC's or the United States' occupation of the portion of the right-of-way of the RWCD System in which the increased capacity is constructed; provided, however, that this Subsection 6.3.(a) shall not be construed as a limitation on RWCD's ability to impose charges for the costs of delivering water to the Reservation through such additional capacity.

(b) Enlargement of the capacity of the RWCD System shall be accomplished in such a way as to cause no interruption of water deliveries to RWCD land or to the Reservation pursuant to Section 5.0 of this Settlement Agreement.

(c) RWCD shall be reimbursed by the United States or GRIC for staff time, consulting fees, attorneys fees and all other costs RWCD incurs in making such additional capacity available in such manner and amount as may be agreed in such further agreement.

(d) The United States and GRIC shall be responsible for all operation, maintenance and replacement costs associated with such additional capacity and shall pay to RWCD all costs in the nature of increased operation, maintenance and replacement costs incurred in operating the RWCD System as a result of the construction and operation of the increased capacity; provided that RWCD shall continue to be responsible for capital, operation and maintenance, and replacement costs associated with 30 cfs of capacity as provided in Subsection 6.1.

(e) The specifications and design of the facilities for the enlargement of the capacity of the RWCD System shall be subject to RWCD's review and approval.

(f) RWCD shall have the right to operate the RWCD System subsequent to enlargement of its capacity.

6.3.1 During the period commencing on the Effective Date and ending on the third anniversary of the Effective Date, RWCD shall take no action and shall not permit or authorize any action to be taken which is in RWCD's authority to prevent, within that portion of the right-of-way of the RWCD System which is within 32.5 feet on either side of the center line of the RWCD System which would impede or preclude the use of that portion of the right-of-way for the delivery of additional water to the Reservation pursuant to the further agreement referred to in Subsection 6.3. Nothing in this Subsection 6.3.1 shall be construed to require RWCD to litigate to prevent any entity which is not a party to this Settlement Agreement from taking actions within the right-of-way, through condemnation proceedings or otherwise, which would have the effect of impeding or precluding the use of the right-of-way for the delivery of additional water to the Reservation.

6.3.2 RWCD does not represent or warrant, and nothing in this Subsection 6.3 shall be construed as a representation or warranty, that RWCD has the title or right to occupy the right-of-way for the RWCD System or that the right-of-way is of a sufficient physical size to permit its enlargement to deliver 230 cfs of water to the Reservation.

6.3.3 Nothing in this Settlement Agreement grants to the United States or GRIC any ownership in the RWCD System, including its right-of-way, all of which is retained by RWCD. RWCD or its designees shall be free to use without charge all capacity made available to GRIC pursuant to Subsection 6.1 at any time or times, and to the extent, such capacity is not being used by GRIC.

6.3.4 The failure of the parties to enter into such further agreement provided for in this Subsection 6.3. shall not affect the validity of any other provision of this Settlement Agreement.

6.4 In the event the United States increases the capacity in the South Canal of the SRP from the interconnection of the South Canal with the CAP Aqueduct to the RWCD pump station on the South Canal, for the purpose of delivering water to the Reservation through the RWCD System or the SRP water delivery system, or both of them, the further agreement referred to in Subsection 6.3 shall make provision for RWCD's use of such additional capacity to deliver CAP water to RWCD during any period in which

(a) The interconnection between the RWCD System and the CAP Aqueduct is not operational; or

(b) Deliveries to RWCD of its entitlement to water from the Salt and Verde Rivers are reduced or curtailed as a result of drought or for any other reason.

7.0 <u>Confirmation of RWCD Rights</u>

7.1 Without conceding, admitting, or waiving any claims against others, GRIC and the United States, hereby ratify, confirm and declare to be valid the rights of RWCD under and as defined in that

Agreement between the Salt River Valley Water Users' Association and RWCD dated October 24, 1924, and approved by the Secretary of the Interior on December 2, 1924, and all amendments and modifications thereto as of the effective date of this Settlement Agreement, copies of all of which documents are attached hereto as Exhibit "G," which is incorporated herein.

7.1.1 More specifically, GRIC and the United States recognize and confirm the entitlement of RWCD to surface water from the Salt and Verde River systems and agree not to object to, dispute or challenge, in the Gila River Adjudication, or in any other judicial or administrative proceeding, in so far as such rights are evidenced by, described, stated, confirmed or established in the following documents and instruments: the Agreement between the Salt River Valley Water Users' Association and RWCD, dated October 24, 1924, and approved by the Secretary on December 2, 1924; the stipulation dated September 18, 1940, the decision dated on or about September 18, 1940, and judgment dated September 19, 1940, and the order dated September 19, 1940, in W.C. Lehane v. Salt River Valley Water Users' Association, et al., Cause Number 32021-C in the Superior Court of Maricopa County, Arizona; the Agreement between Salt River Project and RWCD dated September 9, 1954, and in portions of the SRPMIC Settlement Agreement, all of which documents and instruments are set forth in Exhibit "G" to this Settlement Agreement and incorporated herein. Further, GRIC and the United States recognize and confirm that the measure of RWCD's surface water entitlement under the documents and instruments described in this Section 7.0, and attached hereto as Exhibit "G", other than its

entitlement to Spill Water, is five and six-tenths percent (5.6%) of the sum of all surface water, except Spill Water, diverted at Granite Reef Dam or other points on the Salt and Verde Rivers (a) for use on the lands within the Salt River Reservoir District ("SRRD") described in Exhibit "10.2" of the SRPMIC Settlement Agreement, which Exhibit "10.2" is attached hereto as Exhibit "H" and is hereby made a part hereof (b) for distribution by Glendale, Mesa, Phoenix and Tempe, or other cities, or their successors, to the lands within the SRRD listed on Exhibit "H," and (c) all surface water delivered to SRP below Granite Reef Dam for use on the lands within the SRRD listed on Exhibit "H" in exchange for surface water which otherwise would have been diverted at Granite Reef Dam; minus the first 19,427 acre-feet of surface water delivered by SRP each year to the City of Phoenix domestic water treatment plants. RWCD's entitlement as set forth in this Section 7.0 shall not include any yield from Additional Active Conservation Capacity (increases in reservoir capacity assigned to regulate reservoir outflow for irrigation, power and municipal and industrial use which result from modifications to Roosevelt Dam) in Plan 6 facilities (Plan 6 for the Regulatory Storage Division of the CAP, which, for purposes of this Settlement Agreement, is limited to modifications to Roosevelt Dam on the Salt River). GRIC and the United States recognize that surface water uses on the urbanized portions of the lands within RWCD have changed and will continue to change from agricultural to municipal and industrial uses. GRIC and the United States agree not to object to such changes in use, and that water appurtenant to lands within RWCD which are now or will become urbanized within a particular municipal or other

water service area within RWCD may be delivered for municipal and industrial uses on such urbanized lands within RWCD and the water rights appurtenant to such urbanized lands shall carry the original priority date.

7.1.2 Neither GRIC nor the United States shall challenge RWCD's claim to Spill Water for use on lands within RWCD in the Gila River Adjudication or in any other judicial or administrative proceeding.

7.2 Except as provided in Subsection 7.3 below, neither GRIC nor the United States shall challenge or otherwise object to RWCD's rights, or the rights of RWCD Claimants, to withdraw and use groundwater within RWCD as permitted by the Arizona Groundwater Code, A.R.S. §45-401 et seq. ("Groundwater Code"). Notwithstanding the provisions of the Groundwater Code, RWCD shall not withdraw, or permit the use of its wells to withdraw, any more than 8,000 acre-feet of water per annum from existing wells within RWCD which are located south of Pecos Road, which existing wells are shown on Exhibit "C" to this Agreement. RWCD shall not drill any new wells south of Pecos Road but may replace the existing wells identified in Exhibit "C" in the same locations at such time or times as RWCD determines it is necessary to replace such wells. There shall be no limit on the number of times any such existing well may be replaced. A well shall be considered to be a replacement well in the same location if it is drilled at the site of the existing well or, provided the existing well is retired from use at the time of its replacement, if the replacement well is located no greater than 660 feet from the existing well which it is replacing.

7.2.1 If the Groundwater Code is repealed and no replacement is enacted therefor which has as its goal the achievement of safe yield, as defined in A.R.S. §45-561.12, or if the Groundwater Code is amended to repeal the goal of safe yield for the Phoenix Active Management area or to adopt a goal which is not the practical equivalent of safe yield, neither GRIC nor the United States shall challenge or object to RWCD's rights, or the rights of RWCD Claimants, to withdraw and use groundwater within RWCD, so long as their annual groundwater usage does not exceed their groundwater entitlement under the rules and regulations of the groundwater usage permitted to them under the Groundwater Code immediately prior to its repeal, or immediately prior to its amendment as described in this Subsection, whichever is the case. After such repeal or amendment, RWCD shall maintain groundwater withdrawal and delivery records with respect to its own groundwater withdrawals and deliveries, which records shall be comparable in scope and detail to those reports required pursuant to the Groundwater Code before such repeal or amendment. RWCD shall make all such records available to GRIC or the United States for inspection during normal business hours.

7.3 GRIC and the United States shall be entitled to have enjoined:

(a) Any withdrawal of groundwater by RWCD in excess of the amounts permitted to be withdrawn by RWCD by Subsection 7.2 to the extent of the excess withdrawn by RWCD, and in any such action against RWCD, neither GRIC nor the United States shall be required to show actual injury to GRIC or to the Reservation; and

(b) Any withdrawal of groundwater by persons other than RWCD, for or from any land within RWCD in excess of the amount permitted to be withdrawn pursuant to Subsection 7.2 of this Section 7.0, to the extent of the excess withdrawn. In any action under this Subsection 7.3(b), no inference shall be drawn from Subsection 7.3(a) as to whether GRIC or the United States must show actual injury, or as to the degree or kind of actual injury which GRIC or the United States must show, in order to obtain an injunction to prohibit withdrawals of groundwater in excess of amounts permitted to be withdrawn by Subsection 7.2. Nothing in this Settlement Agreement shall be construed to prohibit any municipal provider of water which withdraws groundwater within RWCD from making agreements with GRIC or the United States respecting the municipal provider's withdrawal and use of groundwater which has the effect of altering, amending or superseding Subsection 7.2 of this Settlement Agreement with respect to the municipal provider making such agreement, in which event Subsection 7.2 of this Section 7.0 shall be of no further effect with respect to such municipal provider.

7.4 Neither GRIC nor the United States shall be entitled to recover damages from RWCD or from RWCD Claimants for withdrawals of groundwater by RWCD or by such RWCD Claimants in excess of the amounts permitted by Subsection 7.2 without proving the amount of damages arising from the impact and actual effect of such excess withdrawals on GRIC and the Reservation, taking into account any court decisions, orders, judgments or decrees which would apply to such withdrawals in the absence of this Settlement Agreement and all other relevant factors.

7.5 RWCD shall not grant its consent to any person or entity which is not a party to this Agreement to drill a new well in the area within RWCD south of Ray Road in contravention of any regulation or order promulgated by the Arizona Department of Water Resources which regulates the spacing and construction of new wells. This provision shall not be construed to obligate RWCD to object to or to engage in litigation with respect to the construction of any new well in violation of any such regulation or order.

7.6 Neither GRIC nor the United States shall be entitled to object to the withdrawal and use, either within RWCD or outside of RWCD, by any person or entity of water which is associated with the recovery of long term storage credits as defined in A.R.S. § 45-802.01.11 which results from the storage and recovery of CAP water or effluent within RWCD, or within a constructed underground storage facility in Queen Creek Wash in the area shown on Exhibit "C" ("Queen Creek Facility"), pursuant to a permit or permits issued by the Arizona Department of Water Resources authorizing the storage and recovery of such CAP water or effluent. Except for long term storage credits which are acquired as a result of recharge conducted in the Queen Creek Facility,RWCD shall not allow any well owned or controlled by RWCD to be used for the recovery of long term storage credits if the credits which are to be recovered are not derived from storage and recovery operations conducted within RWCD pursuant to a permit or permits authorizing underground storage and recovery within RWCD. Except for credit derived from the Queen Creek Facility, GRIC and the United States shall be entitled to object, in accordance with the other provisions of this Settlement

Agreement, to the use of water outside of RWCD, which is withdrawn within RWCD, but which is associated with the recovery of long term storage credits derived from underground storage of water outside of RWCD. Long term storage credits which are derived within RWCD or in the Queen Creek Facility which are withdrawn and used as provided in this Subsection 7.6 shall be considered to have been used on land within RWCD for purposes of the waivers set forth in Section 8.0 hereof.

8.0 Satisfaction of Claims

8.1 Except as provided in Subsection 8.3 hereof, GRIC and the United States accept the water and capacity made available pursuant to Sections 4.0 and 5.0, and Subsection 6.1 of this Settlement Agreement in full compromise, settlement, and satisfaction of all past, present and future claims for water and water rights and damages for violation of water rights (including water rights in groundwater, surface water, and effluent) for lands within the Reservation, or for lands outside the exterior boundaries of the Reservation based upon aboriginal occupancy by the Pima or Maricopa Indians, which GRIC or the United States have against RWCD, all land within RWCD, and all RWCD Claimants with respect to their use of water on land within RWCD, under the laws of the United States or the State of Arizona.

8.1.1 After the date the conditions set forth in Subsection 5.1.1 have been fulfilled, and except as otherwise provided in Subsections 7.3 and 7.4, neither GRIC nor the United States shall seek to enforce by injunction or any other means, or seek to collect money damages for, any prior, paramount, or senior right to the use of water (including groundwater, surface water and effluent) which they may

have or be adjudged to have under the laws of the United States or the State of Arizona for lands on the Reservation:

(a) as against the use, by RWCD, and as against the use by all RWCD Claimants, with respect to their use on land within RWCD, of surface water from the Salt and Verde River system in amounts not exceeding RWCD's entitlement as described in Subsection 7.1.1 hereof and of Spill Water as described in Subsection 7.1.2 hereof; and

(b) as against the use, by RWCD, and as against the use by all RWCD Claimants, with respect to their use on land within RWCD, of groundwater withdrawn by RWCD or by RWCD Claimants within RWCD in amounts which do not exceed the limitations described in Subsection 7.2 hereof.

8.2 Except as provided in Subsection 8.3 hereof, the United States waives and releases all past, present and future claims of water and water rights and damages for violations of water rights (including water rights in groundwater, surface water, and effluent) for land within the Reservation which the United States may have or which it may have standing to assert, against RWCD, all land within RWCD, and RWCD Claimants with respect to their use of water on land within RWCD, under the laws of the United States or the States or the State of Arizona.

8.3 Notwithstanding Subsections 8.1 or 8.2 hereof, the United States and GRIC retain the right to assert claims against RWCD or any person relating to a breach of the terms of this Settlement Agreement or for the enforcement of the terms of this Settlement Agreement.

8.4 RWCD shall not challenge or object to GRIC's water rights claims or the Allottees' claims in the Gila River Adjudication or in any other judicial or administrative proceedings.

8.5 Any entitlement to water of any individual member of GRIC or of any Allottee for lands within the Reservation from RWCD or RWCD Claimants with respect to their use of water on land within RWCD shall be satisfied out of the water resources provided in this Settlement Agreement and neither GRIC nor the Allottees shall have further claims against RWCD, land within RWCD or RWCD Claimants with respect to their use of water on land within RWCD for water, water rights or damages for violation of water rights except as is provided in this Settlement Agreement.

9.0 Effective Date and Approvals

9.1 This Settlement Agreement shall be effective on the Effective Date, at which time the parties shall be bound only to take all reasonable steps necessary to cause the approvals described in this Section to occur.

9.2 Prior to execution of this Agreement by the United States, GRIC shall execute a waiver and release of any and all claims against the United States arising out of the negotiation of this Agreement and settlement of claims against RWCD and RWCD claimants.

9.3 Within six months of the Effective Date, or at such later date as the parties may agree in writing, the parties hereto shall file an application with the Superior Court in the Gila River Adjudication for an order for special proceedings pursuant to the Special Procedural Order and, if the application is granted, shall thereafter prosecute the

same expeditiously until the settlement evidenced by this Settlement Agreement is either approved or rejected.

9.4 In the event the parties hereto fail to file the application required by Subsection 9.3 by the date or extended date it is required to be filed, or in the event that the Superior Court in the Gila River Adjudication refuses to authorize special proceedings for the approval of the settlement, or in the event a judgment substantially in the form attached to Exhibit "E" hereto is not entered or if entered, is reversed on appeal or after interlocutory appellate proceedings, then this Settlement Agreement, including the waiver of claims in Section 8.0, shall be of no further effect.

9.5 In the event the settlement evidenced by this Settlement Agreement is finally approved in proceedings under the Special Procedural Order, this Settlement Agreement shall remain in effect according to its terms.

10.0 Miscellaneous Provisions

10.1 Water Quality

Except as otherwise provided in Subsection 10.1, RWCD does not warrant the quality of the water to be delivered pursuant to this Settlement Agreement. This Settlement Agreement shall not obligate RWCD to treat any water delivered to the Reservation to improve the water quality thereof. Notwithstanding the foregoing, water delivered by RWCD to the Reservation pursuant to this Settlement Agreement shall be of the same quality as the water which RWCD delivers to owners of land within RWCD. RWCD shall not discharge or permit any person to discharge

effluent into the RWCD System which, at the point of discharge into the RWCD System, fails to meet the following limits:

pH	4.5 - 9
Fecal Coliform	
(CFU ["colony forming units"]/100ml) Geometric mean (5 sample minimum)	2.2 CFUs
Single sample not to exceed	25 CFUs
Turbidity (NTUs ["nephlometric turbidity units"]	50 NTUs
Enteric Virus (expressed as plaque forming units)(["PFU"])	1 PFU per 40 liters
Entamoeba Histolytica	None detectable
Giardia Lamblia	None detectable
Ascaris Lumbricoides	None detectable
Common large tapeworm	None detectable

10.2 Water Orders and Payment

10.2.1 GRIC shall, prior to scheduling any water for delivery hereunder, notify RWCD of the identity of the person or persons who are authorized to submit water orders to RWCD for GRIC. RWCD shall not be required to honor any water order which is not submitted by an authorized person as identified by GRIC.

10.2.2 GRIC shall schedule and pay for water to be delivered to the Reservation under Section 5.0 or through the capacity in the RWCD System provided in Subsection 6.1 in accordance with RWCD's by-laws, rules and regulations as in effect from time to time.

10.3 Losses

10.3.1 No transmission losses shall be charged against water to be delivered by RWCD to the Reservation pursuant to Section 5.0 hereof.

10.3.2 Water transported in the 30 cfs of capacity in the RWCD System made available pursuant to Subsection 6.1 hereof, excluding water delivered through such capacity pursuant to Section 5.0 hereof, shall be subject to delivery losses which shall not exceed ten percent (10%) annually, calculated on the basis of all water delivered into and through the RWCD System (exclusive of water delivered pursuant to Section 5.0), adjusted quarterly; provided, however, that if losses are less then 10%, losses charged to water deliveries to GRIC shall be adjusted to reflect the lower losses.

10.4 Conditions on Delivery of Water and Use of Capacity

10.4.1 In addition to the conditions set forth in Subsections 5.1.1 and 5.1.3 hereof, RWCD shall not be obligated to deliver water pursuant to Section 5.0 hereof or to provide capacity in the RWCD System pursuant to Section 6.0 hereof at any time or times when any of the following conditions exist:

(a) The RWCD System is shut down for normal or extraordinary maintenance, repair or replacement.

(b) RWCD is under force majeure.

(c) GRIC or the United States repudiates any portion of this Settlement Agreement or fails to honor any of its respective obligations hereunder.

(d) RWCD is determined by a court of competent jurisdiction not to have a right to the use of water from the Salt and Verde River systems, or not to have the right to deliver water available to it from the Salt and Verde River systems to the Reservation, or water is not available to RWCD by virtue of any call or calls placed on RWCD by senior appropriators of water, provided, however, that this subsection shall not be construed as an admission by RWCD that it has no such rights, that it cannot deliver water to the Reservation, or that its rights are subject to call and provided further that RWCD shall continue to be obligated to make capacity available as provided in Section 6.0.

(e) This Settlement Agreement is determined in any material and irreparable respect to be invalid or ineffective. For purpose of this Subsection 10.4, Sections 3.0 and 8.0 and Subsections 7.1, 7.2, and 7.4, are deemed to be material in their entirety, provided, however, that RWCD may show that other provisions of this Settlement Agreement are material for purposes of this Subsection 10.4.

(f) SRP has failed or refused to extend beyond 2086 the term of the contract described in Subsection 7.1.1; <u>provided, however</u>, the inclusion of this condition in this Settlement Agreement shall not constitute an admission by any party hereto that any such extension is necessary for any reason or, if an extension is determined to be necessary, that SRP is not obligated to grant an extension.

10.4.2 For purposes of Subsection 10.4.1(b) hereof, the term "force majeure" shall mean a cause beyond RWCD's control including, but not necessarily limited to, drought, facilities failure,

flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, and restraint by court or public authority.

10.5 Successors

This Settlement Agreement shall inure to the benefit of and be binding upon the parties' successors. RWCD shall make no assignment of its rights or reorganize or dissolve itself in such a way as to affect adversely GRIC's or the Allottees' rights under this Settlement Agreement.

10.6 Environmental Compliance

Actions necessary to implement this Settlement Agreement which involve federal approval or the use of federal funds will require compliance with NEPA and other applicable federal environmental laws. RWCD shall not be obligated to pay any of the costs of NEPA compliance necessary to implement this Settlement Agreement.

10.7 Reclamation Law

Nothing in this Settlement Agreement affects RWCD's status under Section 6(e) of Public Law 100-512 the "Salt River Pima Maricopa Indian Community Water Rights Settlement Act of 1988" or Section 405(c) of the "Fort McDowell Indian Community Water Rights Settlement Act of 1990".

10.8 Anti-Deficiency Act Contingency & Liability Limitation

Nothing in this Settlement Agreement including, but not limited to, Subsections 5.1.1, 6.2, and 6.3, is intended to obligate the United States to pay for (1) facilities to deliver water; (2) measuring devices; (3) OM&R costs; or (4) any other activities contemplated within

this Settlement Agreement. To the extent anything contained herein may be interpreted as such an obligation, it shall arise only if and when authorization and/or appropriations are provided in a future act of Congress. Furthermore, the United States is not liable for any delay or failure to construct any facilities contemplated in this *Settlement* Agreement which may occur due to a requirement to secure federal approval or a federal permit for certain actions associated with the delivery of water to the Reservation.

10.9 Disclaimer

Nothing in this Settlement Agreement shall be construed to affect the water right claims or entitlements to water of federal lands or federal agencies in Arizona, or of any Arizona tribe, band or community, other than GRIC. Furthermore, nothing herein shall be interpreted as waiving the ability of any such tribe, or the United States on its behalf, from enforcing or otherwise protecting those water right claims or entitlements to the extent permitted by law.

10.10 No Effect on Other Litigation

Nothing in this Settlement Agreement shall be construed as establishing any standard for the quantification of Federal reserved rights, aboriginal rights or any other Indian rights to water in the Gila River Adjudication or in any other judicial or administrative proceedings.

10.11 Evidentiary Effect

This Settlement Agreement has been arrived at in good faith negotiations for the purpose of resolving legal disputes, including pending litigation, and all of the parties agree that no information

exchanged, offered or compromises made in the course of negotiating this Settlement Agreement may be used as either evidence or argument by any party hereto in any legal or administrative proceeding other than a proceeding for the approval, interpretation or enforcement of this Settlement Agreement.

10.12 Members of Congress

No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Settlement Agreement or to any benefit that may arise herefrom. This shall not be construed to extend to this Settlement Agreement if made with a corporation or company for its general benefit.

10.13 Confirmation of Settlement Agreement

This Settlement Agreement is hereby confirmed as required by the Special Procedural Order by the United States, the United States Department of Justice and the United States Department of the Interior.

10.14 Counterparts

This Settlement Agreement may be executed in multiple counterparts, each of which shall be considered to be an original.

10.15 Notice

Any notice to be given hereunder shall have been properly given when received by the Officer or Manager designated herein, or when deposited in the United States mail certified or registered, postage prepaid, addressed as follows:

As to the United States:

Secretary of the Interior
Department of the Interior
Washington, D.C.

Area Director
Phoenix Area Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

As to GRIC:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

Chief Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

As to RWCD:

Roosevelt Water Conservation District
P.O. Box 100
Higley, Arizona 85236
Attn: General Manager

or addressed to such other address as the party to receive such notice shall have designated by written notice given as required by this subparagraph.

IN WITNESS WHEREOF, the parties have executed the Settlement Agreement, executed as of the day and year first above written.

UNITED STATES OF AMERICA

By _____
for the Secretary of the Interior

Date: May 10, 1999

By _____
Attorney General

Date: May 10, 1999

ROOSEVELT WATER CONSERVATION DISTRICT

By _____
Its President

Date: 6 May 1999

GILA RIVER INDIAN COMMUNITY

By Mary V. Thomas
Its Governor

Date: 5-10-99

EXHIBIT "A"

RELINQUISHMENT AGREEMENT

AGREEMENT

This agreement ("Agreement") is made this 7th day of August, 1992, among the United States of America ("United States"), the Gila River Indian Community, an Indian Community organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (25 U.S.C. §461 et seq.) ("Community"), and Roosevelt Water Conservation District, an irrigation district organized under the laws of the State of Arizona ("RWCD"), each of whom agree as follows:

1. RWCD shall relinquish, subject to Paragraph 2 hereof, its entitlement under that subcontract among RWCD, the United States and the Central Arizona Water Conservation District ("CAWCD") dated November 18, 1991, No. 2-07-30-W0268, as provided in Exhibit "A" hereto, incorporated herein, subject to the rights heretofore assigned by RWCD to the Cities of Chandler, Glendale, Scottsdale, Tempe, Mesa and Phoenix, Arizona, and the Town of Gilbert, Arizona, pursuant to Exhibit "12.3" to the Salt River Pima-Maricopa Indian Community Water Rights Settlement Agreement ("SRPMIC Agreement") dated as of February, 1988. The United States undertakes the obligations to deliver, and shall arrange for the delivery of, the water previously assigned by RWCD to the Cities and the Town in accordance with Exhibit "12.3" to the SRPMIC Agreement.

2. a. The Secretary of the Interior shall hold the water relinquished pursuant to this Agreement for the use and benefit of the Community.

b. In the event the United States, the Community, and RWCD are unable to enter into a water rights settlement agreement within a reasonable period subsequent to the execution of this Agreement, after having made good-faith efforts to reach such a settlement agreement, the water relinquished pursuant to this Agreement shall nevertheless be made available by the United States to the Community on such terms as the United States and the Community may agree.

3. This Agreement has been executed in three counterparts, each of which shall be considered as an original, and Exhibit "A" has been executed in the number of counterparts indicated therein.

ROOSEVELT WATER
CONSERVATION DISTRICT

By _____
Its General Manager

GILA RIVER INDIAN COMMUNITY

By _____
Its GOVERNOR

UNITED STATES OF AMERICA

By _____
Its Commissioner, Bureau of Reclamation

AGT046RMMA-C
CAA080692

ADDENDUM TO AGREEMENT
AMONG UNITED STATES OF AMERICA, GILA RIVER INDIAN COMMUNITY
AND ROOSEVELT WATER CONSERVATION DISTRICT

1. This Addendum, dated ~~July~~ August 7th, 1992, shall be considered to be a part of the Agreement for all purposes.

2. The Agreement shall not be interpreted as requiring the United States to pay for any of the water assigned by RWCD to the Cities and the Town pursuant to Exhibit "12.3" to the SRPMIC Agreement, or as affecting or altering any obligations of the United States with respect to water from the Central Arizona Project other than as is expressly stated in the Agreement.

ROOSEVELT WATER CONSERVATION DISTRICT

By Michael O'Leonard
Its General Manager

GILA RIVER INDIAN COMMUNITY

By Thomas G. White
Its Governor

UNITED STATES OF AMERICA

By Lenore Sadelwood
Its Commissioner, Bureau of Reclamation

SUMO85MJBA-C
CAA073092

SECOND ADDENDUM TO AGREEMENT
AMONG UNITED STATES OF AMERICA, GILA RIVER INDIAN COMMUNITY
AND ROOSEVELT WATER CONSERVATION DISTRICT

1. The Agreement shall not bind the United States until the completion of such environmental reviews as are necessary with respect to the United States' commitment to hold the water acquired pursuant to the Agreement for the use and benefit of the Community.

2. Subsequent to the completion of such reviews, the implementation of the Agreement by means of a settlement agreement among the United States, the Community and RWCD, or by means of a contract between the United States and the Community for the delivery of the water acquired pursuant to the Agreement to the Community, shall be subject to compliance with the requirements of the National Environmental Policy Act, the Endangered Species Act, the National Historic Preservation Act, and other applicable regulations. Such compliance shall be carried out before the execution of a settlement agreement among the United States, the Community, and RWCD, or before the execution of a contract between the United States and the Community for the delivery of the water acquired pursuant to this Agreement, and before commencing construction for any new water distribution system.

3. This second Addendum, dated ~~July~~ August 7th, 1992, shall be considered to be a part of the Agreement for all purposes.

AGT047RWKA-C
CAA073192

ROOSEVELT WATER
CONSERVATION DISTRICT

By Michael A. Leonard
Its General Manager

GILA RIVER INDIAN COMMUNITY

By Thomas R. White
Its Governor

UNITED STATES OF AMERICA

By Lewis D. Sherman
Its Commissioner, Bureau of Reclamation

NOTICE

TO: Secretary of the Interior
Department of the Interior
Washington, D.C.

Area Director
Phoenix Area Office
Bureau of Indian Affairs
P. O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P. O. Box 427
Boulder City, Nevada 89005

Central Arizona Water Conservation District
23636 North 7th Street
Phoenix, Arizona 85024

FROM: Roosevelt Water Conservation District
P. O. Box 100
Higley, Arizona 85236

RE: Designation of percentage of entitlement pursuant to Exhibit "12.3" to the Salt River Pima-Maricopa Indian Water Rights Settlement Agreement

NOTICE is hereby given pursuant to Paragraph 12(a) of Exhibit "12.3" to the Salt River Pima-Maricopa Indian Water Rights Settlement Agreement ("SRPMIC Agreement") that Roosevelt Water Conservation District ("RWCD") hereby reduces its entitlement under that subcontract among RWCD, the United States of America, and the Central Arizona Water Conservation District ("CAWCD") dated November 18, 1991, No. 2-07-30-W0268, including its entitlement under Subarticles 4.13(a) and 4.13(b), to zero percent (0.0%) of the Central Arizona Project Agricultural Water supply, subject to the rights heretofore assigned by RWCD to the cities and the town in Exhibit "12.3" to the

SRPMIC Agreement.

RWCD intends by this Notice of Relinquishment to relinquish all rights it has to the delivery of Agricultural Water from the Central Arizona Project, including all rights it has pursuant to Paragraph 2(b) of Exhibit "12.3" to the SRPMIC Agreement to receive delivery of 8,000 acre-feet per annum of Central Arizona Project Agricultural Water prior to the delivery to the cities and the town of water assigned to them in Exhibit "12.3" to the SRPMIC Agreement.

This Notice is given pursuant to an agreement among the United States, the Gila River Indian Community, and RWCD executed as of ~~July 1~~ August 14, 1992, and the water hereby relinquished by RWCD is intended to be held by the United States for the use and benefit of the Gila River Indian Community, subject to the rights of the cities and the town as set forth in Exhibit "12.3" of the SRPMIC Agreement, for the purpose of settling the water rights claims of the Gila River Indian Community against RWCD and all landowners within RWCD with respect to their use of water within RWCD.

This instrument has been executed in seven counterparts, each of which shall be considered as an original.

DATED this 14 day of August, 1992.

ROOSEVELT WATER CONSERVATION DISTRICT

By Michael [illegible]
Its General Manager

COPIES of the foregoing notice of relinquishment mailed this 14th day of August, 1992, to:

Office of the Governor
1700 West Washington
Phoenix, Arizona 85007

Salt River Pima Maricopa
Indian Community
Route 1, Box 216
Scottsdale, Arizona 85256
Attn: Community Manager

Salt River Project
P. O. Box 52025
Phoenix, Arizona 85072-2025
Attn: General Manager

Roosevelt Irrigation District
P. O. Box 95
Buckeye, Arizona 85236
Attn: Superintendent

City of Phoenix
251 West Washington
Phoenix, Arizona 85003
Attn: City Manager

City of Scottsdale
3939 Civic Center Plaza
Scottsdale, Arizona 85251
Attn: City Manager

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

City of Mesa
55 North Center Street
P. O. Box 1466
Mesa, Arizona 85201
Attn: City Manager

City of Tempe
31 East 5th Street
Tempe, Arizona 85281
Attn: City Manager

City of Chandler
25 South Arizona Place
Chandler, Arizona 85225
Attn: City Manager

Town of Gilbert
119 North Gilbert Road
Gilbert, Arizona 85234
Attn: Town Manager

By _____

EXHIBIT "B"

MAP OF GILA RIVER INDIAN RESERVATION

'iver Indian Reservation

TIC ENVIRONMENTAL IMPACT STATEMENT

EXISTING FACILITIES

Composition Date: July 26, 1994

Legend

Developed Parcelled 60,794 Acres

Gila Cutlar Indian Irrig Project (GCIP) 51,687 Acres

Gila Cutlar Irrig & Drainage Dist. (GCIDD)

GRIC Boundary

District Boundaries

Rivers

Canals

Florence Case Grande

Florence

Pima

Smithville

North Side

Santan

Gila Gravity

Central Arizona Project Aqueduct

Other Wells

Wells

GCIP Project wells

Non-GCIP Wells

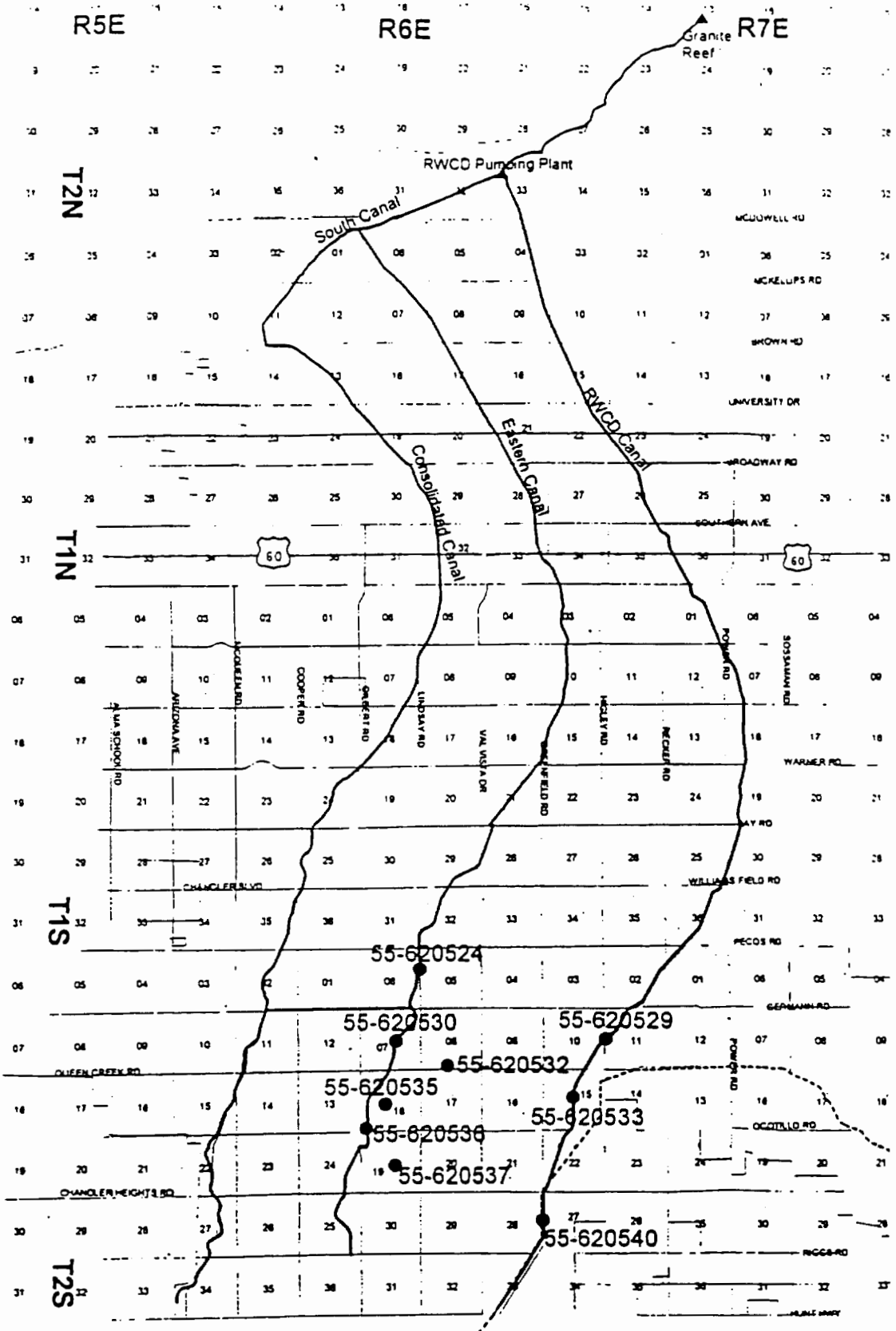
ARCPLOT Composition File: EXISTRCGSMALL.CMP

This map depicts existing irrigation facilities in the Gila River Indian Community. Surrounding irrigation districts, water-user districts and the Ak Chin Indian Reservation are shown to give a sense of their proximity and to show their potential for future use in the GRIC development alternatives.

EXHIBIT "C"

MAP OF ROOSEVELT WATER CONSERVATION DISTRICT
(INCLUDING EXISTING WELLS LOCATED
SOUTH OF PECOS ROAD)

Roo .velt Water Conservation D. .rict



ACCURACY STATEMENT

Canals
RWCD Canal
Roads
Wells
Section
Queen Creek Wash
Irrigation Districts
Chandler Heights
Queen Creek
RWCD
SRP
Santan

GIS SOUTHWEST

EXHIBIT "D"

EXHIBIT "12.3" TO SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY WATER RIGHTS SETTLEMENT AGREEMENT

ASSIGNMENT

THIS AGREEMENT, dated as of February 12, 1988, is made and entered into by and among the United States of America acting through the Secretary of the Interior, the Central Arizona Water Conservation District, the Roosevelt Water Conservation District, the Arizona Cities of Chandler, Glendale, Scottsdale, Tempe, Mesa and Phoenix, and the Arizona Town of Gilbert.

R E C I T A L S

A. The United States, the State of Arizona, the Salt River Pima-Maricopa Indian Community, the Salt River Valley Water Users' Association, the Salt River Project Agricultural Improvement and Power District, the Roosevelt Water Conservation District, the Roosevelt Irrigation District, the Arizona Cities of Chandler, Glendale, Mesa, Phoenix, Scottsdale and Tempe, and the Arizona Town of Gilbert, and the Central Arizona Water Conservation District have agreed to permanently settle the water rights of the Salt River Pima-Maricopa Indian Community and its members.

B. The foregoing settlement agreement requires the assignment by the Roosevelt Water Conservation District to the Cities and Town participating in the settlement of a portion of the agricultural water supply available to Roosevelt Water Conservation District from the Central Arizona Project.

C. The settlement agreement further requires the Secretary of the Interior, in certain events, to make available to the Cities and Town participating in the settlement a portion of the

agricultural water supply otherwise available from the Central Arizona Project.

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Cities" shall mean the City of Chandler, the City of Glendale, the City of Scottsdale, the City of Tempe, the City of Mesa, the City of Phoenix and the Town of Gilbert.

(b) "City" shall mean any one of the Cities.

(c) "Contractor" shall mean the Central Arizona Water Conservation District.

(d) "Repayment Contract" shall mean the Contract between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project, dated December 15, 1972 (Contract No. 14-06-W-245), and any amendment or revision thereof.

(e) "Secretary" and "Contracting Officer" shall mean the Secretary of the Interior or his duly authorized representative.

(f) "Settlement Agreement" shall mean the Agreement dated as of February 12, 1988, among the United States of America; the Salt River Pima-Maricopa Indian Community; the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Roosevelt Water Conservation District; the Roosevelt Irrigation District; the Arizona Cities of Chandler, Glendale, Mesa, Phoenix, Scottsdale and Tempe, and the Arizona Town of Gilbert; and the Central Arizona Water Conservation District.

(g) "Subcontract" shall mean the Subcontract among the United States, the Central Arizona Water Conservation District, and the Roosevelt Water Conservation District, Providing for Water Service, Central Arizona Project, dated [to be supplied] (Contract No. [to be supplied]).

(h) "Subcontractor" shall mean the Roosevelt Water Conservation District.

All other terms used in this Agreement which are defined in the Repayment Contract or the Subcontract shall have the meanings ascribed to them in the Repayment Contract and the Subcontract.

2. Commencing with the later of the Year in which the Secretary issues Notice of Completion of the Water Supply System or the enforceability date of the Settlement Agreement, as defined in Paragraph 21.6 thereof, and for each Year thereafter until the term of the Subcontract expires, Subcontractor hereby assigns to the Cities an amount of Project Water, to be taken from Subcontractor's annual entitlement to Agricultural Water under Article 4.13 of the Subcontract, equal to the lesser of (a) 5,000 acre-feet, to be made available to the Cities at the Cities' Project turnouts, or (b) such amount of Project Water as is available from Subcontractor's annual entitlement to Agricultural Water after first providing for delivery to the Subcontractor, at the Subcontractor's Project turnout, of 8,000 acre-feet of Agricultural Water.

3. (a) If and when, as a result of a reduction in the acreage of eligible lands in Subcontractor's service area,

Subcontractor's entitlement to Agricultural Water under Article 4.13 of its Subcontract is insufficient to provide for the delivery to the Cities at the Cities' Project turnouts of a total amount of 3,000 acre-feet of Project Water (after first providing for the delivery of Subcontractor's entitlement to Agricultural Water as determined in accordance with subparagraph (b) of this Paragraph) in a Year in which the total supply of Agricultural Water available for delivery from the Project is 450,000 acre-feet or more, the Secretary shall thereafter make available for delivery to the Cities from the total supply of Agricultural Water otherwise available for delivery from the Project in each Year an amount of Project Water equal to the difference between (i) 3,000 acre-feet, to be made available to the Cities at the Cities' Project turnouts, and (ii) the amount of Project Water available to the Cities as a result of the assignment made in Paragraph 2 of this Agreement.

(b) If and when the provisions of subparagraph (a) of this Paragraph are implemented, Subcontractor's entitlement (i) to 8,000 acre-feet of Agricultural Water under subparagraph (b) of Paragraph 2 of this Agreement or (ii) to such lesser amount of Agricultural Water as may be determined in conformance with the provisions contained in subparagraph (d) of Paragraph 12 of this Agreement shall be subject to reduction in an amount equal to Subcontractor's percentage entitlement to Agricultural Water under Subarticle 4.13(a) of the Subcontract multiplied by the amount of Agricultural Water made available by the Secretary for delivery to the Cities pursuant to subparagraph (a) of this Paragraph.

(c) Attached hereto as Appendix A are examples of how Paragraphs 2 and 3 of this Agreement are intended to operate under various conditions.

4. (a) Project Water made available to the Cities pursuant to Paragraph 2 of this Agreement shall be distributed among the Cities pro rata in proportion to the following maximum annual entitlements:

City of Chandler	=	972 acre-feet per Year;
City of Glendale	=	682 acre-feet per Year;
City of Scottsdale	=	23 acre-feet per Year;
City of Tempe	=	23 acre-feet per Year;
City of Mesa	=	627 acre-feet per Year;
City of Phoenix	=	1,136 acre-feet per Year;
Town of Gilbert	=	1,537 acre-feet per Year;
TOTAL	=	5,000 acre-feet per Year.

(b) Project Water made available to the Cities pursuant to Paragraph 3 of this Agreement shall be distributed among the Cities pro rata in proportion to the following maximum annual entitlements:

City of Chandler	=	583 acre-feet per Year;
City of Glendale	=	409 acre-feet per Year;
City of Scottsdale	=	14 acre-feet per Year;
City of Tempe	=	14 acre-feet per Year;
City of Mesa	=	376 acre-feet per Year;
City of Phoenix	=	682 acre-feet per Year;
Town of Gilbert	=	922 acre-feet per Year;
TOTAL	=	3,000 acre-feet per Year.

(c) Prior to the enforceability date of the Settlement Agreement, as defined in Paragraph 21.6 thereof, the relative amounts of Project Water to be made available to each of the Cities pursuant to subparagraphs (a) and (b) of this Paragraph may be adjusted by mutual agreement of such Cities. On and after the enforceability date of the Settlement Agreement, the relative amounts of Project Water to be made available to each of the Cities pursuant to subparagraphs (a) and (b) of this Paragraph may be adjusted only by mutual agreement of such Cities, the Contractor, and the United States.

(d) In the event this Agreement shall become effective and any City ("designating City") entitled to receive water hereunder is unable to take delivery of such water by virtue of not having constructed a treatment plant capable of taking deliveries of water from the Central Arizona Project, the designating City shall in writing designate one or more Cities which are also parties to this Agreement to act as the interim recipients ("interim recipient") of the designating City's water, and water made available to the designating City under this Agreement shall be delivered by Contractor to the interim recipient(s) until such time as the designating City's treatment plant is completed and ready to take delivery of and treat deliveries of water from the Central Arizona Project. The designating City shall notify Contractor and Subcontractor of any such designation and shall also provide Contractor and Subcontractor with copies of any agreement between the designating City and the interim recipient(s). Any

such agreement shall not be inconsistent with any provisions of the Repayment Contract, the Subcontract, or this Agreement.

5. Notwithstanding anything in the Repayment Contract or the Subcontract to the contrary, Project Water made available to the Cities pursuant to this Agreement may be used for any M&I Water uses including but not limited to ground water recharge.

6. Notwithstanding any schedule or other instruction to the contrary, Project Water made available to the Cities pursuant to this Agreement, including any water delivered under a designation agreement entered into pursuant to Paragraph 4(d) hereof, shall be accounted for and treated by the Contractor and the Contracting Officer as having been scheduled for delivery by the Cities, and delivered to the Cities, prior to the delivery of any portion of the Cities' entitlements to Project M&I Water under the Cities' M&I Water service subcontracts (City of Chandler, Contract No. 5-07-30-W0070; City of Glendale, Contract No. 5-07-30-W0062; City of Scottsdale, Contract No. 5-07-30-W0063; City of Tempe, Contract No. 5-07-30-W0061; City of Mesa, Contract No. 5-07-30-W0060; City of Phoenix, Contract No. 5-07-30-W0059; Town of Gilbert, Contract No. [to be supplied]), prior to the delivery of any portion of the Cities' entitlements to under the Cities' Project Water Lease Agreements (Exhibits "3.m.1" through "3.m.7" of the Settlement Agreement), and prior to the delivery of any portion of the Cities' entitlements to "Colorado River water" under and as defined in the Cities' River Water Exchange Contracts (Exhibits "3.h.1" through "3.h.7" of the Settlement Agreement).

7. Except as otherwise provided in Paragraph 11 hereof, the Cities shall make payment for Project Water made available to the Cities pursuant to this Agreement in accordance with the terms and conditions of contracts to be entered into among the United States, the Contractor, and each of the Cities, the forms of which are attached as Exhibits "3.h.1" through "3.h.7" to the Settlement Agreement.

8. Except as provided in Paragraph 10 of this Agreement, nothing in this Agreement shall relieve the Subcontractor of its obligation to make the payments required in the Subcontract.

9. For the purpose of determining the allocation and repayment of costs of the CAP as provided in Article 9.3 of the Repayment Contract, the costs associated with the delivery of Project Water to the Cities pursuant to this Agreement shall be nonreimbursable, and such costs shall be excluded from the Contractor's repayment obligation.

10. Commencing with the later of the Year in which the Secretary issues Notice of Completion of the Water Supply System or the enforceability date of the Settlement Agreement, as defined in Paragraph 21.6 thereof, the Subcontractor's obligation to pay Agricultural Water service capital charges pursuant to Subarticle 5.2(a) of the Subcontract shall be reduced in each Year by an amount equal to $2.00 per acre-foot, or such amount as may be determined by the Contracting Officer based on payment capacity determinations provided for in the Repayment Contract, multiplied by the total amount of Project Water assigned by the Subcontractor

to the Cities pursuant to Paragraph 2 of this Agreement and scheduled for delivery by the Cities in such Year.

11. (a) Each City agrees to indemnify and hold harmless the Contractor and the Subcontractor from and against any operation, maintenance, and replacement costs associated with Project Water made available for delivery to the City pursuant to Paragraph 2 of this Agreement. Each City further agrees to indemnify and hold harmless the Contractor and the Subcontractor from and against any Agricultural Water service capital charges associated with any Project Water assigned by the Subcontractor to the City pursuant to Paragraph 2 of this Agreement. The liability of each City under this Paragraph 11(a) shall be its sole and separate obligation, and shall not be an obligation joint and several with any other City or Cities.

(b) In the event any City shall default and fail to indemnify Contractor or Subcontractor as required in Paragraph 11(a) hereof, then such City's entitlement to water under this Agreement shall be forfeit and such entitlement shall be redistributed pro rata to each of the other Cities which are parties to this Agreement. The redistribution of water shall be effected by means of a notice from Subcontractor and Contractor, if either has not been indemnified, to the defaulting City and to the other Cities which are parties to this Agreement, and such redistribution shall be effective on the thirty-fifth day after the notice is given. Within ten days of receiving the notice of re-distribution, each City other than the defaulting City shall pay to

Subcontractor or Contractor, as the case may be, its share of the amount the defaulting City shall have failed to pay, which share shall be in the proportion which the amount of water redistributed to such City bears to the total amount of water redistributed. In the event any City to which water is redistributed shall fail to make the payment hereby required to be made within the time herein prescribed, Subcontractor or Contractor, as the case may be, shall be free to redistribute such City's entitlement to redistributed water to any other City which makes such payment and which is also a party to this Agreement.

12. (a) Subcontractor's entitlement to Agricultural Water under Subarticle 4.13(a) of the Subcontract shall be 5.98 percent of the total supply of Agricultural Water available for delivery from the Project (subject to reduction by reason of the factors identified in Subarticle 4.13(a) of the Subcontract as determined by the Contracting Officer) unless, prior to the issuance by the Secretary of Notice of Completion of the Water Supply System, Subcontractor notifies the Contractor and the Contracting Officer that it wishes to reduce its entitlement to a lesser percentage of the total Agricultural Water supply. Subject to the requirements and limitations of this Paragraph 12, Subcontractor's percentage entitlement under Subarticle 4.13(a) of the Subcontract shall be as stated in the notice from the Subcontractor to the Contractor and the Contracting Officer.

(b) Notwithstanding the foregoing, the Contractor and the Contracting Officer may at any time prior to the issuance of

such Notice of Completion require the Subcontractor to specify its entitlement to Agricultural Water under Subarticle 4.13(a) of the Subcontract by notifying the Subcontractor that it must specify such entitlement within six months of the date that the Contractor and the Contracting Officer issue such notice. Subject to the requirements and limitations of this Paragraph 12, Subcontractor's percentage entitlement to Agricultural Water under Subarticle 4.13(a) of the Subcontract shall be as specified by the Subcontractor in response to the notice issued by the Contractor and the Contracting Officer. In the event the Subcontractor fails to make such specification within the time required, Subcontractor's entitlement shall be fixed at 5.98 percent of the total Agricultural Water supply (subject to adjustment by reason of the factors identified in Subarticle 4.13(a) of the Subcontract as determined by the Contracting Officer).

(c) At the time the Subcontractor notifies the Contractor and the Contracting Officer of its percentage entitlement pursuant to subparagraph (a) of this Paragraph, or at the time the Subcontractor specifies its entitlement pursuant to subparagraph (b) of this Paragraph, Subcontractor may relinquish:

(i) all or part of its rights to any additional Agricultural Water entitlement under Subarticle 4.13(a) of the Subcontract to be made available to the Subcontractor as a result of deductions made in other subcontractors' entitlements to Agricultural Water to reflect removal of eligible lands from agricultural use; and

(ii) all or part of its rights to any additional Agricultural Water entitlement under Subarticle 4.13(b) of the Subcontract to be made available to the Subcontractor as a result of the Secretary's reallocation of entitlements to Agricultural Water that were not contracted for by the entities to which such entitlements were first made available;

Provided, however, that the Subcontractor shall relinquish at least 5,000 acre-feet, or the percentage of the projected Agricultural Water supply that most closely approximates 5,000 acre-feet, of any additional Agricultural Water entitlement to which the Subcontractor would be entitled under Subarticle 4.13(b) of the Subcontract as a result of the Secretary's reallocation of entitlements to Agricultural Water that were not contracted for by the entities to which such entitlements were first made available.

(d) Subject to the requirements and limitations of this Paragraph 12, Subcontractor may select its entitlement to Agricultural Water under Subarticle 4.13(a) of the Subcontract based upon its own evaluation of potential Agricultural Water supplies and its own requirements; Provided, however, that said Subcontractor's entitlement to Agricultural Water shall in no event exceed the lesser of 5.98 percent or the percentage entitlement determined by dividing the number of acres of eligible lands in the Subcontractor's service area by the total number of acres of eligible lands in the service areas of all subcontractors of Agricultural Water, as determined by the Contracting Officer.

13. Except as provided in this Agreement, all terms and conditions of the Subcontract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____

Attest:

_____
Secretary

CENTRAL ARIZONA WATER CONSERVATION DISTRICT, an Arizona municipal corporation

By _____
Name: George W. Barr
Title: President

Attest:

_____
Secretary

ROOSEVELT WATER CONSERVATION DISTRICT, an Arizona municipal corporation

By _____
Name: Mark W. Dobson
Title: President

Attest:

_____
Clerk

Approved as to Form:

_____
City Attorney

CITY OF PHOENIX, a Municipal corporation, MARVIN A. ANDREWS, City Manager

By _____

Attest:

Clerk

Approved as to Form:

City Attorney

CITY OF SCOTTSDALE, an Arizona municipal corporation

By

Name: Herbert R. Drinkwater

Title: Mayor

Attest:

Clerk

Approved as to Form:

City Attorney

CITY OF GLENDALE, an Arizona municipal corporation

By

Name: George R. Renner

Title: Mayor

Attest:

Clerk

Approved as to Form:

City Attorney

CITY OF MESA, an Arizona municipal corporation

By

Name:

Title:

Attest:

Clerk

Approved as to Form:

City Attorney

CITY OF TEMPE, an Arizona municipal corporation

By

Name: Harry E. Mitchell

Title: Mayor

. . .

Attest:

Clerk, Acting

Approved as to Form:

City Attorney

CITY OF CHANDLER, an Arizona municipal corporation

By

Name: Richard Dugan

Title: Mayor

Attest:

Clerk

Approved as to Form:

City Attorney

TOWN OF GILBERT, an Arizona municipal corporation

By

Name: Steve M. Berman

Title: Mayor

. . .

APPENDIX A

The following are five examples of how Paragraphs 2 and 3 of the Assignment are intended to operate under varying water supply conditions and assuming varying entitlements to CAP Agricultural Water for Roosevelt Water Conservation District ("RWCD") under Subarticle 4.13(a) of RWCD's CAP Agricultural Subcontract.

EXAMPLE 1

1. Assume the total amount of CAP Agricultural Water available for delivery in a given Year (after losses) = 1,000,000 AF.

2. Assume RWCD's percentage entitlement under Subarticle 4.13(a) of the Subcontract = 5.98%.

3. RWCD's total entitlement to Agricultural Water in such Year under Subarticle 4.13(a) of the Subcontract = 59,800 AF.

   (5.98% X 1,000,000 AF - 59,800 AF)

4. Cities' entitlement under Paragraph 2 of the Assignment = the lesser of:

   (a) 5,000 AF, or

   (b) 59,800 AF - 8,000 AF = 51,800 AF

5. RWCD's balance = 54,800 AF.

EXAMPLE 2

1. Assume the total amount of CAP Agricultural Water available for delivery in a given Year (after losses) = 450,000 AF.

2. Assume RWCD's percentage entitlement under Subarticle 4.13(a) of the Subcontract = 2.89%.

3. RWCD's total entitlement to Agricultural Water in such Year under Subarticle 4.13(a) of the Subcontract = 13,005 AF.

(2.89% X 450,000 AF = 13,005 AF)

4. Cities' entitlement under Paragraph 2 of the Assignment = the lesser of:

(a) 5,000 AF, or

(b) 13,005 AF - 8,000 AF = 5,005 AF.

5. RWCD's balance = 8,005 AF.

EXAMPLE 3

1. Assume the total amount of CAP Agricultural Water available for delivery in a given Year (after losses) = 100,000 AF.

2. Assume RWCD's percentage entitlement under Subarticle 4.13(a) of the Subcontract = 2.89%.

3. RWCD's total entitlement to Agricultural Water in such Year under Subarticle 4.13(a) of the Subcontract = 2,890 AF.

(2.89% X 100,000 AF = 2,890 AF)

4. Cities' entitlement under Paragraph 2 of the Assignment = 0.

5. Cities' entitlement under Paragraph 3 of the Assignment = 0 (because RWCD's entitlement is sufficient to provide for delivery to the Cities of at least 3,000 AF in any year in which the total supply is 450,000 AF or more -- See Example 2).

EXAMPLE 4

1. Assume the total amount of CAP Agricultural Water available for delivery in a given Year (after losses) = 450,000 AF.

2. Assume RWCD's percentage entitlement under Subarticle 4.13(a) of the Subcontract = 2.44%.

3. RWCD's total entitlement to Agricultural Water in such Year under Subarticle 4.13(a) of the Subcontract = 10,980 AF.

(2.44% X 450,000 AF - 10,980 AF)

4. Cities' entitlement under Paragraph 2 of the Assignment = the lesser of:

(a) 5,000 AF, or

(b) 10,980 AF - 8,000 AF = 2,980 AF.

5. Cities' entitlement under Paragraph 3 of the Assignment =

(a) IF 2.44% is a result of a reduction in eligible acreage in RWCD's service area:

Cities' entitlement = 3,000 AF - 2,980 AF = 20 AF

CITIES' TOTAL = 3,000 AF

(b) IF 2.44% is not a result of a reduction in eligible acreage in RWCD's service area, Cities' entitlement under Paragraph 3 of the Assignment = 0

CITIES' TOTAL = 2,980 AF

EXAMPLE 5

1. Assume the total amount of CAP Agricultural Water available for delivery in a given Year (after losses) = 100,000 AF.

2. Assume RWCD's percentage entitlement under Subarticle 4.13(a) of the Subcontract = 2.44%.

3. RWCD's total entitlement to Agricultural Water in such Year under Subarticle 4.13(a) of the Subcontract = 2,440 AF.

   (2.44% X 100,000 AF = 2,440 AF)

4. Cities' entitlement under Paragraph 2 of the Assignment = 0.

5. Cities' entitlement under Paragraph 3 of the Assignment:

   (a) IF 2.44% is a result of a reduction in eligible acreage in RWCD's service area, Cities' entitlement = 3,000 AF.

   (b) RWCD's contribution = 2.44% X 3,000 AF = 73 AF.

   (c) RWCD's net entitlement = 2,440 AF - 73 AF = 2,367 AF.

   BUT

   (d) If 2.44% is not a result of a reduction in eligible acreage in RWCD's service area, Cities' entitlement under Paragraph 3 of the Assignment = 0.

EXHIBIT "E"

STIPULATION AND JUDGMENT

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

IN RE: THE GENERAL ADJUDICATION OF ALL RIGHTS TO USE WATER IN THE GILA RIVER SYSTEM AND SOURCE	)	No. W-1 (Salt) No. W-2 (Verde) No. W-3 (Upper Gila) No. W-4 (San Pedro); No. W1-100 (Assigned to the Honorable Susan R. Bolton) **STIPULATION**

THIS STIPULATION is entered among the attorneys for, and at the direction of, the United States of America, the Gila River Indian Community ("GRIC"), and the Roosevelt Water Conservation District ("RWCD") (herein collectively referred to as the "Parties").

1. The Parties have entered into a settlement of the water rights claims of the GRIC, the claims of GRIC for the Gila River Indian Reservation (the "Reservation"), the claims of owners of allotted lands on the Reservation (the "Allottees"), and the claims of the United States on behalf of GRIC and the Allottees against RWCD, land within RWCD, and RWCD claimants, with respect to their use of water on land within RWCD. The settlement is contained in an agreement among the Parties (the "Settlement Agreement"). The Settlement Agreement appends by reference this Stipulation. The Settlement Agreement is hereby incorporated in this Stipulation. In the event of any inconsistency between this Stipulation and the Settlement Agreement, the Settlement Agreement shall control.

2. The water rights which are settled by the Settlement Agreement are the subject of claims currently being asserted in this action by GRIC, the Allottees, and the United States on behalf of GRIC and the Allottees.

3. The water rights claims of GRIC, the claims of GRIC for the Reservation, the claims of the Allottees, and the claims of the United States on behalf of GRIC and the Allottees as against RWCD, land with RWCD, and RWCD claimants, with respect to their use of water on land within RWCD, all of

whose claims are adverse to those of GRIC, the Allottees, and the United States on behalf of GRIC and the Allottees, have been determined in the Settlement Agreement. The water supply being made available to the Reservation by RWCD pursuant to the Settlement Agreement is within RWCD's authority to deliver.

4. The Settlement Agreement has been approved and confirmed by the United States of America, through the United States Department of Justice and the United States Department of the Interior acting through the Attorney General of the United States and the Secretary of the Interior. The Settlement Agreement does not bind the United States on behalf of other Indian Tribes or other federal agencies, to the extent the other federal agencies are not already bound by a previous settlement agreement to which RWCD is a party.

5. The Settlement Agreement requires approval by the Superior Court in this action.

6. There are special circumstances which prevent the consideration of the Settlement Agreement in the normal course of proceedings in the action. Since 1988, the Parties have attempted to settle the water rights claims of GRIC and the Allottees. Settlement negotiations were at first directed toward achievement of a comprehensive settlement of all of such claims in this action. When the complexity of a comprehensive settlement proved to be overwhelming, the Parties and others engaged in negotiations intended to settle the claims of GRIC and the Allottees in the area north of the Gila River, primarily in the Salt and Verde River systems. However, the complexity of even this undertaking, coupled with an inability of the various parties to agree upon appropriate contributions among themselves, resulted in the failure of these more limited negotiations. Finally, in 1992, RWCD, the United States and GRIC engaged in discussions whose purpose was to settle not only the claims of GRIC but also the claims of the Allottees against RWCD, land within RWCD, and RWCD claimants, with respect to their use of water on land within RWCD. After more than six years of negotiations, the Parties have reached an agreement and are prepared, subject to the Superior's Court's approval and other conditions set forth in the Settlement Agreement, to implement the settlement embodied in the Settlement Agreement. No federal legislation or appropriations are required. There are no further disputes among the Parties as to the matters contained in the Settlement Agreement. It would be pointless to require the Parties to continue to litigate with one another in this action.

The Settlement Agreement should be approved now because it is the result of almost a decade of negotiations; because there are no further disputes among the Parties with respect to matters contained in the Settlement Agreement; because failure to approve it will result in the needless expenditure of the Parties' resources and of the time and resources of the Superior Court as well as the United States District Court in the action styled United States of America on behalf of Gila River Indian Community v. Roosevelt Water Conservation District, et al., Civil No. 82-2174, PHX RGS; because failure to approve the Settlement Agreement will delay far into the future the time, if ever, in which GRIC or the Allottees will receive water under the Settlement Agreement; because, if approval is delayed to some later time, the Settlement Agreement may be repudiated by one or more of the Parties in the future with the result that what had been settled among them will become a matter for further litigation; and, finally, because, in the absence of a settlement, it will be many years before the respective rights of the Parties are determined as among themselves and there is no just reason why the Settlement Agreement, which determines those rights, should not now be approved.

7. The attorneys for the Parties stipulate that the attached Judgment be entered by the Court.

By _____
Rodney B. Lewis
Attorney for Gila River Indian Community

RYLEY CARLOCK & APPLEWHITE

By _____
Michael J. Brophy
Attorneys for Roosevelt Water Conservation District

U.S. DEPARTMENT OF JUSTICE

By _____
Attorneys for United States of America

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

IN THE GENERAL ADJUDICATION OF ALL RIGHTS TO USE WATER IN THE GILA RIVER SYSTEM AND SOURCE	)	No. W-1 (Salt) No. W-2 (Verde) No. W-3 (Upper Gila) No. W-4 (San Pedro) (consolidated)
	)	**JUDGMENT**

THIS MATTER HAVING COME before the Court on the application of the United States of America ("United States"), the Gila River Indian Community ("GRIC") and the Roosevelt Water Conservation District ("RWCD") to initiate special proceedings to approve the proposed settlement of the claims of the United States, GRIC and the owners of the beneficial interest in the allotted land ("Allottees") within the Gila River Indian Reservation ("Reservation") against RWCD, land within RWCD and owners of land and claimants of water rights within RWCD ("RWCD Claimants," as defined in the Settlement Agreement) with respect to their use of water within RWCD, as contained in an agreement to that effect dated May 10, 1999, among the Settling Parties (the "Settlement Agreement"). The United States, GRIC and RWCD are referred to herein as the "Settling Parties."

Special proceedings to approve the Settlement Agreement have taken place pursuant to an Order of this Court dated _____.

Notice of the special proceeding has been given as required by law. All claimants in the Gila River Adjudication have been given an opportunity to review and object to the proposed settlement, Settlement Agreement and Stipulation.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. The Settling Parties' Stipulation, filed with the Court on _____, 1999, is approved.

2. The rights and entitlements of GRIC and the Allottees to water from RWCD, subject to the terms and conditions of the Settlement Agreement, on file herein, are adjudicated to be as follows:

a. Subject to the conditions and limitations in the Settlement Agreement, RWCD shall deliver not to exceed 4,500 acre-feet of water per annum to the Reservation from the Salt River and Verde River systems, water which is available to RWCD under the agreements and rights described and confirmed in Section 3, below, and in Section 7.0 of the Settlement Agreement. Such water is referred to herein as the "RWCD Water." RWCD shall deliver RWCD Water to the Reservation at the northern boundary of the Reservation, at the north side of Hunt Highway, or at such other point or points as RWCD, GRIC, and the United States may hereafter agree.

(1) RWCD's obligation to deliver RWCD Water to the Reservation pursuant to Section 5.0 of the Settlement Agreement shall not accrue and no water shall be delivered until the first day of January of the year immediately succeeding the year in which all of the following conditions have been fulfilled:

(a) This Judgment is final and no further review hereof is available;

(b) The action styled United States of America on behalf of the Gila River Indian Community v. RWCD, et al., Civil No. 82-2174, PHX RGS, currently pending in the United States District Court for

the District of Arizona, has been dismissed with prejudice as against RWCD and all RWCD Claimants with respect to their past use of water within RWCD and the judgment dismissing the action with prejudice as against RWCD and all RWCD Claimants with respect to their use of water on land within RWCD has become a final judgment from which no further appeal may be taken;

(c) GRIC or the United States have constructed, and RWCD has approved, the connecting facilities to the RWCD System at the northern boundary of the Reservation, at the north side of Hunt Highway, into which RWCD Water is to be delivered; and

(d) GRIC or the United States have secured such environmental approvals as may be required for the delivery of water pursuant to the Settlement Agreement.

(2) RWCD Water shall be delivered to the Reservation and must be used in the period January 1 through September 30 of each year. Subject to the maximum 4,500 acre-foot entitlement to RWCD water, the Reservation shall be entitled to the delivery in any one month of up to 1,035 acre-feet of RWCD water, provided that RWCD Water not used on the Reservation in any month shall be available for use by RWCD. The Reservation's entitlement to RWCD Water shall not be carried over from month to month nor have storage rights for annual carryover. The provisions of this Subsection 2(a)(2) shall be administered in the manner described in the Settlement Agreement.

(3) The Reservation's entitlement to the delivery of RWCD Water from RWCD shall be subject to the conditions set forth in Subsection 10.4 of the Settlement Agreement and shall also be subject to

the availability to RWCD of water from the Salt and Verde River systems. Specifically, RWCD Water will be available for delivery to the Reservation only when RWCD has sufficient diversion credits available to it pursuant to the agreements and rights described in Section 7.0 of the Settlement Agreement to be able to meet GRIC's water order. The Reservation shall not be entitled to the delivery of RWCD Water from RWCD during any period in which Spill Water, as defined in the Settlement Agreement, is being released from SRP Reservoirs or over Granite Reef Dam.

(4) RWCD Water delivered to the Reservation pursuant to Section 5.0 of the Settlement Agreement shall be a net delivered amount and no transmission loss shall be charged by RWCD against such water.

(5) RWCD Water made available by RWCD to the Reservation shall be used only on the Reservation and shall not be marketed or transferred for use off of the Reservation.

(6) RWCD Water made available to the Reservation pursuant to the Settlement Agreement shall be credited against that portion of the Water Rights, which is adjudicated to the area of the Reservation located outside of the area subject to the decrees in The United States of America vs. Gila Valley Irrigation District, et al., Globe Equity No. 59, entered June 29, 1935, in the District Court of the United States in and for the District of Arizona; the action styled as Benson vs. Allison, et al., decree filed November 14, 1917, in the Superior Court of Arizona, and United States vs. Haggard, et al., decree filed on June 11, 1903, in the District Court of Arizona, and as defined in the Settlement Agreement, as determined in the Gila River

Adjudication or in any other judicial or administrative proceeding.

(7) RWCD shall hold in trust for the benefit exclusively of GRIC and the United States on behalf of GRIC and the Allottees that portion of the rights to water confirmed to RWCD in Section 3 hereof and in Section 7.0 of the Settlement Agreement which is necessary to satisfy the entitlement of the Reservation to receive RWCD Water as provided herein and in the Settlement Agreement.

b. The Reservation's entitlement to the delivery of RWCD Water shall be subordinate to the rights of the Salt River Pima-Maricopa Indian Community ("SRPMIC") under the agreement dated as of February 12, 1988, among the United States, SRPMIC, RWCD and others settling the water rights claims of SRPMIC and to the rights of the Fort McDowell Mohave-Apache Indian Community ("FMIC") under the agreement dated as of January 15, 1993, among the United States, FMIC, RWCD and others settling the water rights claims of FMIC. The rights of SRPMIC and FMIC shall have priority over the Reservation's entitlement to RWCD Water in times of shortage.

c. Any entitlement to water of any individual member of GRIC or of any Allottee of lands within the Reservation from RWCD or RWCD Claimants, with respect to their use of water on lands within RWCD shall be satisfied out of the water resources provided under the Settlement Agreement and neither GRIC nor the Allottees shall have further claims against RWCD, lands within RWCD, or RWCD Claimants, with respect to their use of water on land within RWCD for water, water rights or damages for violation of water rights except as is provided in the Settlement Agreement.

3. As among GRIC, the United States and RWCD, the rights of RWCD under that Agreement between the Salt River Valley Water Users' Association and RWCD dated October 24, 1924, and approved by the Secretary of the Interior on December 2, 1924, and all amendments and modifications thereto as of the effective date of the Settlement Agreement, copies of which are attached as Exhibit "G" to the Settlement Agreement, are ratified, confirmed and declared to be valid.

a. More specifically, as among GRIC, the United States, and RWCD, RWCD's entitlement to surface water from the Salt River and Verde River systems, which rights are evidenced by, described, stated, confirmed or established in the following documents and instruments: the Agreement between the Salt River Valley Water Users' Association and RWCD, dated October 24, 1924, and approved by the Secretary on December 2, 1924; the stipulation dated September 18, 1940, the decision dated on or about September 18, 1940, and judgment dated September 19, 1940, and the order dated September 19, 1940, in W.C. Lehane v. Salt River Valley Water Users' Association, et al., Cause Number 32021-C in the Superior Court of Maricopa County, Arizona; the Agreement between Salt River Project and RWCD dated September 9, 1954, and in portions of the SRPMIC Settlement Agreement, all of which documents and instruments are attached as Exhibit "G" to the Settlement Agreement, are hereby recognized and confirmed. GRIC, the United States, and RWCD, recognize and confirm that the measure of RWCD's surface water entitlement under the documents and instruments described in this Judgment, other than its entitlement to Spill Water, is five and six tenths percent (5.6%) of the sum of all surface water, except Spill Water, diverted at Granite Reef

Dam or other points on the Salt River and Verde River (a) for use on the lands within the Salt River Reservoir District("SRRD") described in Exhibit "H" to the Settlement Agreement, (b) for distribution by Glendale, Mesa, Phoenix and Tempe, or other cities, or their successors, to the lands within the SRRD listed on Exhibit "H" to the Settlement Agreement and (c) all surface water delivered to SRP below Granite Reef Dam for use on the lands within the SRRD listed on Exhibit "H" to the Settlement Agreement in exchange for surface water which otherwise would have been diverted at Granite Reef Dam; minus the first 19,427 acre-feet of surface water delivered by SRP each year to the City of Phoenix domestic water treatment plants.

b. As among GRIC, the United States, and RWCD, RWCD's entitlement, as set forth above, shall not include any yield from Additional Active Conservation Capacity (increases in reservoir capacity assigned to regulate reservoir outflow for irrigation, power and M&I use which result from modifications to Roosevelt Dam) in Plan 6 facilities (Plan 6 for the Regulatory Storage Division of the CAP, which, for purposes of this Judgment, is limited to modifications to Roosevelt Dam on the Salt River).

c. Water uses on the urbanized portions of the lands within RWCD have changed and will continue to change from agricultural to municipal and industrial uses. As among GRIC, the United States, and RWCD, such changes in use are valid, and water appurtenant to lands within RWCD which are now or will become urbanized within a particular municipal or other water service area within RWCD may be delivered for municipal and industrial uses on such urbanized lands within RWCD and

the water rights appurtenant to such urbanized lands shall carry the original priority date.

4. This Judgment runs against and binds RWCD, GRIC and the United States, in the following capacities:

a. As trustee for GRIC and the Reservation; and

b. As trustee for the Allottees and of allotted lands on the Reservation.

5. The Court finds that there is no just reason for delay, and directs the entry of this Judgment, as a final judgment pursuant to Rule 54(b), Arizona Rules of Civil Procedure.

_____ _____

Date Judge, Superior Court

EXHIBIT "F"

LETTER REGARDING ADMINISTRATION OF RIGHTS

DRAFT

May 21, 1996

440-4811

Alfred S. Cox, Esq.
COX and COX
4252 North Brown Avenue
P. O. Box 1526
Scottsdale, Arizona 85252-1526

Re: RWCD/U.S.A./GRIC Settlement Agreement

Dear Alfred:

On behalf of your clients, Gila River Indian Community and Silas Kisto (collectively, "GRIC"), you have sought clarification of the meaning of the language in Section 5.1.2 of the Settlement Agreement among our client, Roosevelt Water Conservation District ("RWCD"), GRIC, and the United States which is italicized below:

> Subject to GRIC's maximum 4,500 acre-foot entitlement under this Settlement Agreement, GRIC shall be entitled to the delivery in any one month of up to 1,035 acre-feet of its entitlement, provided that water not used by GRIC in any one month shall be available for use by RWCD. *GRIC's entitlement may not be carried over from month-to-month or have storage rights for annual carryover.*

As we understand it, your concern is two-fold. First, you are concerned that the first portion of the italicized language, which provides that GRIC's entitlement may not be carried over from month-to-month, might operate to penalize GRIC's failure to take 1,035 acre-feet in a month in which that amount of water was available to GRIC by deducting the 1,035 acre-feet not taken in that month from GRIC's annual entitlement to 4,500 acre-feet. Second, you are concerned that the portion of the italicized language, which provides that GRIC shall not have storage rights for annual carryover, might prohibit GRIC from storing water it receives from RWCD in a storage pond on the Reservation or recharging the water on the Reservation.

We do not believe that either of your concerns is well-founded, for the following reasons:

With respect to the first portion of the italicized language providing that there shall be no right to carry the entitlement over from month-to-month, the language is intended to provide that GRIC may take up to a maximum of 1,035 acre-feet in any month or months, subject to the maximum annual entitlement of 4,500 acre-feet (and subject to the other terms of the Settlement Agreement) but that amounts not taken in one month may not be added to the maximum monthly entitlement in some subsequent month. Thus, for example, GRIC could schedule 1,035 acre-feet in February, 1,035 acre-feet in June, July and August, respectively, and 360 acre-feet in September. GRIC would not be penalized in any way for not having scheduled water in January, March, April, May or October. Conversely, the Settlement Agreement would not permit GRIC to defer scheduling water in January and then order 2,070 acre-feet in February.

With respect to the second portion of the italicized language providing that there shall be no storage rights for annual carryover, the language is not intended to affect GRIC's use of water delivered by RWCD once the water is delivered to the Reservation. Rather, the italicized language is intended to make it clear that the Settlement Agreement provides GRIC no storage rights in reservoirs on the Salt and Verde Rivers and that GRIC cannot defer taking its 4,500 acre-foot entitlement in one year in order to take a larger amount in a succeeding year. Thus, for example, if GRIC used only 2,000 acre-feet of its entitlement in one year, it has not right to carry over the 2,500 acre-feet for use the next year. Instead, at the beginning of the next year, GRIC's maximum annual entitlement for that year reverts to 4,500 acre-feet (subject to the other terms of the Settlement Agreement).

I hope this letter answers any concerns you may have as to the proper interpretation of the quoted language. Should it ever be necessary, for purposes of interpreting or enforcing the Settlement Agreement or judgment entered pursuant to the Settlement Agreement, our client, RWCD, waives any objection it might assert to the introduction of this letter into evidence for purposes of interpreting the Settlement Agreement or judgment.

Should you have questions concerning this letter, please call.

Very truly yours,

Michael J. Brophy

So Agreed:

_____

Michael O. Leonard
General Manager
Roosevelt Water Conservation District

Dated:_____,1996

EXHIBIT "G"

ROOSEVELT WATER CONSERVATION DISTRICT
WATER RIGHTS

AGREEMENT

between

ROOSEVELT WATER CONSERVATION DISTRICT

and

SALT RIVER VALLEY WATER USERS' ASSOCIATION

Dated

October 24, 1936

A G R E E M E N T

THIS AGREEMENT, made and entered into, by and between the ROOSEVELT WATER CONSERVATION DISTRICT, an irrigation district duly organized and existing under the laws of the State of Arizona, hereinafter called the "District," party of the first part, and the SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation organized and existing under the laws of the State of Arizona, hereinafter called the "Association," party of the second part: [illegible] the said parties [illegible] by the District of a supply of water to a [illegible] system, the District is composed of certain lands located in Maricopa County, Arizona, adjacent to and east of the Eastern Canal and part of the Consolidated Canal of the Salt River Project, the said lands being more particularly shown on the map marked "Exhibit A" attached hereto and made a part hereof [illegible]

AND WHEREAS, the said lands are essentially desert in character and incapable of producing crops without irrigation; [illegible] and WHEREAS, it is the judgment of the engineers of the parties hereto, that it is economically feasible to provide a water supply adequate for the irrigation of the said land, from the following sources, to-wit: [illegible]

(a) Surplus flood waters available to the District at Granite Reef Dam.

(b) Underground waters pumped south of the south line of Township two (2) North, and east of the Eastern Canal within [illegible]

(c) Waters now lost by seepage from the South, Eastern and Consolidated Canals of the Salt River Project, and which may be saved by lining the said canals [illegible]

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto covenant and agree with each other as follows: [illegible]

ARTICLE I

The Association agrees that as soon as practicable after the receipt of a sufficient portion, calculated as hereinafter provided in Article III hereof, of the sum of Seven Hundred and Eighty-nine Thousand Dollars ($789,000.00) to be paid by the District for the purposes named in this paragraph, it will proceed with due diligence to construct

[illegible] by the Association, [illegible]

[illegible] and of the [illegible] concrete or asphalt lining or both in the South, Eastern and Consolidated Canals of the Salt River Project, from Granite Reef Dam to a point on the Eastern Canal on the North line of Section 6, Township 2 South, Range 6 East, Gila and Salt River Base and Meridian, and to a point on the Consolidated Canal on the Township line between Ranges 5 and 6 East, Township 1 South, Gila and Salt River Base and Meridian, and to make such further changes, additions and improvements as to provide for the diversion and carrying in the said canals, down to the said pumping plant to be installed by the District of a quantity of water up to a total of five hundred (500) second feet in excess of the needs of the District, for the distribution of water to the District shareholders of the Association and of others entitled under contract with the Association or otherwise, to the delivery of water from or by means of said diversion works and canals, and for the carrying in the Eastern Canal from the said pumping plant down to the branch or extension of the said Eastern Canal, to be constructed by the District as provided in Article II of this agreement, of a quantity of water up to a total of one hundred (100) second feet in excess of the needs of the District, for the distribution of such water to the District shareholders of the Association, and of others entitled or who may hereafter be approved by the Association to be entitled in said district, and after become entitled under contract with the Association or otherwise, to the delivery of water from or by means of the said portion of the Eastern Canal.

The Association agrees to carry on such portions of the said work as may be designated by the District with as large a force as the Association may find economically feasible and insofar as it shall be able to do so without unduly interfering with the use of said canals for the benefit of those entitled to receive water from them, to prosecute the said work continuously to completion.

The Association further agrees to use its best efforts to regulate the use of the said canals as far as may be practicable without undue interference with the necessary functioning of said canals, so that water may be shut out of said canals to permit work on the construction of the lining, with as little interruption as it may find feasible.

Detailed plans and specifications of the construction work to be

[illegible] by the Association, together with complete estimates of the cost thereof, and of the time required therefor, shall be submitted to the District and approved by its consulting engineer prior to the commencement of construction [illegible]

[illegible] ARTICLE II [illegible]

The Association further agrees that there shall be installed by the District at its own expense, at a point on the Main Eastern Canal, in the Northwest Quarter (NW¼) of Section 33, Township 2 North, Range 6 East, Gila and Salt River Base and Meridian, a pumping plant of sufficient capacity to lift four hundred (400) second feet of water from the Eastern Canal approximately fifty (50) feet into the main canal proposed by the District, for the distribution of water to the District lands. All structures to be installed in connection with the said pumping plant, and which are to be built in or which shall in any way effect the operation of the Eastern Canal, shall be in all respects, including methods of construction, subject to the approval of the Association [illegible] The Association agrees to cooperate with the District as fully as practicable so that the canals may be emptied and kept dry for a reasonable period, in order to permit the installation of such structures as may be approved by the Association to be built in said canals. The Association further agrees that there shall be installed by the District at its own expense, at a point to be approved by the Association, at or near the terminal end of the Eastern Canal, a structure for the diversion of water from the said Eastern Canal into an extension or branch thereof, to be constructed by the District for the distribution of water to lands irrigable by gravity therefrom; the said structures to be subject to the approval of the Association, and in all respects, subject to the same conditions in this contract provided for the pumping plant hereinbefore mentioned.

[illegible] ARTICLE III [illegible]

The District agrees that it will, as soon as practicable after this contract shall become effective, sell all or such part as it may deem necessary of the bonds of the District voted by the qualified electors of said District on the 27th day of January, 1922, and as soon as [illegible]

the funds from the sale of said bonds shall become available, the District agrees to deliver to the Association the sum of Seven Hundred Eighty-nine thousand Dollars ($789,000.00), to be used by the Association, as herein provided, or such portion thereof as may be estimated to be necessary, to defray the cost of such portions of the said work described in Article I hereof as the District may elect to have the Association perform from time to time.

The Association agrees to perform the said work at actual cost, the said costs to include general superintendence and overhead, in the manner as is charged on all other work of the Association, plant and power charges, including lost revenue (if any) due to power plants standing idle on account of water being turned out of the canals to permit the carrying on of said work. Any work involving lost power revenue may be continued or deferred at the option of the District.

In the event that the sum estimated as the cost of the portion of the said work which the District shall designate shall prove to be insufficient to defray the same, the Association shall not be obligated to continue such construction beyond the part of said work for which the amount so paid shall be adequate. In the event that the Association shall complete any portion of the said work, and it shall then be found that the cost thereof shall have exceeded the total amount therefore paid by the District, a statement of such costs shall be rendered to the District by the Association as soon as practicable, and the amount due the Association thereon shall be paid by the District as soon thereafter as may be legally possible. In the event that the said sum paid by the District to the Association for construction as herein provided, with, other sums, if any, paid for that purpose, shall exceed the final costs of the said construction, the Association agrees to refund the difference to the District within sixty (60) days after such final costs shall have been determined.

The sum of Ten Cents (10¢) per square foot of area of paving has been used by the Association in estimating the cost of said work, and shall for convenience, be used in estimating the probable cost of any portion of said work in the event that the District may desire to ad-

vance funds for a portion only as herein provided.

The Association agrees to keep an accurate account of all of said costs and to determine the final amount thereof as speedily as practicable after the completion of the work.

[illegible] for power per ARTICLE IV [illegible]

The Association agrees to divert at Granite Reef Dam, and to carry in the South and Eastern Canals down to the pumping plant of the District in said Section 33, Township 2 North, Range 5 East, Gila and Salt River Base and Meridian for use upon District lands, surplus flood waters insofar as same may be available at Granite Reef Dam, in excess of the amount needed or which may be beneficially used for irrigation upon lands of the Salt River Project, including all lands now in the water reservoir District of the Association, as defined by the Articles of Incorporation as amended in 1918, or lands under other canals now having a legal right to the use of said water, and also to similarly divert and carry water to which the District may be entitled as provided in Article V hereof, the total quantity of water from combined sources to be so diverted and carried for the District not to exceed Five Hundred (500) second feet at any one time. The Association further agrees that of the water from the above sources to be delivered by it to the said pumping plant of the District, it will, upon request of the District, carry not to exceed One Hundred (100) second feet at any one time in the Eastern Canal to the point of delivery to the branch extension of said Eastern Canal to be constructed by the District as provided in Article II of this agreement. Nothing herein contained shall be so construed as to obligate the Association to so divert and carry for use of the District any water to which any other person or Association of persons of any kind whatsoever may be lawfully entitled.

In order that there may not arise any controversy between the parties hereto with respect to the surplus flood waters that may be available for use by the District, it is hereby specified and agreed that water that can be profitably used by the Association for the production of power by hydro-electric power plants of the Association now existing, or which may in the future be used for the production of

hydro-electric power in plants built by the Association on Salt River above Granite Reef Dam, shall not be deemed surplus flood waters available for use by the District except insofar as the use of such waters by the District shall not interfere with the use of said waters by the Association for power purposes, and that the normal and reasonable operation of the canals of the Association in the future as in the past, including operation of power plants and necessary sluicing shall be considered within the prior rights of diversion by the Association, provided water above the needs of lands now within the reservoir District required for the generation of power in the Association Power Plants below Granite Reef Dam may be used by the District upon payment by the District to the Association of eighty cents (80¢) per acre foot of water delivered to the District which could have been reasonably run through the Cross Cut Power Plant at a rate not to exceed seven hundred (700) second feet; and of thirty cents (30¢) per acre foot for water which could have reasonably been run through other plants of the Association below Granite Reef at a rate not to exceed twenty-four hundred (2400) second feet, delivered for irrigation purposes, as set forth in Article IV. It is hereby agreed that the rates per acre foot, fixed in this article for water, are based upon the present value of the power which would be lost to the Association by non-use of such water through existing power plants, and that this rate shall be fixed for a period of forty (40) years, at the expiration of which time the rates per acre foot for water under this article shall be reasonably readjusted and fixed by the Association based upon the then value to the Association of such lost power, at that time.

In consideration of the benefits to be derived by the District from the execution of this agreement, the District hereby covenants and agrees that any existing or hereafter acquired appropriations of the District or of the lands situated within the District to the waters of the Salt River, or its tributaries, shall be subsequent and inferior to the now existing rights of the Association or its shareholders, including the right to use water for the production of hydro-electric power.

[illegible] to the rights of the owners of any lands now within the Salt River Reservoir District as defined by the Articles of Incorporation of the Association as amended in 1912, who may hereafter be permitted to become shareholders of the Association; and further, that the Association will not at any time assert against the association or its shareholders, or landowners in said reservoir district, any claim or right whatever based upon or growing out of any such appropriation except the rights granted to the district in this agreement. The District further covenants and agrees that if the owner or owners of any of the lands situated within the District shall at any time assert against the Association or its shareholders or land owners in said Reservoir District any claim or right whatever based upon or growing out of any appropriation to the waters of the Salt River or its tributaries, then the lands on behalf of which such claim or right is asserted shall not be entitled to any benefits whatever, either of water or power under this contract so long as such claim or right is being asserted or maintained [illegible]

ARTICLE V. [illegible]

The Association agrees that, out of all water run in the Eastern and Consolidated Canals for irrigation purposes, as set forth in Article VI, for the benefit of lands other than District lands, the portion of said water saved by lining the said canals, and which would otherwise be lost through seepage, shall be and remain subject to the exclusive use for beneficial purposes by the District, upon the lands of the District herein described [illegible]

It is agreed that for the purpose of this contract, the amount of the said losses saved for the District by lining the said canals, shall be determined as follows: [illegible]

1. Four percent (4%) of such water run for the purposes herein this contract stated, in the South Canal, from Granite Reef Dam to the head of the Eastern Canal, [illegible]

2. One and three-fourths percent (1-3/4%) of such water run for the purposes herein this contract stated, in the Eastern Canal, from the head to the pumping plant of the District [illegible]

3. One and one-half percent (1½%) of such water run for the purposes herein this contract stated, in the Eastern Canal, from the pump-

Copy of Stipulation "Stipulation" By [illegible] Oct. [illegible]

ing plant of the District to the new South Consolidated Power Plant (approximately Station 244 of the Eastern Canal). [illegible]

4. Six percent (6%) of such water run, for the purposes herein this contract stated, in the Eastern Canal from the said Power Plant to the Gila and Salt River Base Line. [illegible]

5. Four percent (4%) of such water run for the purposes herein this contract stated, in the Eastern Canal, from the Gila and Salt River Base Line to the North Line of Section 6, Township 2 South, Range 6 East Gila and Salt River Base and Meridian. [illegible]

6. Two percent (2%) of such water run for the purposes herein this contract stated in Consolidated Canal, from the South Consolidated Power Plant to Division Gates on North Line of Section 16, Township 1 North, Range 5 East, Gila and Salt River Base and Meridian. [illegible]

7. Ten Percent (10%) of such water run for the purposes herein this contract provided, in East Branch of Consolidated Canal, from Division Gates on North Line of Section 16, Township 1 North, Range 5 East, to Northeast Corner of Section 26, Township 1 North, Range 5 East, Gila and Salt River Base and Meridian. [illegible]

It is understood and agreed that the actual percentages of loss of water through seepage that will be conserved by the lining of the Consolidated Canal referred to in this Article (Item 7 next preceding) as determined by the engineers of the Salt River Valley Water Users' Association, shall be open to such revision downward as may be required by the Bureau of Reclamation, after the percentages as to such losses in the [illegible] Consolidated Canal, have been checked by representatives of the said Bureau of Reclamation, and the District and Association [illegible] hereby consent to such revision.

In the event that portions only of any of the canals are lined, then losses saved shall be assumed to be proportional to the areas of wetted canal perimeter, lined in each section, and the Association shall have the right to designate the portion of each canal to be lined as funds are made available by the District as herein this contract provided, [illegible] in Article [illegible] hereof.

[illegible] the Association agrees to keep an accurate account of the water

run in the said South, Eastern and Consolidated Canals, which record shall, at all times during regular office hours, be available for inspection by the authorized representatives of the District. The Association shall further keep a record of the amount of the said water run in said canals for irrigation of lands other than District lands and shall, each month, as soon as practicable after receipt of reports from the field, prepare and furnish the District, at the expense of the District, a statement of water run in said canals for the purposes named, the said statement to show the amount of water credited the District according to computations made on the basis herein provided. Additional statements shall be prepared on request of the District, at the expense of the District.

All water delivered to the District, and all water, the measurement of which shall be desired by the District under this agreement, shall be measured by the Association with appropriate devices of modern design approved by the Engineer of the District. In the event that the Association is put to additional expense for any such device, the cost thereof shall be borne by the District. The Association shall not be required to install such devices other than present methods now in use by the Association, excepting upon receipt of the amount of the estimated cost thereof according to its engineers, in advance of undertaking any such installations.

It is understood and agreed that until the Association has completed the lining of all canals as set forth herein with funds provided by the District the water delivered to the District under this contract shall be only that which is available by utilizing such additional canal capacities as are provided by the then completed canal linings as herein provided or by utilizing such existing canal capacities as are not required by the Association for delivery of water to its shareholders or in fulfilling any existing contracts.

ARTICLE VI

The Association agrees, subject to the conditions hereinafter stated, that it will divert for the District as provided in Articles IV and V, or will store in Roosevelt Reservoir, and hold therein, subject

to the demand of the District, a quantity of water equal to the saving in the stored water supply of the Association through the lining of the South, Eastern and Consolidated Canals as herein provided. Such saving to be permitted to be diverted or stored in Roosevelt Reservoir, shall be computed by applying the percentage of Article V to the Normal Association Irrigation use run in said lined canals [illegible]

The normal irrigation use shall be considered for the purposes of this contract to be only such water as is diverted at Granite Reef Dam during times when the irrigation draft on the storage reservoir of the Association exceeds Fifty (50) second feet of water in excess of all water released for power purposes for the irrigation of the Salt River project lands charged for at the regular rates established each year by the Board of Governors of the Association [illegible]

From the amount of water so stored in the Roosevelt Reservoir and available for use by the District, there shall be deducted estimated evaporation or losses which, for the purposes of this contract, are hereby fixed and agreed upon to be at the rate of two (2) percent of the average quantity of said water stored per year. Nothing herein contained shall be so construed as to obligate the Association to hold any water so stored for the benefit of the District, during such time as Roosevelt Reservoir shall be full and water held in the said reservoir to the credit of the District at any time when the water [illegible] approaches a condition of a full reservoir, shall be discharged by the Association to make room for water available for storage for the benefit of shareholders of the Association, for power or irrigation purposes, so that the full capacity of the Roosevelt Reservoir as now or in the future constructed will be available for the benefit of the said shareholders for power or irrigation purposes at all times that water is available for storage. [illegible]

ARTICLE VII

Nothing herein contained shall be construed so as to confer any right of ownership or any right of control whatsoever in the District, in and to either the South, Eastern or Consolidated Canals, Granite

[illegible] Reservoir Reservoir, or any [illegible] hereafter forming a part of, or in any way [illegible] the Reservoir District of the Association.

ARTICLE VIII

The storage, diversion, carrying and delivery of water to the District under this agreement, shall be subject to such reasonable rules and regulations as may from time to time be adopted by the Association.

The Association shall not be liable for any failure, neglect, or default to divert and deliver available water to the District, due to storms, floods, washouts, strikes or other causes beyond its control or [illegible] which could not have been reasonably foreseen, or to canals or other works being temporarily out of use for the purpose of cleaning, additional to the canal of the District, for the inspection of [illegible] ing, making inspections, repairs, or for necessary construction, but [illegible] whenever the delivery of water to the District shall be interrupted in any manner, the cause of such interruption shall be remedied by the Association with reasonable diligence.

ARTICLE IX

Except as otherwise herein provided, no charge shall be made against the District for the carriage and delivery of water for the benefit of the District, as in this agreement provided, except a reasonable charge for the cost of maintenance and replacement of canal lining, [illegible] ing.

Said charges shall be determined annually by the Association and a preliminary estimate of same shall be presented to the District prior to the first day of June of each year and a final statement of same shall be prepared and presented to the District by the Association as soon as practicable after the thirtieth day of September of each year. The amount of said statement shall be due and payable by the District within thirty (30) days after the date thereof, and the amount so due shall bear interest at the rate of ten percent (10%) per annum from the date when due until paid.

Water diverted for the District from power plants of the Association below Granite Reef Dam, as set forth in Article II, shall be paid for by the District by the fifteenth day of the month next succeeding [illegible]

[illegible]

[illegible]

ceeding that month during which the water was so diverted, and the [illegible] amount so due shall bear interest at the rate of ten percent (10%) per annum from the date when due until paid.

Article [illegible] Amended [illegible]

The Association agrees that it will sell and furnish to the District, and the District agrees to purchase, during the life of this contract, 25 cycle 3 phase alternating current electric energy not to exceed a maximum demand at any time of twenty-five hundred (2500) kilowatts, delivered at approximately twenty-three hundred (2300) volts at the pumping plant of the District in said Section 33, Township 8 North, Range 6 East, for the sole purpose of pumping water from the Eastern Canal to the Canal of the District, for the irrigation of District lands and (Or) at approximately Eleven Thousand (11,000) volts at the pumping plants of the District south of the south boundary line of Township Two (2) North for the purpose of pumping water from underground sources for the benefit of District lands [illegible] (100,000) [illegible] of forty [illegible]

All transmission lines, transformers, substations and equipment necessary to deliver the energy involved in this contract shall be installed by the District at its expense, the District except such changes as are required in the existing Association transmission lines which shall be installed by the Association at the expense of the District as hereinafter provided in Article XIII.

The District agrees to pay to the Association for the said electric energy at the rate of one and forty-five hundredths cents ($0.0145) per kilowatt hour for all energy supplied hereunder. The said price shall continue for the period of forty (40) years of the life of this contract at the expiration of which time the rates of charge for electric energy shall be further agreed upon.

The District is given the right and option at any time within ten years from the effective date of this contract, to pay to the Association the sum of Six Hundred Thousand Dollars ($600,000.00) and thereafter for the period of forty (40) years from the effective date of this agreement, the rate for hydro-electric energy hereunder for pumping irrigation water for the District shall be five and one-half mills ($0.0055)

per Kilowatt Hour, after which the District shall pay the actual cost of power to the Association including reasonable depreciation but exclusive of interest.

The District is also given the right and option at any time within said ten years, to make progress payments on said sum of Six Hundred Thousand Dollars ($600,000.00) in sums not less than One Hundred Thousand Dollars ($100,000.00) and thereafter during said ten years from the effective date hereof to receive hydro-electric energy for pumping at the reduced rate above specified of five and one-half mills ($0.0055) per Kilowatt hour, for power up to a maximum annual power demand of Four Hundred Sixteen and 2/3 (416-2/3) Kilowatts for each One Hundred Thousand Dollars ($100,000.00) paid over as specified in this paragraph.

After the said ten (10) year period, if the District has not paid the Association the entire said six hundred thousand dollars ($600,000.00) then and thereafter for a period of forty (40) years from the effective date of this agreement the rate for the said hydro-electric energy shall be adjusted between ($0.0145) and ($0.0055) per kilowatt hour, at the option of the District to exercise the right of election of the rate of five and one-half mills ($0.0055) per kilowatt hour, provided that the District shall pay a rate equal to five and one-half mills ($0.0055) per kilowatt hour for a portion of all energy sections hereunder equal to the ratio of the total progress payments by the District on said six hundred thousand dollars ($600,000.00) to six hundred thousand dollars ($600,000.00) and ($0.0145) for the balance. Provided that the District shall have the right after the said ten (10) year period to reduce the twenty-five hundred (2500) Kilowatt maximum demand which the District is obligated to purchase hereunder by notifying the Association in writing six months prior to the expiration of said ten (10) year period of the maximum demand that the District desires to purchase after the said ten (10)-year period. Upon receipt of such notification, the Association shall not be obligated to serve in excess of the maximum demand as specified in such notification, and thereafter from the expiration of said ten (10) year period, then and thereafter for a period of forty years from the effective date of this agreement, the rate for the said hydro-electric power shall be adjusted

between one and forty-five hundredths cents ($0.0145) per kilowatt hour and five and one-half mills ($0.0055) so that the District shall pay a rate equal to five and one-half mills ($0.0055) per kilowatt hour for a portion of all hydro-electric energy consumed hereunder equal to the ratio of four hundred sixteen and 2/3 (416-2/3) times the number of One Hundred Thousand Dollar ($100,000.00) payments made by the District to the Association during the aforesaid ten (10) year option and the maximum demand specified in the notification herein this paragraph mentioned and one and forty-five hundredths cents ($0.0145) per kilowatt hour for the balance. Or, expressed algebraically,

Let A = The number of One Hundred Thousand Dollar ($100,000.00) payments made by the District to the Association during said ten (10) year period.

Let B = The maximum demand in kilowatts specified by the District in writing six months prior to the expiration of said ten (10) year period as their desired maximum demand from and after the expiration of said ten (10) year period.

Let C = The rate per kilowatt hour to be charged for all hydro-electric energy after the said ten (10) year period in event of election of the District to exercise the right conferred in the foregoing paragraph.

Let D = The percent of all hydro-electric energy used at the rate of five and one-half mills ($0.0055) per kilowatt hour.

Let E = The percent of all hydro-electric energy used at the rate of one and forty-five hundredths cents ($0.0145).

Then D% = A x 416-2/3 divided by B.

and, E% = 100% minus D

$$C = \left\{ \frac{(D \times \$0.0055) + (E \times \$0.0145)}{100} \right\} \text{ per kilowatt hour}$$

All electric energy furnished by the Association to the District shall be measured and registered by the recording meter equipment hereinabove mentioned, and shall be computed and charged at the end of each calendar month at the rate herein provided, and the amount of said charges shall be due and payable within thirty (30) days after date of rendering statement of the consumption of energy for the month preceding, which statement shall be made promptly by the Association. On failure of the District, at any time during the term of this contract, to pay

[illegible] the payment due for the energy accrued within forty (40) days after the rendering of statement as above provided, the Association, by its authorized agents acting in its behalf, shall have the right to shut off the supply of energy and refuse to furnish same to the District so long as the said amount remains unpaid. All deferred payments shall bear interest at the rate of ten percent (10%) per annum from the date when due until final payment shall be made. [illegible]

Except as hereinafter in this paragraph provided, the District agrees that from March to October, inclusive, of each year, the minimum amounts to be paid by it under this contract for electric energy shall in no case be less than the following monthly payments whether power is used by the district or not [illegible]

March	Twenty-five Hundred Dollars	$2500.00
April	Twenty-five Hundred Dollars	2500.00
May	Sixty-two Hundred and Fifty Dollars	6250.00
June	Eighty-seven Hundred and Fifty Dollars	8750.00
July	Eighty-seven Hundred and Fifty Dollars	8750.00
August	Eighty-seven Hundred and Fifty Dollars	8750.00
September	Seventy-five Hundred Dollars	7500.00
October	Twenty-five Hundred Dollars	2500.00

[illegible] the District has made one or more progress payments on said sum of Six Hundred Thousand Dollars ($600,000.00), then the minimum monthly charges as fixed above shall be reduced in the ratio that the total progress payments by the District on said Six Hundred Thousand Dollars ($600,000.00) bear to Six Hundred Thousand Dollars ($600,000.00).

It is agreed that amounts due for energy received in any month in excess of aforesaid minimum shall not be applied to reduce the aforesaid minimum payment in any other month but shall be paid for at the prescribed rate in excess of the minimum for said month. Provided however, that if hydro-electric energy be not available to the amount of the minimum provided in any month, during such month the minimum payment for said month shall be proportionately less.

Provided further, that the minimum payments up to and including October 1, 1933, shall be graduated as follows: For the period ending October 1, 1928, the first monthly minimum for said period shall be [illegible] for the month when power is first served to the District, and the min-

[illegible] monthly payment for that month and each succeeding month for said period shall be one-fifth (1/5th) of the amount stated in the above minimum table; for the two years ending October 1, 1928, the minimum monthly payment shall be two-fifths (2/5ths) of the amount shown in said table; for the two years ending October 1, 1930, the minimum monthly payment shall be three-fifths (3/5ths) of the amount shown in said table; and for the two years ending October 1, 1932, the minimum monthly payment shall be four-fifths (4/5ths) of the amount shown in said table. After October 1, 1932, the minimum payment shall be the full amount set forth in the above minimum table.

It is further understood and agreed that should at any time during the life of this contract it become the general policy of the Association to make contracts similar to this for the sale and delivery of hydro-electric power generated by its plants, at a lesser rate than is provided for in this article, then the rate in said article provided shall be decreased accordingly, said decrease in rate, however, shall only be available to the District so long as it shall continue to be the general policy of the Association to enter into contracts for the sale and delivery of hydro-electric energy generated by its plants at said lesser rates. In considering such decrease of power rate, it is agreed that the conditions under which power is delivered and used, as well as the price paid, shall receive consideration.

ARTICLE II

It is agreed that the District shall install, or at the option of the Association, that the Association may install, at the expense of the District, at all points of delivery of electric energy to be supplied hereunder, standard recording watt hour metering equipment for the purpose of measuring and recording the said electric energy furnished, the said metering equipment to be installed and the power to be measured on the low voltage side of the transformers.

The representative of the Association shall test and seal said metering equipment and the indications of same shall be accepted as correct, except in case the meter or meters become inoperative in whole

or in part for any reason. The Association may at its own expense test said metering equipment as often as it may deem necessary without notice to the District, and the District shall have the right upon payment of the expense thereof, to have the accuracy of any meter tested at any time during the term of this contract. All metering equipment shall be and remain the property of the District [illegible] without compensation to and ARTICLE XIII of the Contract for the [illegible]. All transmission lines for conveying said electric energy from the nearest lines of the Association to the points of delivery to the District, all transformers and all equipment or construction of every kind necessary to make the delivery of said electric energy effective shall be of a character and according to plans approved by the Association, and shall correspond to standard practice in use by the Association in connection with similar works of the Salt River Project.

The Association agrees to make any changes which may be found necessary to be made in existing transmission lines, switching, transformer or other equipment of the Association, all such installations and changes to be made at the expense of the District, in the manner following: [illegible] District it is agreed [illegible]

The Association shall make an estimate of the cost of such construction, and shall commence and complete the same or such parts thereof as may be designated by the District as speedily as practicable after the funds to be paid for such construction, or such parts thereof, shall have been advanced by the District. If the District designates for immediate construction, a portion only of the electrical work estimated by the Association, then the Association shall be freed of all obligations to complete the lines and deliver power except insofar as they are able with such work as the District designates. The same conditions provided in Article XIII hereof, for the advancement of funds for construction work to be performed by the Association, shall apply to construction work contemplated under this paragraph.

All transmission lines, switching, transformer, protective, metering or other equipment, installed at the expense of the District, [illegible] the District does not [illegible]

shall be and remain the property of the District, excepting such changes as may be necessary in lines and equipment already belonging to the Association, which shall remain the property of the Association.

The Association shall have, during the life of this contract, for the purposes herein provided, the sole and exclusive right to the use, management and control of all transmission lines and metering equipment constructed by and at the expense of the District for the purpose of conveying said electric energy to be delivered hereunder, from the transmission lines or generating plants of the Association, to points of delivery to the District as herein specified. The Association agrees to operate and maintain the said transmission lines so that the same shall, during the life of this contract, be at all times in a serviceable condition. Delivery shall be not less than eighty percent (80%).

ARTICLE XIII

It is understood and agreed that the electric energy to be furnished under this agreement shall be from the Association's existing supply of hydro-electric power available after supplying the needs of the Association and the demand under prior existing contracts or extensions thereof. For the purpose of this contract it is agreed that the total amount of prior existing contracts or extensions thereof is not to exceed an aggregate total of Fifteen Thousand (15,000) Kilowatts. In case there is no hydro-electric energy available, as herein provided under this agreement for the District, the Association may, if it so elects, supply without penalty to the District, power other than hydro-electric power generated by the plants of the Association. The cost to the District of such power generated by steam or supplied in any way from plants other than hydro-electric plants of the Association, shall be equal to the rate hereinbefore provided, plus a surcharge equal to the cost per kilowatt hour to the Association, of such other power delivered less one-half cent ($0.005) per kilowatt hour. This deduction of one-half cent ($0.005) per kilowatt hour from the surcharge shall be decreased in the same proportion as the rate is decreased below $0.0145 per kilowatt hour as provided in this Contract. In case the District does not want to use any power other than hydro-

electric power generated by the plants of the Association, it will give written notice to that effect to the Association, in which case no more steam or other power will be supplied to the District.

Nothing in this contract shall be so construed as to obligate the Association to store stored or other water not then required for the irrigation of lands of its shareholders or of others lawfully entitled to the use of water, for the purpose of generating hydro-electric energy for delivery hereunder [illegible]

[illegible] ARTICLE XIII [illegible]

[illegible] the District shall, by the use of apparatus of good power factor and suitable capacity, so control the load that as high a power factor as possible shall be maintained; the power factor of total load at the points of delivery shall be not less than eighty percent (80%). (c) [illegible] of all transformer installations, switching apparatus, lightning arresters and wiring that shall be the property of the District shall be contracted and installed according to plans acceptable to the Association and the Secretary of the Interior of the United States Government, and the operation and maintenance during the term of this Agreement of the above mentioned apparatus shall be conducted in a manner satisfactory to the representatives of the Association and the Secretary of the Interior. If any defects develop during the term of this Agreement, after the electrical equipment has been installed, of such character as to interfere with the electrical equipment of the Association, the representative of the Association or the Secretary of the Interior may demand at any time that changes be made within a reasonable time to eliminate such defects. The Association shall have the right to cease furnishing energy until such changes are made. [illegible]

In case of [illegible] ARTICLE XV

It is further understood and agreed that the Association shall not be responsible or in any way liable to the District on account of delays or interruptions not due to the fault of the Association, to the wiring that shall be the property of the District shall be [illegible]

the service of electric energy which may be due to the action of the elements, accidents, lack of hydro-electric power or scarcity of water or any other cause not due to the fault of the Association.

The Association shall be exempt from, and the District shall indemnify the Association against all liability for injuries, not due to negligence of the Association, to persons and (or) property caused

(a) By the action of electrical energy which may occur at the point of delivery or any point or points on the opposite side of the point of delivery from the transmission lines operated by the Association, or

(b) By mechanical, electrical, and (or) other equipment and appliances which shall, at the time of the injury, be the property of the District and under its operation, management and control; or

(c) By defects in structures, equipment and appliances of every kind, if located on the premises of the District; which shall, at the time of the injury, be the property of the Association and in the exclusive possession and control of the District.

In order that injury to persons and (or) property by any of the means above mentioned may be avoided as far as practically possible each of the parties hereto shall at all times take all measures reasonably practical to prevent such injury and to that end each of said parties shall install and maintain at its own cost and expense and free of cost or expense to the other, such safety devices, structures and appliances as may be reasonably practical on, in and (or) around the structures, equipment and appliances, likely to cause such injury, owned or controlled by them respectively, to which they may have access in common under this agreement, and which may be located on the premises of the District.

The District shall have direct control of the opening of switches in case of emergency for the protection of life and property.

ARTICLE XVI

It is further understood and agreed that all transmission lines, transformer installations, switchboard apparatus, lightning arresters, and wiring that shall be the property of the District shall be constructed

[illegible]

[illegible] and installed according to the plans acceptable to the Association, and that the operation and maintenance during the term of this contract of the above mentioned apparatus shall be conducted in a manner satisfactory to the representatives of the Association. It is further understood and agreed that if any difficulties develop during the term of this agreement, after the electric equipment has been installed, of such character as to interfere with the electric equipment of the Association, the representatives of the Association may demand at any time that changes be made within a reasonable length of time to eliminate such difficulties. The Association shall have the right to cease furnishing energy until such changes are made. [illegible] "Service Lies" [illegible] ARTICLE XVIII [illegible] for the use of water from [illegible] water. It is further understood and agreed that the Association shall have the right and privilege of shutting down its plants and ceasing to serve energy to the District at any time in order to make necessary repairs or additions to its transmission lines or machinery. In such case it shall give reasonable notice of its intention to exercise this privilege, and complete the repairs promptly and within a reasonable time, and shall make due effort to avoid all such outdoor that will obviously endanger crops through lack of irrigation. [illegible] ARTICLE XVIII [illegible] The Association further agrees to furnish electric energy insofar as the same may be available from the hydro-electric plants of the Association at the time demand is made therefor, to the landowners within the District, for other purposes than those specified in Article [illegible] upon the same terms and conditions and at the same rates than being charged the shareholders of the Association for like service.

[illegible] ARTICLE XIX [illegible] shall have [illegible] property. The plans of the District for its pumping plants, pipe lines, distribution system, method of caring for waste water and (or) any other plans which may directly or indirectly affect the Salt River Project, shall be subject to the approval of the Association. Any defect in said plans or any defects in the operation of the works of the District or any injury to the lands or property of the Salt River Project results

ing through the operation of said works for the irrigation of the lands of the District, shall be promptly corrected by the District upon notice of such defects or damage. In the event that such defects are not remedied by the District within a reasonable time, the Association may proceed to correct said defects and the District agrees to pay the reasonable cost thereof within thirty (30) days after receiving statement of such cost from the Association.

ARTICLE XX

The District agrees that all water received by it under this agreement shall be distributed and apportioned only in compliance with the provisions of the Act of Congress approved February 21, 1911, known as the "Warren Act" which prescribe conditions for the use of water from the works of United States Reclamation Projects, and among other things, provide that water from such United States Reclamation projects shall not be delivered to land in excess of one hundred sixty (160) acres for any one land owner.

ARTICLE XXI

It is further understood and agreed that if the District fails to comply with any of the conditions of this contract within a reasonable time after being notified by the Association that such terms or conditions must be complied with, then the Association may, at its option, cease delivery of power and (or) water to the District.

The remedies herein provided for the Association in case of failure of the District to comply with this agreement shall be cumulative and not exclusive, and shall not prevent the enforcement of this agreement by appropriate action of the courts.

ARTICLE XXII

This agreement shall not become effective until it shall have been submitted to and approved by the Secretary of the Interior of the United States, such approval to be signified by endorsement hereon, and when so approved, it shall become effective as of the date of such approval. This contract shall endure for the term of ninety-nine (99) years, or during the period of existence of the irrigation project now operated by

the Association if such period be less than ninety-nine (99) years.

The District shall have twelve (12) months from the date of the approval of this contract by the Secretary of the Interior of the United States within which to complete plans, effect necessary organizations, procure rights of way and provide the necessary funds to cover the cost of the proposed development. At the expiration of the above named time or within such extension of said time as may be granted by the Association at its option, the District agrees to pay to the Association the initial installment due the Association on construction costs hereunder. Time shall be of the essence of this Contract and in the event that the District shall fail to make payments for construction as herein provided or shall fail to prosecute the work to be done by it hereunder with reasonable diligence, this agreement shall become null and void, and in such case the District shall have no further rights hereunder and shall forfeit to the Association as liquidated damages, all moneys theretofore paid and expended by the Association hereunder. In the event of such forfeiture of this agreement the Association shall refund to the District any unexpended portion of said moneys less actual cost incurred by the Association for work performed or losses incurred in connection with this agreement.

The provisions of all contracts between the Auxiliary Eastern Canal Landowners' Association and (or) the District with the Association and (or) the United States of America in conflict with this agreement, shall, from and after the date that this agreement becomes effective, be of no further force or effect as to such portions thereof so conflicting.

ARTICLE XXIII

This agreement shall be binding upon and inure to the benefit of the successors or assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in triplicate the 24th day of October, 1924.

ROOSEVELT WATER CONSERVATION DISTRICT

By Fred Blair Townsend
President

ATTEST:

F. F. Young
Secretary

(SEAL) SALT RIVER VALLEY WATER USERS' ASSOCIATION

By F. A. Reid
President

ATTEST:

F. C. HERBAN
Secretary

APPROVED:

J. L. Gust
LEGAL ADVISER, SALT RIVER VALLEY WATER USERS' ASSOCIATION

APPROVED:

G. C. Gracie
GENERAL SUPERINTENDENT AND CHIEF ENGINEER
SALT RIVER VALLEY WATER USERS' ASSOCIATION

WASHINGTON, D. C.

December 2, 1936

APPROVED:

[illegible] WORK
SECRETARY OF THE INTERIOR

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

W. C. LEMANE, Plaintiff, vs. SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, and ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, Defendants. ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, Cross-Complainant, vs SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, Cross-Defendant.	NUMBER 32021-C STIPULATION

IT IS STIPULATED by and between the SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, cross-defendant, and ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, cross-complainant, that in order to simplify calculations and operations under the judgment of the Court herein, and in order to settle by agreement and without further litigation the claims of the ROOSEVELT WATER CONSERVATION DISTRICT to the use of the waters of the Verde River as the same may be affected by the construction and operation of Bartlett Dam, and in consideration of the mutual advantages hereby accruing

to the respective parties, that beginning on the date approval of this stipulation is entered by the Court in the above entitled cause, the water due the District under its appropriative right and its contract with the Association, all as construed and established in the judgment herein, and the water of the Verde River, to the use of which the District has an established right, shall be calculated, stored and delivered and received as follows:

1. The SALT RIVER VALLEY WATER USERS' ASSOCIATION shall give credit to the ROOSEVELT WATER CONSERVATION DISTRICT for 5.6% of all water diverted at Granite Reef Dam for Association Irrigation Use.

2. Association Irrigation Use shall include all water diverted for the irrigation of lands within Salt River Project and of lands in Salt River Indian Reservation on the south side of Salt River, but shall exclude all water delivered to lands in Salt River Indian Reservation on the north side of Salt River.

3. Whenever water is being released from Stewart Mountain Reservoir on Salt River in excess of 50 cubic feet per second for Association Irrigation Use, credits to the ROOSEVELT WATER CONSERVATION DISTRICT may at its option be stored in reservoirs on Salt River, as provided in Article VI of the agreement between the ROOSEVELT WATER CONSERVATION DISTRICT and SALT RIVER VALLEY WATER USERS' ASSOCIATION of October 24, 1924.

4. Whenever water is not being released from Stewart Mountain Reservoir in excess of 50 cubic feet per second for Association Irrigation Use, credits to ROOSEVELT WATER CONSERVATION DISTRICT may at its option be stored temporarily

in Bartlett Reservoir on the Verde River, subject to the conditions hereinafter set forth:

(a) Whenever such credits are impounded at the time of any gain in the amount of developed water as defined in the Contract between the SALT RIVER VALLEY WATER USERS' ASSOCIATION and the UNITED STATES OF AMERICA, dated June 3, 1935, the District immediately shall be charged with 20% of the total amount of such credits so impounded.

(b) The District shall further be charged, at the end of each calendar month, with 15% of the amount of credits to it then remaining in storage in Bartlett Reservoir.

(c) The Association at its option may release and divert, for its own use, any amounts held in storage in Bartlett Reservoir for the account of the District, but in such event the District shall be given credit by the Association for an equal amount of water in storage in reservoirs on the Salt River.

(d) Whenever Bartlett Reservoir fills and overflows, any quantity of water then being held in storage for the account of the District in such reservoir shall be reduced by the amount of spill therefrom.

5. Whenever the District shall demand the release and delivery to it of water held in storage for the account of the District, the Association shall first release such water from Bartlett Reservoir up to the amount of any credits in storage therein, and the Association shall upon demand of the District deliver to it water stored for the District in any of the Association reservoirs in accordance with the provisions of the agreement of October 24, 1924.

6. The quantities of water specified above to be delivered by the Association to be received by the District do include all amounts of water due the District under the agreement of October 24, 1924, and under its appropriative right as construed and established by the Court and do include all unregulated flood water to which the District is entitled, provided that whenever flood water actually flows over or around Granite Reef Dam, or would do so were it not for diversions by or for the District, the District shall be free to divert any portion of such flood waters to which it is entitled, but no credits shall be accrued while such flood water is being diverted.

The execution of this stipulation has been authorized by resolution of the Board of Governors of the SALT RIVER VALLEY WATER USERS' ASSOCIATION, and by resolution of the Board of Directors of the ROOSEVELT WATER CONSERVATION DISTRICT, copies of which resolutions are hereto attached.

DATED at Phoenix, Arizona, this 18th day of September, 1940.

s/d GREIG SCOTT

MATT WALTON
Attorneys for Cross-Defe

MOEUR & MOEUR

CUNNINGHAM & CARSON

LANEY & LANEY
Attorneys for Cross-Comp

O R D E R

IT IS HEREBY ORDERED that the above and foregoing stipulation is hereby approved and the parties hereto are hereby ordered to calculate, store and deliver the water due to the ROOSEVELT WATER CONSERVATION DISTRICT in accordance with the terms of the foregoing stipulation.

DONE in open court this____ day of September, 1940.

_____
J U D G E

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA,

IN AND FOR THE COUNTY OF MARICOPA.

W. C. LEBANE, Plaintiff, -vs- SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, and ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, Defendants, ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, Cross-complainant, -vs- SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, Cross-defendant.	C. P. Ellsworth BY--------DEPUTY SEP 19 1940 No. 32021-C J U D G M E N T

The above entitled cause having come on regularly for trial before the Court sitting without a jury, upon the third amended cross-complaint of the Roosevelt Water Conservation District, the cross-complainant, against cross-defendant Salt River Valley Water Users' Association, as the same was supplemented and amended, and upon the supplemental cross-complaint of the cross-complainant, and upon the amended plea in bar, amended answers and amended counter-claim and set-off of cross-defendant Salt River Valley Water Users' Association thereto, and the replies and answers of cross-complainant to such amended plea in bar, amended answers and amended counter-claim and set-off on the 13th day of April, 1939, the cross-complainant being represented by its attorneys,

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

W. C. LEEANE, Plaintiff, vs. SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, and ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, Defendants. ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, Cross-Complainant, vs. SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, Cross-Defendant.	NUMBER 32021-C STIPULATION

IT IS STIPULATED by and between the SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, cross-defendant, and ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, cross-complainant, that in order to simplify calculations and operations under the judgment of the Court herein, and in order to settle by agreement and without further litigation the claims of the ROOSEVELT WATER CONSERVATION DISTRICT to the use of the waters of the Verde River as the same may be affected by the construction and operation of Bartlett Dam, and in consideration of the mutual advantages hereby accruing

Moser & Moser, Lacey & Lacey and Cunningham & Carson, and the cross-defendant being represented by its attorneys, Sloan, Scott & Green and Matt S. Walton, and the said trial having continued from day to day until the presentation of evidence was completed on July 17, 1939, and on said date the Court having taken the matter under advisement, and thereafter the respective parties having filed their briefs, and the Court having fully considered the matters and issues presented, and having on the 9th day of August, 1940, filed his written decision herein,

1. IT IS ORDERED, ADJUDGED AND DECREED that the amended plea in bar of cross-defendant Salt River Valley Water Users' Association is overruled and denied.

2. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that cross-complainant's prayer to have the contract construed so as to require the measurement of water as if run in unlined canals, and if not so construed, to have the contract reformed so as to require the water to be measured as though run in unlined canals, be and the same is hereby denied, and damages claimed thereon is denied.

3. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the cross-complainant's prayer to have subdivisions 2 and 3 of Article V of the contract reformed so as to make the combined percentage on the two sections five and one-half per cent instead of three and one-fourth percent, be and the same is hereby denied, and damages claimed thereon is denied.

4. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the cross-complainant's prayer that it be credited with additional water because of the alleged loss of savings resulting from routing through the Tempe Cross-Cut Canal water

to the respective parties, that beginning on the date approval of this stipulation is entered by the Court in the above entitled cause, the water due the District under its appropriative right and its contract with the Association, all as construed and established in the judgment herein, and the water of the Verde River, to the use of which the District has an established right, shall be calculated, stored, delivered and received as follows:

1. The SALT RIVER VALLEY WATER USERS' ASSOCIATION shall give credit to the ROOSEVELT WATER CONSERVATION DISTRICT for 5.6% of all water diverted at Granite Reef Dam for Association Irrigation Use.

2. Association Irrigation Use shall include all water diverted for the irrigation of lands within Salt River Project and of lands in Salt River Indian Reservation on the south side of Salt River, but shall exclude all water delivered to lands in Salt River Indian Reservation on the north side of Salt River.

3. Whenever water is being released from Stewart Mountain Reservoir on Salt River in excess of 50 cubic feet per second for Association Irrigation Use, credits to the ROOSEVELT WATER CONSERVATION DISTRICT may at its option be stored in reservoirs on Salt River, as provided in Article VI of the agreement between the ROOSEVELT WATER CONSERVATION DISTRICT and SALT RIVER VALLEY WATER USERS' ASSOCIATION of October 24, 1924.

4. Whenever water is not being released from Stewart Mountain Reservoir in excess of 50 cubic feet per second for Association Irrigation Use, credits to ROOSEVELT WATER CONSERVATION DISTRICT may at its option be stored temporarily

5. Whenever the District shall demand the release and delivery to it of water held in storage for the account of the District, the Association shall first release such water from Bartlett Reservoir up to the amount of any credits in storage therein, and the Association shall upon demand of the District deliver to it water stored for the District in any of the Association reservoirs in accordance with the provisions of the agreement of October 24, 1924.

6. The quantities of water specified above to be delivered by the Association to be received by the District do include all amounts of water due the District under the agreement of October 24, 1924, and under its appropriative right as confirmed and established by the Court and do include all unregulated flood water to which the District is entitled, provided that whenever flood water actually flows over or around Granite Reef Dam, or would do so were it not for diversions by or for the District, the District shall be free to divert any portion of such flood waters to which it is entitled, but no credits shall be accrued while such flood water is being diverted.

The execution of this stipulation has been authorized by resolution of the Board of Governors of the SALT RIVER VALLEY WATER USERS' ASSOCIATION, and by resolution of the Board of Directors of the ROOSEVELT WATER CONSERVATION DISTRICT, copies of which resolutions are hereto attached.

DATED at Phoenix, Arizona, this 18 day of September, 1940.

Sloan, Scott & Green
by Gregg Scott

Watt S. Walton
Attorneys for Cross-Defendant

Moeur & Moeur

Cunningham & Carson
by Chas. A. Carson

Laney & Laney, by Lyman W. Laney
Attorneys for Cross-Complainant

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

G. P. Ellsworth
BY- -DEPUTY
SEP 19 1940

W. C. LEBENE,
Plaintiff

vs.

SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, and ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation,
Defendants

ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation,
Cross-Complainant,

vs.

SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation,
Cross-Defendant

No. 32021-C

O R D E R
STIPULATION

IT IS HEREBY ORDERED that the attached stipulation is hereby confirmed and approved, and the Salt River Valley Water Users' Association is hereby ordered to calculate, store and deliver the water due to the Roosevelt Water Conservation District, and the Roosevelt Water Conservation District is hereby ordered to accept said amounts of water in accordance with the terms of the foregoing stipulation.

DONE IN OPEN COURT this 19 day of September, 1940.

Jesse A. Udall
Judge

R E S O L U T I O N

BE IT RESOLVED by the Board of Governors of Salt River Valley Water Users' Association that the stipulation hereto attached be confirmed and approved and the Attorneys of the Association be authorized to sign the same for and on behalf of the Association and incorporate the same in the judgment of the Court.

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

W. C. LEHANE, Plaintiff, vs. SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, and ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, Defendants. ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, Cross-Complainant, vs SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, Cross-Defendant.	NUMBER 32021-C STIPULATION

IT IS STIPULATED by and between the SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation, cross-defendant, and ROOSEVELT WATER CONSERVATION DISTRICT, a municipal corporation, cross-complainant, that in order to simplify calculations and operations under the judgment of the Court herein, and in order to settle by agreement and without further litigation the claims of the ROOSEVELT WATER CONSERVATION DISTRICT to the use of the waters of the Verde River as the same may be affected by the construction and operation of Bartlett Dam, and in consideration of the mutual advantages hereby accruing

to the respective parties, that beginning on the date approval of this stipulation is entered by the Court in the above entitled cause, the water due the District under its appropriative right and its contract with the Association, all as construed and established in the judgment herein, and the water of the Verde River, to the use of which the District has an established right, shall be calculated, stored and delivered and received as follows:

1. The SALT RIVER VALLEY WATER USERS' ASSOCIATION shall give credit to the ROOSEVELT WATER CONSERVATION DISTRICT for 5.6% of all water diverted at Granite Reef Dam for Association Irrigation Use.

2. Association Irrigation Use shall include all water diverted for the irrigation of lands within Salt River Project and of lands in Salt River Indian Reservation on the south side of Salt River, but shall exclude all water delivered to lands in Salt River Indian Reservation on the north side of Salt River.

3. Whenever water is being released from Stewart Mountain Reservoir on Salt River in excess of 50 cubic feet per second for Association Irrigation Use, credits to the ROOSEVELT WATER CONSERVATION DISTRICT may at its option be stored in reservoirs on Salt River, as provided in Article VI of the agreement between the ROOSEVELT WATER CONSERVATION DISTRICT and SALT RIVER VALLEY WATER USERS' ASSOCIATION of October 24, 1924.

4. Whenever water is not being released from Stewart Mountain Reservoir in excess of 50 cubic feet per second for Association Irrigation Use, credits to ROOSEVELT WATER CONSERVATION DISTRICT may at its option be stored temporarily

in Bartlett Reservoir on the Verde River, subject to the conditions hereinafter set forth:

(a) Whenever such credits are impounded at the time of any gain in the amount of developed water as defined in the Contract between the SALT RIVER VALLEY WATER USERS' ASSOCIATION and the UNITED STATES OF AMERICA, dated June 3, 1935, the District immediately shall be charged with 20% of the total amount of such credits so impounded.

(b) The District shall further be charged, at the end of each calendar month, with 15% of the amount of credits to it then remaining in storage in Bartlett Reservoir.

(c) The Association at its option may release and divert, for its own use, any amounts held in storage in Bartlett Reservoir for the account of the District, but in such event the District shall be given credit by the Association for an equal amount of water in storage in reservoirs on the Salt River.

(d) Whenever Bartlett Reservoir fills and overflows, any quantity of water then being held in storage for the account of the District in such reservoir shall be reduced by the amount of spill therefrom.

5. Whenever the District shall demand the release and delivery to it of water held in storage for the account of the District, the Association shall first release such water from Bartlett Reservoir up to the amount of any credits in storage therein, and the Association shall upon demand of the District deliver to it water stored for the District in any of the Association reservoirs in accordance with the provisions of the agreement of October 24, 1924.

6. The quantities of water specified above to be delivered by the Association to be received by the District do include all amounts of water due the District under the agreement of October 24, 1924, and under its appropriative rights as construed and established by the Court and do include all unregulated flood water to which the District is entitled, provided that whenever flood water actually flows over or around Granite Reef Dam, or would do so were it not for diversions by or for the District, the District shall be free to divert any portion of such flood waters to which it is entitled, but no credits shall be accrued while such flood water is being diverted.

The execution of this stipulation has been authorized by resolution of the Board of Governors of the SALT RIVER VALLEY WATER USERS' ASSOCIATION, and by resolution of the Board of Directors of the ROOSEVELT WATER CONSERVATION DISTRICT, copies of which resolutions are hereto attached.

DATED at Phoenix, Arizona, this 18th day of September, 1940.

s/d GREIG SCOTT

MATT WALTON
Attorneys for Cross-Defen

MOEUR & MOEUR

CUNNINGHAM & CARSON

LANEY & LANEY
Attorneys for Cross-Comp

O R D E R

IT IS HEREBY ORDERED that the above and foregoing stipulation is hereby approved and the parties hereto are hereby ordered to calculate, store and deliver the water due to the ROOSEVELT WATER CONSERVATION DISTRICT in accordance with the terms of the foregoing stipulation.

DONE in open court this____ day of September, 1940.

_____
J U D G E

A G R E E M E N T

THIS AGREEMENT, made and entered into this 9th day of September, 1954, by and between the SALT RIVER VALLEY WATER USERS ASSOCIATION, a corporation, hereinafter referred to as the "Association", and the ROOSEVELT WATER CONSERVATION DISTRICT, a political subdivision of the State of Arizona, hereinafter referred to as the "District",

W I T N E S S E T H :

THAT, WHEREAS, on the 19th day of September, 1940, a stipulation was entered into in the case of W. C. Lehane, plaintiff, vs. Salt River Valley Water Users Association, a corporation, and Roosevelt Water Conservation District, a municipal corporation, defendants, No. 32021-C, in the Superior Court of the State of Arizona, in and for the County of Maricopa, which stipulation is hereby expressly referred to and by reference made a part of this agreement; and

WHEREAS, the said stipulation provides, among other things, that "The Salt River Valley Water Users Association shall give credit to the Roosevelt Water Conservation District for 5.6% of all water diverted at Granite Reef Dam for Association Irrigation Use," and thereafter defined "Association Irrigation Use" as "all water diverted for the irrigation of lands within Salt River Project" and certain Indian lands; and

WHEREAS, at the time of entering into said stipulation the City of Phoenix was diverting water from "the Verde River above Granite Reef Dam and during the year 1940 the City of Phoenix did divert 19,427 acre feet of water from the Verde River; and

WHEREAS, the District had never received or claimed credit for water diverted by the City of Phoenix; and

WHEREAS, on the 1st day of January, 1952, an agreement was entered into between the Association and the City of Phoenix wherein and whereby the City of Phoenix agreed to and did pay the assessments on certain lands within and without the City of Phoenix and diverted from the Verde and Salt Rivers the water appurtenant to said lands; and

WHEREAS, a dispute has now arisen between the Association and the District as to whether or not under said stipulation the District is also entitled to 5.6% of Association waters diverted by the City of Phoenix under said contract; and

WHEREAS, it is to the best interests of all parties concerned that the said dispute be amicably settled.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter expressed, it is agreed between the parties as follows:

1. Effective date of agreement. This agreement shall be effective as of January 1, 1952, the date of the agreement between the Association and the City of Phoenix, and all credits herein referred to shall be adjusted as of that date.

2. In calculating the credits to which the District is entitled under said stipulation, the Association shall give credit to the District for 5.6% of all water diverted at Granite Reef Dam or other point on the Salt and Verde Rivers for distribution by the City of Phoenix to lands within the Salt River Project; provided, however, that in arriving at this particular annual credit to be allowed the District, there shall first be deducted from the total amount of water diverted

by the City 19,427 acre feet, and there shall also be deducted all City Gate Water diverted above Granite Reef or delivered below Granite Reef to the Squaw Peak plant of the City of Phoenix, or any other point designated in the future by the City of Phoenix.

"City Gate Water" shall include all water lawfully appropriated by the City of Phoenix and stored on the Verde River by virtue of the increased storage capacity provided by the spillway gates installed by the City of Phoenix.

This agreement shall be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this instrument the day and year first hereinabove written.

SALT RIVER VALLEY WATER USERS ASSOCIATION, a corporation,

By _____
Its President

ATTEST:
_____
Its Secretary

ROOSEVELT WATER CONSERVATION DISTRICT, a political subdivision of the State of Arizona,

By _____
Its President

ATTEST:
_____
Its Secretary

AGREEMENT

THIS AGREEMENT, dated as of February 12, 1988, is entered into among the United States of America; the State of Arizona; the Salt River Pima-Maricopa Indian Community; the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Roosevelt Water Conservation District; the Roosevelt Irrigation District; the Arizona Cities of Chandler, Glendale, Mesa, Phoenix, Scottsdale, and Tempe, and the Arizona Town of Gilbert; and the Central Arizona Water Conservation District.

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EXHIBITS

Paragraph 2.0

"2.17" Map of SRPMIC Reservation

Paragraph 3.0

"3.a" Salt River Pima-Maricopa Indian Community v. United States of America, et al., CIV 82-745 PHX RGS

"3.b" Salt River Pima-Maricopa Indian Community v. H.S. Aguilar, et al., CIV 82-2162-PHX PGR

"3.c" United States of America on behalf of Salt River Pima-Maricopa Indian Community, et al. v. City of Phoenix, et al., CIV 82-2173-PHX WPC

"3.d" Town of Gilbert v. The Roosevelt Water Conservation District, et al., CIV 85-2600-PHX CAM

"3.e" Gila River Adjudication

"3.f" Salt River Pima-Maricopa Indian Community v. The State of Arizona and Gene Hassell, Acting Commissioner of the Arizona State Land Department, No. CIV 79-185 PHX

"3.g." Salt River Pima-Maricopa Indian Community v. Salt River Valley Water Users' Association, et al., No. CIV 83-2500 PHX WPC (Exhibit not executed due to dismissal of litigation)

10.0 RWCD RIGHTS AND WATER TRANSFER TO SRPMIC

10.1 (a) The parties to this Agreement ratify, confirm and declare to be valid that agreement between SRP and RWCD dated October 24, 1924, and approved by the Secretary on December 2, 1924, and all amendments and modifications thereto.

(b) The parties to this Agreement, except for the United States acting as trustee for Indian tribes other than SRPMIC, recognize and confirm the entitlement of RWCD to surface water from the Salt and Verde Rivers and agree not to object to, dispute or challenge, in the Gila River Adjudication, or otherwise, such rights, which rights are evidenced by, described, stated, confirmed or established in the following documents and instruments: the agreement between SRP and RWCD dated October 24, 1924, and approved by the Secretary on December 2, 1924; the stipulation dated September 18, 1940, the decision dated on or about September 18, 1940, the judgment dated September 19, 1940, and the order dated September 19, 1940, in W.C. Lehane v. Salt River Valley Water Users' Association, et al., Cause No. 32021-C in the Superior Court of Maricopa County, Arizona; and the agreement between SRP and RWCD dated September 9, 1954.

10.2 The parties to this Agreement, except for the United States acting as trustee for Indian tribes other than SRPMIC, recognize and confirm that the measure of RWCD's surface water entitlement under the documents and instruments identified in Paragraph 10.1 hereof is five and six-tenths percent (5.6%) of the sum of all surface water , except Spill Water, diverted at Granite Reef Dam or other points on the Salt and Verde Rivers (a) for use on the lands within the SRRD described in Exhibit "10.2" to this Agreement, (b) for distribution by

Glendale, Mesa, Phoenix and Tempe, or other cities, or their successors, to the lands within the SRRD listed on Exhibit "10.2" to this Agreement, and (c) all surface water delivered to SRP below Granite Reef Dam for use on the lands within the SRRD listed on Exhibit "10.2" to this Agreement in exchange for surface water which otherwise would have been diverted at Granite Reef Dam; minus the first 19,427 acre-feet of surface water delivered by SRP each year to the City of Phoenix domestic water treatment plants. Except as provided in this Paragraph 10.2, all rights and obligations contained in the documents and instruments referred to in Paragraph 10.1 hereof shall remain in full force and effect. RWCD's entitlement as set forth in this paragraph shall not include any yield from Additional Active Conservation Capacity.

10.3 RWCD has executed a CAP agricultural water service subcontract which provides for the conversion of CAP agricultural water to CAP M&I water under circumstances stated in the subcontract. The parties agree that this right of conversion shall not be exercised within the areas jointly within RWCD and the CAP planning areas of Chandler, Gilbert or Mesa, as used by the Arizona Department of Water Resources ("DWR") in recommending to the Secretary the initial M&I water allocations to those Cities. A map for Chandler, Mesa, and Gilbert depicting each such CAP planning area is attached to this Agreement as Exhibit "10.3." Provided, however, such conversion right may be exercised within such CAP planning area at any time or times after it is determined by the Secretary that any portion of surface water appurtenant to the land within such CAP planning area is permanently unavailable for use on such land, to the extent permitted by the following formula:

. . .

For a given acre, conversion = 1 acre-foot per acre minus (A plus B).

A = the average amount of surface water (after the permanent unavailability of surface water has been determined pursuant to RWCD's agricultural water service subcontract) actually available to each of RWCD's eligible acres not including Spill Water and surface water RWCD has agreed to contribute to this Settlement (expressed in acre-feet per acre).

B* = the amount of CAP M&I water available to an RWCD eligible acre by virtue of the initial M&I allocations to Chandler, Gilbert, or Mesa , plus the amount of permanently available replacement surface water per acre, if any, received by Chandler, Gilbert or Mesa from any water settlement involving the Fort McDowell Indian Community ("FMIC"). B = C/D (expressed in acre- feet per acre).

C = the initial CAP M&I allocation for the applicable city or town, plus the amount of permanently available replacement surface water, if any, received by Chandler, Gilbert or Mesa from any water settlement involving FMIC (expressed in acre-feet).

D = the number of acres within the CAP planning area used by DWR in recommending to the Secretary the initial M&I allocation to the applicable city or town (expressed in acres).

*Note: B must be determined with reference to the allocation of the city or town associated with the planning area wherein conversion is proposed to occur. B will not be the same number for each acre within RWCD.

For the purpose of the foregoing formula, "permanently available" shall mean the availability of such replacement surface water for a term of years or an extended term of years of substantially the same length as the term of the Project Water Lease Agreements described in Paragraph 19.0 hereof. Water received by

the Cities of Chandler and Mesa and by the Town of Gilbert pursuant to Paragraphs 12.0 and 19.0 hereof shall not be considered to be "permanently available" for purposes of the foregoing formula.

The parties agree that with respect to that area within the boundaries of RWCD but outside of the CAP planning areas used by DWR in recommending to the Secretary the initial M&I allocations for Chandler, Gilbert, and Mesa, which area is shown on Exhibit "10.3" hereto, CAP agricultural water may be converted to CAP M&I use to the extent permitted by the following formula:

For a given acre, conversion = 1 acre-foot per acre minus A (as defined above)

The Secretary shall revise the subcontract of the RWCD for agricultural water service from the CAP to include an addendum substantially in the form of Exhibit "3.1" to this Agreement, which Exhibit "3.1" is erroneously referred to in the Act as Exhibit "3.1", and shall execute the subcontract as revised. Notwithstanding any other provision or law, the Secretary shall approve the conversions of agricultural water to M & I uses authorized by the addendum at such time or times as the conditions authorizing such conversion, as set forth in the addendum, are found to exist.

10.4 The Cities of Chandler and Mesa hereby consent to become parties to that lawsuit styled as Town of Gilbert v. The Roosevelt Water Conservation District, et al., pending in United States District Court as Cause No. CIV-85-2600-PHX-CAM. The parties to this Agreement hereby approve the RWCD CAP agricultural water service subcontract, as modified by this Agreement; all parties to this Agreement who are also parties to Cause No. CIV-85-2600-PHX-CAM agree to execute

the documents which constitute Exhibit "3.d" to this Agreement requiring their signature and to take all such steps as are necessary to cause Cause No. CIV-85-2600 PHX-CAM to be dismissed with prejudice.

10.5 During the term and extended term of the agreements referred to in Paragraph 10.1 hereof, RWCD hereby directs SRP to deliver to SRPMIC 8,000 acre-feet per calendar year from RWCD's entitlement as defined in Paragraph 10.2 hereof. SRPMIC shall take delivery of its share of RWCD's entitlement in the period from January 1 through September 30 of each year. Subject to SRPMIC's maximum 8,000 acre-foot entitlement hereunder, SRPMIC shall be entitled to divert and use up to 1,700 acre-feet per month of RWCD's entitlement during such period, provided that water not diverted and used by SRPMIC in any month shall be available for use by RWCD. SRPMIC's entitlement under this Paragraph 10.5 shall not be carried over from month-to-month nor have storage rights for annual carryover.

In the event insufficient water is available under RWCD's entitlement to satisfy both the entitlement of SRPMIC under this Paragraph 10.5 and the entitlement of the FMIC under any settlement agreement to which RWCD and FMIC are parties, RWCD's entitlement shall be apportioned pro rata between SRPMIC and FMIC provided that SRPMIC shall receive thereby no less than 71.4% of the water available, unless SRPMIC and FMIC otherwise agree. RWCD and SRP shall be notified of any such agreement.

10.6 RWCD's direction for the delivery of water to SRPMIC pursuant to the terms of Paragraph 10.5 hereof shall be binding upon its successors and assigns. The parties to this Agreement, except for the United States acting as trustee for Indian tribes other than SRPMIC, acknowledge that RWCD's water rights as de-

scribed in the documents and instruments referred to in Paragraph 10.1 hereof are appropriative rights and are appurtenant to RWCD lands. Should any other entity succeed to RWCD's entitlement, it shall assume RWCD's rights and obligations to SRPMIC under Paragraph 10.5 hereof. RWCD and SRP agree that the term of the agreements described in Paragraph 10.1 hereof shall be extended in accordance with the provisions of Exhibit "3.n" hereto. Nothing in this Agreement shall be construed as a grant of rights between SRP and RWCD for the use of SRP facilities to deliver RWCD's entitlement.

It is the purpose of Paragraphs 10.1, 10.2, and 10.5 hereof, and of this Paragraph 10.6, to describe RWCD's water right and the circumstances under which SRPMIC shall be entitled to the delivery of water from that water right. All parties to this Agreement recognize that the circumstances and arrangements pursuant to which water is delivered to RWCD may change over time, RWCD may cease to exist, or RWCD's successors may make different arrangements for the delivery of the water to which these Paragraphs apply. Notwithstanding any such change of circumstances or arrangements, RWCD's ceasing to exist, or such different arrangements made by RWCD's successors, SRPMIC shall be entitled to continue receiving water pursuant to this Paragraph 10.0.

~~11.0 RID CONTRACT ENTITLEMENT, RID-PHOENIX-SRP EXCHANGE, AND WATER TRANSFER TO SRPMIC~~

~~11.1 The parties to this Agreement recognize, ratify, confirm and declare to be valid the agreement between SRP and Carrick and Mangham Agua Fria Lands and Irrigation Company (predecessor of RID) dated August 25, 1921, and approved by the Secretary on October 26, 1921; the agreement between SRP and RID dated February 3, 1927, and approved by the Secretary on February 12, 1927; and the~~

~~the Community Trust Fund pursuant to these sections of the Act and the Agreement.~~

21.7 Uses - All parties to this Agreement recognize that water uses on the urbanized portions of the lands within SRRD and RWCD have changed and will continue to change from agricultural uses to municipal and industrial uses. The parties agree that such changes in use are valid, and that water appurtenant to lands which are now or will become urbanized within a particular municipal or other water service area may be delivered for M&I uses on such urbanized lands and the water rights appurtenant to such urbanized lands shall carry the original priority dates. With the exception of type of use, these water rights are as described in the Kent Decree, the Lehane decision (W. C. Lehane v. Salt River Valley Water Users' Assoc., et al., Cause No. 32021-C) and Paragraphs 21.8 and 10.1 hereof and the documents referred to therein. No party to this Agreement shall challenge or otherwise object to these rights on the basis of change of use, nature of delivery, or on any other bases in any judicial or administrative proceeding. As to urbanized lands within the SRRD, the parties agree that the historical practices of the Cities and SRP and the general nature of the rights are appropriately described in the Water Commissioner's Report of June 3, 1977, a copy of which is attached hereto as Exhibit "21.7." Nothing in this Paragraph 21.7 shall be construed as authorizing the delivery of water to any municipality by SRP for M&I uses within the SRRD in the absence of a written delivery agreement between any such municipality and SRP. The term "party" or "parties" as used in this Paragraph 21.7 means all parties to this Agreement

. . .

. . .

except for the United States acting as trustee for Indian tribes other than SRPMIC.

~~21.8 Confirmation of Rights~~

21.8(a) The parties to this Agreement, except for the United States acting as trustee for Indian tribes other than SRPMIC, ratify, confirm, declare to be valid and agree not to object to, dispute or challenge, in the Gila River Adjudication, or otherwise, the rights of the City of Phoenix to the waters of the Salt and Verde Rivers, which rights are described, stated, confirmed or established in the following documents:

(1) Contract No. 1830 between the United States of America, the City of Phoenix and the Salt River Valley Water Users' Association dated October 7, 1948.

(2) Contract No. 1604 between the Salt River Valley Water Users Association and The City of Phoenix dated November 22, 1946, to the extent that Contract No. 1604 is in accordance with and consistent with Contract No. 1830 described in Paragraph 21.8(a)(1) hereof.

. . .

(3) Certificate of Water Right No. 1999 from the State of Arizona to the City of Phoenix.

21.8(b) The parties to this Agreement, except for the United States acting as trustee for Indian tribes other than SRPMIC, ratify, confirm, declare to be valid, and agree not to object to, dispute, or challenge in the Gila River Adjudication, or otherwise, the rights of SRP and its shareholders to the waters

EXHIBIT "3.n."

SRP-RWCD Extension Agreement

SRP-RWCD EXTENSION AGREEMENT

This Agreement, dated as of February 12, 1988, is entered into by the Roosevelt Water Conservation District, an irrigation district duly organized and existing under the laws of the State of Arizona, hereinafter referred to as the "District," and the Salt River Project Agricultural Improvement and Power District, an agricultural improvement district duly organized and existing under the laws of the State of Arizona, and the Salt River Valley Water Users' Association, a corporation organized and existing under the laws of the Territory, now the State, of Arizona, hereinafter collectively referred to as the "Project."

WHEREAS, District and Project now enjoy the benefits of a contract dated October 24, 1924 (hereinafter "the 1924 agreement"), wherein, among other things, Project agreed to deliver water to District; and

WHEREAS, said contract also bound District to pay for annual repairs and periodic relining of certain canals used by Project for the purpose of delivering water to its shareholders; and

WHEREAS, the aforementioned 1924 agreement between Project and District has become the subject of a settlement agreement dated as of February 12, 1988, wherein various named parties have agreed upon a settlement of outstanding water related litigation, including the claims to water rights of the Salt River Pima-Maricopa Indian Community and its members and in which agreement District, Project, and other parties, except the United States

on behalf of Indian tribes other than the Salt River Pima-Maricopa Indian Community, have confirmed (1) the 1924 agreement, (2) the stipulation, decision, and order in W. C. Lehane v. Salt River Valley Water Users' Association, et. al., Cause Number 32021-C, Superior Court of Maricopa County, Arizona, decided on or about September 18, 1940, and (3) the agreement between Project and District dated September 9, 1954; and

WHEREAS, the parties to the settlement agreement set forth terms and conditions which would affect the administration of the 1924 agreement, and they further required an extension of the 1924 agreement by at least 50 years.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree with each other as follows:

ARTICLE I

The 1924 agreement shall be extended beyond its scheduled expiration date until December 31, 2086. From and after the effective date of this Extension Agreement, the obligations of District and Project to render performance under the 1924 agreement, as amended and extended, shall be conditioned upon compliance with the provisions of the settlement agreement, and the terms and conditions of the 1924 agreement, as extended and amended, shall be construed consistent with the settlement agreement.

ARTICLE II

By way of clarifying the responsibility for maintenance and replacement of canal lining, as discussed in Article IX of the

1924 agreement, District shall participate with Project in an annual review of needed repair on the 28 miles of canal for which District currently has maintenance responsibility, as displayed on Exhibit "A" attached hereto. Relining of such reaches of the canals shall be scheduled at such times as the parties may agree upon from time to time and District shall bear the full financial responsibility for repair or relining of such reaches. Accordingly, if at any time District determines that it is in its best interest to pay for relining in lieu of continued repair, District may announce its conclusion to that effect and relining shall be completed in lieu of repair, on a mutually agreeable schedule as soon as reasonably practicable.

ARTICLE III

This Agreement shall take effect on the enforceability date of the Salt River Pima-Maricopa Indian Community Water Rights Settlement Agreement. This Agreement shall inure to the benefit of and be binding upon the successors of the parties hereto, including, without limitation, any operating agent which succeeds to the obligation of Project or District hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date herein first above written.

Approved:

UNITED STATES OF AMERICA

By _____

SALT RIVER VALLEY WATER USERS' ASSOCIATION

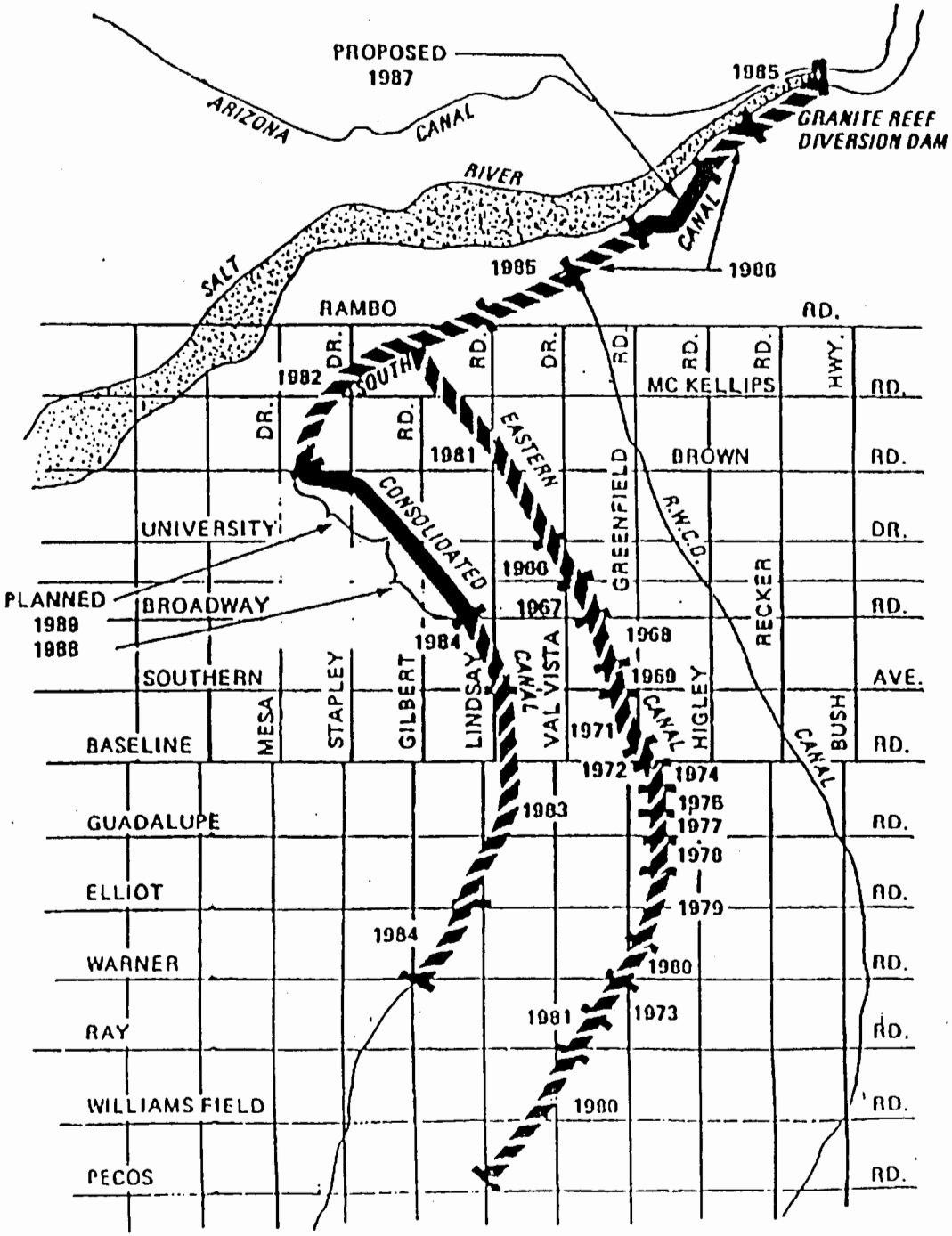
By _____
Its President

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

By _____
Its President

ROOSEVELT WATER CONSERVATION DISTRICT

By _____
Its President



MAP SHOWING LOCATION OF ORIGINAL LINING INSTALLED AND REPLACED BY R.W.C.D.

LEGEND:

- ORIGINAL LINING INSTALLED BY R.W.C.D.
- LINING REPLACED BY R.W.C.D.

Exhibit "A"

EXHIBIT "H"

EXHIBIT "10.2" TO SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY WATER RIGHTS SETTLEMENT AGREEMENT

Land Classifications Subject to RWCD Credit
of 5.6% of Water Diverted at Granite Reef Dam

CLASSIFICATION	ACRES
Association Regular Member Land	200,074.50
Special District Land - Tempe	22,494.65
Special District Land - Mormon Flat	9,707.30
Special District Land - Utah	2,091.65
New State Irrigation and Drainage District	2,327.70
Maricopa Garden Farms	1,258.10
Pump Contract Land (surface water only)	215.10
SUBTOTAL ASSOCIATIONS LANDS	238,170.00
Townsite Lands	9,615.30
Tempe Non-Member	458.35
Normal Flow Only Land Within SRRD	79.10
State of Arizona Tree Rows	35.50
SRPMIC Land in Sections 34, 35, & 36, T2N R5E	1,125.00
TOTAL	249,483.25

EXHIBIT "I"

ROOSEVELT WATER CONSERVATION DISTRICT
BYLAWS, RULES AND REGULATIONS

BY-LAWS

of the

ROOSEVELT WATER CONSERVATION DISTRICT

Maricopa County,

State of Arizona

Effective January 1, 1983

BY-LAWS

OF

ROOSEVELT WATER CONSERVATION DISTRICT

GENERAL POWERS, DIVISIONS AND BOARD:

1. All powers as and of an irrigation district (except those which by law are specifically reserved to the qualified electors of the District or are vested in some other public authority or officer, or as otherwise provided by statute) shall be exercised by the Board of Directors (hereinafter sometimes referred to as "Board" and "District Board") of the Roosevelt Water Conservation District (hereinafter referred to as "District") which Board shall manage and control the business and affairs of the District.

The area within the exterior boundaries of the District is hereby divided into three (3) Divisions as nearly equal in size as practical, delineated and named by the Board as shown by the map thereof on file at the District Office, and shall be known (and are hereinafter referred to) collectively as "Divisions", individually as "Division", and respectively as "First Division", "Second Division", and "Third Division".

The Board shall consist of nine (9) Directors, each a qualified elector of the Division from which elected, three (3) elected from each Division, each of whom shall hold office for a term of three (3) years and until his successor is elected and qualified, provided, however, that vacancies on the Board may be filled by appointment made by the remaining members of the Board, and a Director so appointed, after qualifying, shall hold office for the remainder of the unexpired term. No Board member may hold office in more than one Division at one time.

The Board from time to time as it deems advisable, may appoint and employ a General Manager who shall have such powers, duties and term, and receive such compensation as the Board may from time to time designate, and shall hold his respective place during the pleasure of the Board, and furnish such bond as the Board by resolution may require, provided, however, that by and in such bond the bonded person shall be responsible only for his own personal malfeasance and not for the acts, defaults or malfeasance of another.

The Board may also appoint or employ such other officials, officers pro-tem, attorneys, and agents as the Board may determine necessary for the operation of the District and the conduct of its business and affairs.

Standing committees of the Board shall consist of a Water Committee, a Labor Committee, a Domestic Water and Land Use Committee, and an Audit Committee. All committees are to meet as called by the chairman of said committee or President of the Board or by action by the Board of Directors. Special committees may be appointed from time to time as approved by the Board. The President will serve as ex-officio member of all committees and will chair the Executive Committee which is made up of the chairmen of the above mentioned committees.

The Board shall have the power to determine by whom and in what manner the District's contracts or other documents shall be signed, and unless otherwise determined by the Board, all such contracts or other documents shall be signed by the District President or District Vice-President if the former is unavailable, and Corporate Secretary and sealed with the District seal.

OFFICERS:

2. The officers of the District shall consist of: the District President; the District Vice-President; and a District Secretary-Treasurer; and the County Treasurer of Maricopa County, Arizona, who shall be ex-officio treasurer of the District.

3. At the first meeting of the Board in January of each year, the Directors shall elect a District President, District Vice-President and a Secretary-Treasurer (who shall serve as Chairman of the Audit Committee), from among their number, and appoint a District General Manager (hereinafter referred to as "Manager").

4. The Manager shall be ex-officio secretary of the Board and shall cause to be kept accurate minutes of all meetings of the Board and of all administrative and executive bodies of the District; and shall keep all records and statistics of the Board and District, and shall, under the direction of the Board, prepare all budgets, estimates and reports necessary for the transaction of the District business and those required by law, these By-Laws or by the Board, and give all necessary notices, including notices of meetings and elections.

BOARD MEETINGS:

5. The regular meeting of the Board shall be on the first Tuesday of each month. Special meetings of the Board may be called at any time by the District President or District Vice-President if the District President is unable to, and shall be called by him upon request of a majority of the members of the Board. A majority of the Board shall constitute a quorum for all purposes; but if at any Board meeting there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. The newly Revised Robert's Rules of Order shall govern the form of all meetings, except insofar as they would be in conflict with state laws, or the By-Laws of the District.

All meetings of the Board shall be public; provided however, that whenever the Board deems it necessary

or advantageous, the Board may call an executive session as long as it is called and held at the time and place prescribed by the laws of the State of Arizona. The Board may recess its meeting so as to permit the Directors to meet in a properly noticed executive session. At such executive session, only the Directors and persons designated by them shall remain, and at the conclusion thereof the regular Board meeting may be resumed.

All records of the Board and District shall be open to inspection by any qualified landowner during regular business hours of the District office.

Resolutions when presented to the Board for action shall be marked "Resolution No. _____", and the Secretary shall number the same consecutively for each year, the first number standing for the resolution number and the second number for the year of consideration. At the foot of each resolution, the Secretary shall enter the action taken thereon, and the date of such action, and such resolution shall be authenticated by the signature of the presiding officer and the Secretary.

Neither resolutions nor contracts nor other written documents which shall have been written out in full, and which are considered and acted upon by the Board, need be entered at length in the minutes of the Board unless by the Board specifically required; but the same shall be separately filed in permanent form; and shall be identified and referred to in the official minutes of the Board.

TAXATION, ASSESSMENT AND WATER CHARGES: Amended 6/28/94. See back of booklet.

~~6. In addition to other funds available to the District~~ and other receipts of the District, the Board may provide for the necessary funds for the District either by taxation, assessment, or charges for water services, domestic or irrigation, or by a combination of any or all such means.

The Board, within the time and in the manner prescribed by law, shall prepare, make and file all required statements, estimates and reports. In addition, the Board shall adopt for each calendar year and alter, amend or revise as may be necessary or advantageous, an Operating and Maintenance Budget, in which shall be itemized under appropriate separate headings the financial requirements thereof, including estimated receipts and revenues and the sources thereof, and the expenditures, together with such ~~other data as the Board from time to time may deem desirable.~~

WATER:

7 (A) In addition to the requirements provided in these By-Laws, the Board is authorized from time to time to prescribe and adopt charges for water service and other conditions and restrictions as to water apportionment, water service and delivery not inconsistent with the laws of Arizona, as it may deem necessary or advisable for the efficient, equitable and orderly service of water and the operation of the District. No water shall be served by the District unless and until

such charges, requirements, conditions and restrictions are paid or observed or complied with, as the case may be, by the land, landowner or operator or water user thereby affected. Such charges, conditions and restrictions shall become effective at the time designated by the Board, and in the absence of such designation, shall become effective upon adoption by the Board, and shall remain effective for the period fixed by the Board, and copies thereof shall be posted at least five (5) days in at least two (2) places in each Division, or by some other acceptable means of public notification.

Deposits for, and payments of, water charges for water not used, shall, at the end of the apportionment period, be credited upon water charges in the next apportionment period, or refunded, as the person entitled thereto shall direct.

(B) PRO-RATE PERIOD:

All irrigation water of the District available for distribution shall be apportioned to the qualified lands within the exterior boundaries thereof, pro-rata and upon equality of priority. The Board may apportion such water upon an acreage basis at the beginning of each calendar year or from time to time and for periods thereafter as it may designate and deem advisable, and may also, during such year, designate and fix the amount of such water which shall be deliverable upon such acreage basis in pro-rate periods (which water is hereinafter referred to as "pro-rate water"), and in non-pro-rate periods (which water is hereinafter referred to an "non-pro-rate water"). The respective water apportionment to land for any designated period shall not be increased for the next ensuing period because of the failure of such land to use the amount of water apportioned to it for any previous period, and all apportionments shall terminate at the end of the period designated.

In a non-pro-rate period, water shall be delivered to qualified lands in the order in which request therefore is made, when reasonable.

In order to prevent inequity in water delivery, the beginning and ending of such pro-rate period shall be announced by an appropriate notice posted on the District Bulletin Board in the District office, or by such other means as designated by the Board. During such pro-rate period, only pro-rate water apportioned for and deliverable in such period shall be delivered for each water account in accordance with its then pro-rate figure. Such pro-rate figure shall be calculated as to each water account, by dividing the acreage controlled by such account into the total number of acre feet of pro-rate water then unused by such acreage which has been theretofore officially apportioned to such acreage and to which it is then entitled and qualified to receive during the remainder of the then calendar year.

In order that transfers of agricultural land shall not cause inequities in delivery of pro-rate water and in

pro-rate figure, when a transfer of such land is duly made, for the remainder of that calendar year, the water accounts thereby affected shall be figured and adjusted so that the acres so transferred (if otherwise qualified and entitled thereto) shall carry with them:

(a) their respective share per acre of the unused non-pro-rate water, and

(b) their respective share per acre of the unused pro-rate water, and

(c) a pro-rate figure identical to that, as then specified in and by the water account from which such acres are so transferred at the time of such transfer.

(C) DELIVERIES:

No transfer of water shall be permitted to, or from lands which by reason of any delinquency are not qualified to receive deliveries of water.

No water shall be furnished to any lands on which there are delinquent taxes or District assessments, nor delivered to any landowner or operator while he is indebted to the District from any cause.

No water shall be delivered to any land unless and until the landowner or operator shall have placed his ditches and laterals in good condition to prevent wastage of water.

Uneconomical or impractical or wasteful water runs (as may be defined by Board policy) shall not be made.

No water shall be delivered until payment of the water charges therefore shall have been made in adanvce; and whenever the quantity of water paid for shall have been delivered, service shall be discontinued.

(D) No water order shall be run for a quantity larger than a private ditch will carry.

(E) Land shall receive water delivery only for the period fixed and tract designated in an approved water order therefore, and shall be required to take water for the period so fixed, except where practical arrangements otherwise can be made without injury or inconvenience to the District and other lands and water users. Water must be used continuously for the period fixed, day and night, and only on the tract designated in the approved water order. If for any reason the District is unable to deliver the quantity of water ordered, it shall so notify the person ordering the water and continue the delivery of such quantity of water as it can deliver, until otherwise instructed.

Whenever the District shall find it necessary for maintenance work on or to make repairs upon, or improvements to, any part of its irrigation system, the District may, for any such purpose, temporarily suspend the delivery of water,

and, where possible, give notice thereof to water users affected.

(F) Water will be delivered by the District to the point of delivery to, either the highest corner of each Governmental subdivision of one hundred sixty acres, or at such other point therein as the Board may designate. The District shall have no responsibility for the delivery of water after it leaves such point of delivery.

USE OF PROPERTY:

8. The operation and use of all canals, laterals, drain ditches and water measuring and delivery facilities of the District and the waters therein, shall always remain in the exclusive jurisdiction and control of the District.

9. No privately owned or controlled water shall be carried in any District canal, lateral or ditch, except upon written permission of the Board and under such licenses, rules, regulations and procedures as may be prescribed by the Board, provided always, however, that the District shall not engage as a common carrier of water.

No private individual, landowner, operator or water user, etc., shall place in or permit to be emptied into any canal, lateral, drain ditch or water delivery facility, or in or on any roadway, easement or right of way, of the District rubbish, trash, swill, garbage, manure, refuse or dead animal or animal matter or debris or foreign matter of any kind whatsoever. All animals must be kept out of the canals, laterals, drain ditches and other water delivery facilities of the District and away from the banks thereof. No landowner or operator or water user or private individual shall build any fence or plant any trees, shrubs, vines or vegetation on any District roadway, right of way, easement, canal, lateral or drain ditch, nor cross the same or the bridges or banks thereof with equipment, vehicles or animals which cause damage thereto; nor plow the banks thereof, nor move or use any of the earth composing the banks thereof, nor use such banks in whole or in part as a levy for irrigation purposes or for a private ditch. If any damage or expense is caused the District by any such acts or actions by any landowner or operator or water user or private person, such damage and expense shall be charged to and promptly paid by him.

Where a landowner or operator desires to have special work done on District water delivery facilities, the District may do the same at the sole expense of such landowner or operator, provided that the same shall not interfere with or restrict District operations.

No landowner or operator, water user or other person without authority of the Board, shall open, close, change or interfere with or cause to be opened, closed, changed or interfered with, any canal, lateral, drain ditch, head gate, measuring device, or the water therein, or any pump, motor or water delivery facility of the District. If by such unauthorized acts or actions such landowner or

operator or water user is thereby enabled to take and does take or cause to be taken water which he is not authorized to take, then, without waiving any other rights the District may have under the law or these By-Laws in such circumstances, there shall be levied against the water to which he is or may be qualified to receive from the District, a charge equivalent to at least twice the amount of water which the District determines has been so taken. All charges are to be determined by the Board of Directors as they deem necessary.

DRAINAGE OF WATER:

10. Each owner or operator of land and water user within the District shall be responsible for the disposition of waste water from such land. Delivery of irrigation water may be refused to any land for which provision for the satisfactory disposition of such waste water is not made. Delivery of such waste water into a lateral or drain ditch of the District (in the way and manner required by the District) may be considered a satisfactory disposition.

Every landowner and operator and water user shall be responsible to the District for all damage to District property and facilities caused by his acts and neglects, and upon his failure to make good such damage after reasonable notification thereof by the District, all necessary repairs shall be made at his expense by the District.

VOTING RIGHTS:

11. District elections required by laws of the State of Arizona for and upon all matters and questions other than for the election of Directors, shall be called in the manner and held at the times prescribed by such laws.

On the second Tuesday after the first Monday in November in each year, an election shall be held in each Division to elect, as the successor Director to the Director whose term on the 31st of December in such year will expire, one (1) Director in such Division for a term of three (3) years beginning the first (1st) day of January next following such election and until his successor is elected and qualified.

Voting at all District elections shall be on the personal and individual system of voting. To vote at any election of the District, a person must have all the qualifications prescribed by the laws of Arizona in such case made and provided, which include each of the following: such person must be at least eighteen years old; has resided continuously for six months immediately preceding the election in the county in which the District is located; be registered to vote as in these By-Laws provided, and be a bona fide landowner and holder of title or holder of evidence of title to agricultural lands within the District for ninety (90) days immediately preceding the date of the election at which the elector seeks to vote.

A person is not a "holder of title" or the "holder

of evidence of title" or a "bona fide landowner" unless, among other things, his title or evidence of title has been recorded in the office of the County Recorder of Maricopa County, Arizona, not less than ninety (90) days prior to the date of the election at which such person seeks to vote.

The term "evidence of title" includes (a) receipt of other evidence of the rights of entrymen under any law of the United States or of Arizona, and (b) bona fide contracts of purchase, by the terms of which the purchase is given possession of agricultural land within the District, is required to pay all taxes and assessments thereon, and is expressly authorized to vote as to such land at District elections, in which case the holder of the record title shall not be entitled to vote.

The term "holder of title" or "bona fide landowner" means a person whose title has been recorded as described above. When the holder of record title is a married person and the title is held in the name of only one person, only the spouse in whose name the title stands shall be entitled to vote in the election.

The following, notwithstanding ownership, shall not be qualified or permitted to vote:

(a) Landowners whose only land in the District is non-agricultural. Land is non-agricultural when it is a townsite lot or lots or is for home, residential or commercial business purposes, or for purposes and uses other than primarily for the production of agricultural crops, two acres or less (as determined by Maricopa County tax rolls) is considered non-agricultural land;

(b) Persons disqualified for any reason under the statutes of the United States or of the State of Arizona.

(c) A person who is not the real owner of agricultural lands within the District and who acquired or holds title or evidence of title thereto for the primary purpose of enabling such person to vote at a District election.

12. The Board shall provide for and require a registration of the voters of the District. The registration books shall be opened for a period beginning on the thirtieth day after an election and closing on the fiftieth day before the date of the next election, and the place of registration shall be the business office of the District. The registration books shall include the full name and sex of the registrant, and the certificate of the registrant that he is a qualified elector of the District as provided by A.R.S., Sec. 45-1517.

A person not registered as provided in A.R.S., Sec. 45-1517 shall not be entitled to vote, but a qualified and registered elector who voted at the last preceding District election who continues to possess the qualification of a qualified elector in the District, shall not be required to re-register. Following the close of registration, the Board shall prepare lists of qualified electors of the three

divisions, and shall deliver the list to the judges of election in each division.

Where any otherwise qualified elector owns agricultural land in more than one Division, in order to vote in each Division in which he owns agricultural land, he must be qualified so to do, and in addition, be registered in and for each such Division, as in these By-Laws provided.

It shall be the duty of the Secretary to examine all registration applications and to ascertain and determine whether persons proposing to register possess or will possess the necessary qualifications of a qualified elector of the District and Division at the next ensuing election.

No person shall be permitted to register unless the answers certified by such person in his Registration Certificate show that such person possesses the qualifications of a qualified elector or will possess such qualifications at the next ensuing election.

When the registration period is closed, the names of all registered persons, and separately, the names of all persons whose names appeared as voters at the last preceding District election, shall be submitted by the Secretary to the District Board.

Not less than fifteen (15) days previous to the holding of the election, the District Board shall meet and examine said registration list. Should the Board find that the names of any person or persons appearing upon said list have not or will not possess the qualifications of qualified electors at the next ensuing District election, the District Board shall cause the District Secretary to remove such names from the registration list, and shall record the reason for removal in the minutes of the District Board. When the District Board be of the opinion that the names of all persons who have voted and whose names appear upon the voting list of the last preceding District election, and all who have since registered and whose names then appear upon said registration list are qualified electors of the District for the election, the same shall be approved. The list as approved shall constitute the election roster of the qualified electors of the District for the next ensuing election. The District Board shall thereupon cause the Secretary to prepare therefrom a list of the qualified electors of the several divisions of the District (hereinafter respectively referred to as "Division Registration List"), a duplicate of which shall be delivered to the respective Election Boards.

Any person whose name has been removed from the registration list may apply to the Election Board of the appropriate Division for a ballot. If such application is made, the Election Board shall examine the applicant fully to test his qualifications as a voter under the applicable statutes and the District By-Laws. Examination shall be under oath. Should the Election Board after such examination be satisfied that such person whose name has been so removed is notwithstanding a duly qualified elector, he shall be permitted to cast a ballot. In examining such applicant, the

Election Board shall take into consideration the reasons for the removal of such applicant's name from the registration list, as shown by the minutes of the District Board, abstract of copy of which shall be furnished the Election Board by the Secretary; and should the Election Board be of the opinion that such removal was justified and that the applicant is not a qualified elector, he shall not be permitted to vote.

Prior to fifteen (15) days before any District election, the District Board shall appoint an Election Board for each Division from among the qualified electors of such Division composed of three (3) judges. If the District Board fails to appoint any such Election Board or should the persons appointed fail to attend the opening of the polls on the morning of the election, the qualified electors present at the opening hour may appoint the Election Board or supply the place of any absent member thereof. Each Election Board of each Division shall, on election day prior to the opening of the polls, meet at the polling place respectively designated for the Division, and elect one member as Chairman, one member as Clerk and one member as Inspector. Thereupon, the Clerk and Inspector shall be sworn by the Chairman and shall subscribe to the written oath, and thereupon the Clerk shall swear the Chairman who shall take and subscribe the written oath, which form of written oath shall be furnished by the District Secretary.

Vacancies in the Election Board occurring during the progress of the election, may be filled by the Chairman of the Election Board by appointing a qualified and registered elector of the Division to fill such vacancy, who, before entering on his duties as a member of the Election Board, shall take and subscribe the written form of oath required. Any member of the Election Board may administer or certify any oath required to be administered during the progress of the election.

The Election Board may have power to decide whether any person requesting the right to vote is qualified so to do under the law and these By-Laws.

The polls shall be open from eight o'clock in the morning until six o'clock in the evening of election day.

Prior to the opening of the polls, each Election Board shall receive from the District Secretary a poll box which shall contain: forms of certificates and oaths of Election Board members; the Division Registration List of the registered and qualified voters of the respective Division; Election Register forms in which the names, addresses and numbers of the persons voting shall be entered; Poll List forms in which shall be entered the name of the person voting and the ballot stub number; sufficient ballots to supply the electors; Tally Record forms in which the returns of the election are to be tallied and certified by the Election Board; Judge's Certificate forms in which the Election Board shall certify the results of the election; Voter's Qualifying Affidavits for use by a voter whose vote is challenged; and Challenge List forms.

The Secretary shall furnish each Election Board with "50 Foot Limit" notices for each polling place. Three (3) of such notices must be posted up about the polling place. No person except those who are actually voting and the Election Board shall be allowed inside the fifty foot limit.

Whenever an Election Board shall deem it necessary, it may request the detail of a Constable, Sheriff or Deputy Sheriff or other peace officer, to maintain order and observance of election rules. Any person refusing to observe the request, orders and directions of the Election Board, which it deems necessary, proper or advisable for the orderly conduct of the election, shall be guilty of disturbance.

Any person requesting to be allowed to vote may be challenged orally or in writing by a qualified and registered elector of the District, including any member of the Election Board. Any person whose vote is challenged shall be furnished the prescribed form of Voter's Qualifying Affidavit which he shall be required to fill out and sign under oath. The Election Board shall examine the Affidavit and may question the proposed voter further. If, after such Affidavit has been prepared, subscribed and sworn to, and said Affidavit and said voter have been examined by the Election Board, the Election Board should be of the opinion that the proposed voter is not a qualified elector, he shall not be furnished a ballot and shall not be allowed to vote. Otherwise, he shall be furnished with a ballot and permitted to vote. A Challenge List shall be kept by the Election Board and all Voter's Qualifying Affidvaits and Challenge Lists shall be returned to the District Board with the returns of election.

The Election Board may designate one of its members to assist in the preparation of the Voter's Qualifying Affidavit, when timely request is made therefor.

Upon the closing of the polls, the Election Board shall proceed to prepare the election records for canvass. The ballots shall be counted and compared with the Election Register and the Poll List. All ballots shall be strung together without injury or mutilation. Rejected ballots shall be strung separately. Thereupon the ballots shall be counted and tallied and the results entered upon the Tally Record and certified by each member of the Election Board.

Within two days after the close of the polls, each Election Board shall certify the results of the election to the District business office in and upon a Judge's Certificate duly executed by the members of the Election Board, and deliver the same to the District business office together with all ballots used in said election and all records relating thereto.

On the first Monday after the election, and in the manner prescribed by law, the District Board shall canvass the returns of the election and declare the results.

A qualified and registered elector who is absent

or expects to be absent from Maricopa County at the time of holding any election, or who, by reason of disability or sudden illness, is physically unable to go to the polls, may vote at a District election upon compliance with these By-Laws.

Upon application made within thirty (30) days next preceding the Saturday before any District election, a qualified and registered elector of the District may obtain from the Secretary an official absent or disabled voter's ballot by making in duplicate the hereinafter prescribed application therefor and appearing before a notary public or other officer qualified to administer oaths, and swearing and subscribing to such application and returning the original and duplicate thereof to the Secretary. Upon receipt of such application, if timely, sufficient and in proper form, the Secretary shall cause to be delivered or mailed postage prepaid to such elector the ballot applied for, together with a Ballot Envelope for its return. After making and subscribing the affidavit provided for upon the Ballot Envelope, such elector may mark the ballot, enclose the ballot in the Ballot Envelope, seal, and return it to the Secretary, or the Secretary may, when deemed expedient, cause to be delivered or mailed postage prepaid the application with the ballot and the Ballot Envelope, and determine the sufficiency of the application upon receipt of the sealed Ballot Envelope and the application.

Application for an absent or disabled voter's ballot shall be made in duplicate upon blanks furnished by the Secretary and shall be in substantially the following form:

"APPLICATION FOR ABSENT OR DISABLED VOTER"S BALLOT

(Strike out words and clauses not applicable)

STATE OF_____)
) ss.
County of _____)

I._____, do solemnly swear that I am the identical person whose name is signed to this application and that such name and signature is my true name and signature (or, if I did not personally sign, it was because of physical disability, viz: _____ _____ and I requested the attesting officer to sign); and that I am a qualified and registered elector of the _____Division of Roosevelt Water Conservation District, Maricopa County, State of Arizona; that I hereby make application to the Secretary of said District for an absent or disabled voter's ballot; because I expect to be absent from Maricopa County on the day of holding the next election, namely, on the _____ day of November, 19____.

because of physical disability, as evidenced by the doctor's certificate of physical inability to go to the polls submitted herewith, by reason of which I will not be able to go to the polls on the day of holding the next election, namely, the

_____ day of November, 19____.

For purpose of identification, I declare that my sex is _____; that I am _____ years of age, _____ feet, _____ inches in heights, weigh _____ pounds, and my present post office address is _____ _____.

I am confined at _____ _____ (insert address of hospital, residence or other place of confinement).

_____
Elector

Subscribed and sworn to before me this _____ day of _____, 19____.

_____
Signature of officer empowered to administer oaths.

_____
Title or designation of officer.

The ballot to be used for absentee or disabled voting shall be one prepared for use in the Division or Divisions in which such absentee or disabled voter is qualified and registered to vote.

Upon receipt of the sealed Ballot Envelope from the elector, the Secretary shall cause to be endorsed thereon, completed and signed, the following statement: "This Ballot Envelope contains an absent or disabled voter's ballot and may be opened only on November _____, 19____, at the polls of _____ Division while the same are open", and the Secretary shall then cause such Ballot Envelope to be deposited in the ballot box of the designated Division, always provided, however, that no absent or disabled voter's ballot shall be counted or given any effect in the election unless such ballot in the sealed Ballot Envelope and the prescribed executed application therefor shall have been returned to and filed with the Secretary, and the Ballot Envelope bearing such endorsement shall have been deposited in the ballot box of the appropriate Division prior to six o'clock p.m. the day of election.

If an absent or disabled voter is qualified to, and desires to, vote in more than one Division, he shall for each such Division make separate application and receive a separate Ballot Envelope and ballot thereof, and cast a separate ballot, and in all respects comply with the absent and disabled voter's voting procedure of these By-Laws as to each such Division.

RESTRICTIONS:

13. No employee of the District shall engage or participate in District political activities, elections,

campaigns, canvassing or soliciting for candidates for elective or appointive offices.

Except as authorized by vote at a District election or by the District Board, no person shall have any authority to expend District moneys, or to incur or impose any liability or obligation upon the District.

The District shall be entitled to treat as the lawfully authorized representative of the owner, the operator of any land farmed within the District in the absence of written notice to the contrary.

The employees of the District in carrying out their duties shall have free access at all times to all lands within the exterior boundaries of the District, or under the control of the District.

In addition to all other liens provided by law, charges for water service from the District shall become and remain a lien upon the land served until paid in full.

The District shall not be liable for any damage whatsoever or for interruption or failure of water delivery service, occasioned or affected in whole or in part by the act, neglect or fault of any landowner or operator, water user, or third party or public authority, or by force majeure, or by water shortage, lack of power, power or pump or motor failure, breaks in canals, laterals or drain ditches, or by fires, storms, floods or washouts, or by labor disputes or civil disturbances, or by any accidental means whatever.

CHANGE IN BY-LAWS:

14. Any of these By-Laws may be amended by a two-thirds vote of all District Directors at any regular or special meeting of the District Board, after two months written notice has been given to each Board member.

All existing District by-laws and District Board resolutions or parts thereof in conflict with these By-Laws, shall be and are, upon these By-Laws being approved, hereby repealed, but such repeal shall not affect the enforcement by the District of any right of the District nor release any obligation to the District incurred prior to the repeal under any by-laws and resolutions so repealed, which rights and obligations shall continue and may be enforced by the District to the same extent as if such repeal had not been made.

If any provision of these By-Laws or the application thereof to any person or circumstance, is held invalid, the remaining provisions of these By-Laws and the application of such provision to other persons or circumstances, shall not be affected thereby, and to this end the provisions of these By-Laws are declared to be severable.

The provisions of these By-Laws shall not be deemed in limitation of, nor a waiver of, any right, power or authority which under the laws of the State of Arizona is vested in or granted to the District Board. Adopted by the Board of Directors, Roosevelt Water Conservation District, November 15, 1954, effective December 1, 1954, and Revised on December 13, 1982, and Effective January 1, 1983.

Amended Bylaw Section 6

The Board of Directors, not later than July 1 of each year, shall estimate the amount of money required to meet the obligations of the District for the next fiscal year, including maturing bonds and interest, maintenance, and operating and current expenses, together with such additional amounts necessary to meet any deficiency in the payment of items of expense incurred during any previous year, and to provide funds for purchases of lands sold for delinquent taxes. The board may include in the estimate the amount of money required for the repayment of all or any part of District taxes paid for any preceding year in any case in which the District taxes remaining unpaid for such year have been cancelled as provided in A.R.S. § 48-3125.

Unless or until these bylaws are further amended, the District shall be operated on a cash basis. After the Board of Directors has identified the purposes to be served by each of the funds maintained by the District and estimated the amount of money required to meet the obligations of the District for the next fiscal year, the Board shall fix a minimum annual rate on each acre of land that has water rights in the District, which amount shall be billed by statement mailed directly to the landowners of the District, which shall not be refundable, and which shall, in the event a landowner fails to pay, be a lien upon the land pursuant to A.R.S. § 48-3132. Interest and penalties may be collected by the District on past due billings in accordance with policies established from time to time by the Board.

The Board of Directors, in addition to fixing the minimum annual rate for each acre of land that has water rights in the District, may periodically fix an annual, account administrative fee ("service charge") to be collected from persons maintaining active water purchase accounts with the District, and shall periodically fix a water charge for each acre foot of water, which is required to be paid in addition to the minimum rate per acre prior to the delivery of any water. Any payments made for water in excess of that actually used will be refunded upon demand or may, at the instruction of a person maintaining an active water purchase account with the District, be applied to the following year's (1) service charge, (2) water charges, or (3) minimum rate per acre.

Statements for the per acre rate to be billed to each landowner for the ensuing year shall be deposited into the United States mail, postage prepaid, using the last address of record in the official records of the District, not later than September 1 of each year. The first half of the amounts billed on such statement shall be due and payable on October 1 following the billing, and shall be delinquent if not paid on or before December 1 of the same year. The remaining one-half of the per acre rate to be billed each landowner for the year shall be due and payable on March 1 of the year, and shall be delinquent if not paid on or before May 1. The District shall be authorized to withhold water service from any lands for which there is an unpaid and delinquent charge of the minimum rate per acre.

The District Treasurer shall carry out the provisions of this section and shall be authorized to utilize all provisions of law for the collection and enforcement of the minimum rate authorized by the Board and billed to landowners pursuant to the authority of these bylaws.

Upon receipt of all proceeds of the minimum rate per acre paid to the District, the District Treasurer shall divide the money received from such payments into District funds corresponding with the purposes specified by the Board at the time the estimated needs of the District were identified and the rate authorized.

[Amended June 28, 1994]

Final Execution Version
October 21, 2005

AMENDED AND RESTATED

SETTLEMENT AGREEMENT

This Amended and Restated Settlement Agreement, dated _____, 2005 hereby amends and replaces in its entirety the original agreement dated May 4, 1998, and is made and entered into among the United States of America, acting through the Secretary of the Interior in the capacities set forth herein; the Gila River Indian Community, an Indian Community organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987, 25 U.S.C. § 476), duly recognized by the Secretary of the Interior; and Phelps Dodge Corporation, as hereinafter defined.

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ATTACHMENTS

Attachment "A"	Lease and Option Agreement for CAP Water
Attachment "B"	Calculation of Inflation Adjustment and Interest Calculation
Attachment "C-1"	Description of Phelps Dodge Non-Gila Water Rights
Attachment "C-2"	Description of Phelps Dodge Gila River Water Rights – Arizona
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Attachment "D-2"	District Wells Production Report
Attachment "E"	Map of Upper Eagle District
Attachment "F"	Map of Morenci District

COVENANTS

In consideration of the promises and agreements hereinafter set forth, the Parties hereto agree as follows:

1.0 Definitions

As defined herein, the following terms shall have the meaning set forth below:

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Amended and Restated Settlement Agreement" shall mean this amended and restated settlement agreement to the original settlement agreement dated May 4, 1998.

1.4 "CAP" shall mean the Central Arizona Project, a reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.5 "CAWCD" shall mean the Central Arizona Water Conservation District, a political subdivision of the State of Arizona and a tax-levying public improvement district organized

under the laws of the State of Arizona, or its successor, which has executed a contract to repay to the United States the reimbursable costs of the CAP.

1.6 "CAWCD Service Area" shall mean the area included within CAWCD, consisting of Maricopa, Pinal and Pima Counties, as well as any other counties that may hereafter become part of CAWCD.

1.7 "Community" shall mean the Gila River Indian Community, the sovereign government composed of Members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476).

1.8 "Community Water Delivery Contract" shall mean: (A) Contract No. 3-07-30-W0284 between the Community and the United States dated October 22, 1992; and (B) the term Community Water Delivery Contract includes any amendments to the contract described in (A), a copy of which is attached as Exhibit 8.2 to the Community's Settlement Agreement. This is the same contract referred to in the Act as Contract No. 3-0907-0930-09W0284.

1.9 "Community's Settlement Agreement" shall mean that amended and restated agreement entered among and between Phelps Dodge, the Community and the United States, and other parties settling specified water rights claims raised by the parties in the Gila River Adjudication Proceedings. This Settlement Agreement is intended to constitute exhibit 10.1 to the Community's Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert", "Diverted" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 Effective Date under this Settlement Agreement shall have the following meanings:

(a) "Initial Effective Date" shall mean May 4, 1998, the date on which the original settlement agreement was executed by both the Gila River Indian Community and by Phelps Dodge.

(b) "Intermediate Effective Date" shall mean the date on which the Community's Settlement Agreement has become enforceable pursuant to its terms.

(c) "Final Effective Date" shall mean the date on which the agreements set forth in Section 7.0 of this Settlement Agreement are effective and enforceable.

1.14 "Environmental Compliance" shall mean all environmental reviews and clearances required under the National Environmental Policy Act (42 U.S.C. §§ 4321 *et seq.*), the Endangered Species Act (16 U.S.C. §§ 1531 *et seq.*) and any other applicable federal or state environmental laws.

1.15 "Exchange Agreement" shall mean an exchange agreement as provided for in Section 6.0 of this Settlement Agreement.

1.16 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re The General Adjudication of All Rights to Use Water in the Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated)*.

1.17 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District*, Globe Equity No. 59, *et al.*, in the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.18 “Groundwater” shall mean all water beneath the surface of the earth other than Recharged Water or Surface Water.

1.19 “Lease” shall mean the Lease and Option Agreement among the United States, the Community and Phelps Dodge which is provided for in Section 5.0 hereof, a copy of which Lease is attached as Attachment “A” to this Settlement Agreement.

1.20 “Member” or “Members” shall mean any person or persons duly enrolled as members of the Gila River Indian Community.

1.21 "Miscellaneous Flow Lands" shall mean those lands, if any, that are not a part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

1.22 "Natural Flow" shall mean all Gila River water that is not Stored Water or Project Pumped Water and that is available for diversion pursuant to article V of the Globe Equity Decree. "Project Natural Flow" is Natural Flow available to the Community and the District for diversion at Ashurst-Hayden Diversion Dam pursuant to the Globe Equity Decree.

1.23 “Party” shall mean an entity as defined in this Agreement represented by a signatory to this Settlement Agreement and “Parties” shall mean more than one of such entities.

1.24 “Phelps Dodge Corporation” or “Phelps Dodge” shall mean the New York corporation of that name, Phelps Dodge’s subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge’s successors and assigns.

1.25 "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" shall mean the San Carlos Irrigation Project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" includes any amendments and supplements to the act described in the preceding sentence.

1.26 "Project Pumped Water" shall mean all water produced by Project Wells, as that term is defined in the Community/District Agreement (exhibit 20.1 to the Community's Settlement Agreement).

1.27 "Recharge", "Recharging", or "Recharged" shall mean the intentional inducement of water into an aquifer for purposes of increasing aquifer storage.

1.28 "Recharged Water" shall mean Groundwater, Surface Water, CAP water or Effluent that is Recharged.

1.29 "Reservation" or "Gila River Indian Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Reservation" or "Gila River Indian Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.30 "San Carlos Irrigation and Drainage District" or "SCIDD" or "District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.31 "Secretary" shall mean the Secretary of the United States Department of the Interior.

1.32 "Settlement" shall mean the settlement evidenced by this Settlement Agreement.

1.33 "Settlement Agreement" shall mean this Amended and Restated Settlement Agreement and the Attachments hereto, which are incorporated herein by this reference.

1.234 "State" shall mean the State of Arizona.

1.35 "Stored Water" shall mean all Gila River water available to the Community and the San Carlos Irrigation and Drainage District that is neither Project Pumped Water nor Project Natural Flow water.

1.36 "Surface Water" shall mean all water that is appropriable under State law.

1.37 "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.38 "United States" shall mean the United States of America in the capacities set forth in Section 3.0 hereof.

1.39 "Waters of the Gila River Watershed" shall mean any and all water in, under or upon the Gila River watershed which, if unused and uninterrupted, would be available to the Community by Diversion or Recharging the Groundwater under the Reservation, and also shall mean and include any water in, under or upon the Gila River watershed the use of which diminishes the water available to the Community by Diversion or in Recharging the Groundwater under the Reservation.

2.0 Explanatory Recitals

2.1 The United States, the Community and Phelps Dodge are all currently asserting water rights claims in the Gila River Adjudication Proceedings.

2.2 The United States, the Community, and Phelps Dodge Corporation have agreed to settle permanently the water rights claims of the Community and the United States on behalf of the Community and the Allottees, against Phelps Dodge, and the water rights claims of Phelps Dodge against the Community and the United States on behalf of the Community and the Allottees.

2.3 As consideration for the effectuation of the Settlement, Phelps Dodge will pay to the Community, for the benefit of the Community and the Allottees, certain sums of money, under the terms and conditions specified in Section 4.0 hereof.

2.4 This Settlement Agreement provides for a lease to Phelps Dodge from the Community of the CAP water made available to the Community, together with an option to lease an additional amount of CAP water, currently available to the Community under the Community Water Delivery Contract with the United States, subject to Environmental Compliance. This Settlement Agreement also authorizes, subject to Environmental Compliance and other conditions, exchanges of

water among the United States, the Community and Phelps Dodge, or between Phelps Dodge and other entities within the CAWCD Service Area, allowing beneficial use of the water obtained by exchange at any location authorized by the Act.

3.0 Capacities In Which Settlement Agreement Is Executed and Effect of Execution

3.1 This Settlement Agreement is executed by the Community on behalf of itself.

3.2 This Settlement Agreement is executed by Phelps Dodge on behalf of itself.

3.3 This Settlement Agreement is executed by the United States:

(a) in its capacity as trustee for the Community, Members, and Allottees;

(b) in its capacity as holder of legal title to (but not the beneficial interest in) the water rights as described in articles V and VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the San Carlos Irrigation and Drainage District, and the Miscellaneous Flow Lands;

(c) in its capacity as the owner and operator of the "San Carlos Indian Irrigation Project" as that term is defined in the Community's Settlement Agreement;

(d) pursuant to the Community Water Delivery Contract, the Lease, or an Exchange Agreement, in its capacity as owner of the CAP; and

(e) in no other capacity except as otherwise set forth herein.

3.4 This Settlement Agreement and the Lease set forth in Attachment "A" shall be binding upon Phelps Dodge and the Community as of the Initial Effective Date subject to the terms and conditions set forth herein and in the Lease. This Settlement Agreement shall be binding upon the United States on the Intermediate Effective Date, subject to the terms and conditions set forth herein.

4.0 Monetary Consideration For Settlement

4.1 In return for the Community's and the United States' confirmations of Phelps Dodge's water rights and other agreements concerning Phelps Dodge's water rights set forth in Section 7.0 hereof and the waivers set forth in paragraph 25.0 of the Community's Settlement Agreement, Phelps Dodge shall pay to the Community, for the benefit of the Community and the Allottees, the sum of $18,000,000, on the terms and conditions set forth in this Section 4.0.

4.2 Phelps Dodge shall pay the $18,000,000 to the Community as follows:

(a) The non-refundable sum of $100,000 shall be due and payable by Phelps Dodge to the Community on or before the tenth day following the Initial Effective Date; such sum has been paid by Phelps Dodge and received by the Community.

(b) The non-refundable sum of $900,000 shall be due and payable by Phelps Dodge to the Community on or before the tenth day following the date legislation ratifying, approving and confirming this Settlement Agreement becomes effective; as of the date of execution of this Agreement, the Parties acknowledge that such sum was paid by Phelps Dodge and received by the Community on December 17, 2004.

(c) The sum of $17,000,000, hereinafter referred to as the "principal sum," adjusted as provided in Section 4.3 hereof, shall be due and payable by Phelps Dodge to the Community in the manner specified in Section 4.4 hereof, on or before the due date. For purposes of this Settlement Agreement, the due date shall be the 30th day after the following conditions have occurred:

(i) The Secretary has executed both the Lease referred to in Section 5.0 hereof and;

(A) has authorized Diversions of water from the CAP canal pursuant to the Lease; or

(B) has executed an Exchange Agreement referred to in Section 6.0 below; or

(ii) Phelps Dodge has notified the Community in accordance with Section 8.1(b) hereof of its election to pay the principal sum.

4.3 The principal sum shall be adjusted annually on the fourth anniversary of the Initial Effective Date and on each anniversary of such date thereafter until the Final Effective Date. The adjustment shall be in direct proportion to the percentage change in the "Implicit Price Deflator" for U.S. gross domestic product, published by the U.S. Department of Commerce, which occurs during the four-quarter period immediately preceding the quarter in which the adjustment is made ("the adjustment factor"). The adjustment factor shall be calculated by dividing the index for the immediately preceding quarter by the index for the same quarter for the previous year. The principal sum shall then be multiplied by the adjustment factor, and the product thereby obtained shall become the adjusted principal sum. In the event the Implicit Price Deflator is discontinued or for any reason is not available at the time an adjustment is to be made, Phelps Dodge, the Community and the Secretary shall select a comparable index. An example of the calculations described in this Section 4.3 is attached hereto as Attachment "B", which Attachment "B" is hereby made a part hereof.

4.4 Phelps Dodge may elect to pay the principal sum, as adjusted pursuant to Section 4.3, in the following manner:

(a) In a single installment on the due date; or

(b) in ten equal annual installments of principal, plus accrued interest at 8% per annum, an example of which is set forth in Attachment "B" hereto.

In the event Phelps Dodge elects to pay the principal sum as provided in Section 4.4(b), the first installment shall be due and payable on the due date and subsequent installments, plus accrued interest, shall be due and payable on each subsequent anniversary of the due date until the principal sum is paid in full. Phelps Dodge shall make the election provided for in this Section 4.4 by making the payment specified in either Section 4.4(a) or 4.4(b). Phelps Dodge shall be free to prepay all or any portion or portions of the principal sum, as adjusted pursuant to Section 4.3, at any time or times without penalty.

5.0 Lease

5.1 The Lease, which is attached to this Settlement Agreement as Attachment "A", is hereby incorporated in this Settlement Agreement.

5.2 The Lease shall be binding upon the Community and Phelps Dodge on the Commitment Date as provided therein. The Lease shall not be binding upon the United States until it has been executed by the United States, on the Effective Date as defined in Section 4.2 of the Lease. The United States shall not execute the Lease until all of the following events have occurred:

(a) All Environmental Compliance has been completed relating to the United States' execution of the Lease and any litigation relating to such Environmental Compliance has been concluded and is subject to no further appeal;

and

(b) The authorizations in section 207 of the Act are fully effective.

6.0 Exchange

6.1 Phelps Dodge may use all or some of the CAP water leased from the Community pursuant to Section 5.0 above and the Lease set forth in Attachment "A" hereto for purposes including, but not limited to direct Diversions from the CAP canal and/or by delivering the leased CAP water to the Community in exchange for the right to make an upstream Diversion of water from the Gila River for use in Phelps Dodge's operations or through exchange with the Community or others within the CAWCD Service Area allowing beneficial use of the water used by exchange at any location authorized by the Act. The Community, the United States and Phelps Dodge will attempt to negotiate any desired exchange agreements ("Exchange Agreements") to achieve these ends, the term of which Exchange Agreements, if approved, shall be 100 years plus any additional term occasioned by exercise of the option in, or other extension of, the Lease. The Community agrees to cooperate with and assist Phelps Dodge in negotiating the Exchange Agreements and in any efforts Phelps Dodge makes to obtain Environmental Compliance with respect to the Exchange Agreements and the approval of such exchanges by the appropriate Court.

6.2 The United States shall be a party to an Exchange Agreement. The United States shall not execute an Exchange Agreement until all of the following events have occurred:

(a) All Environmental Compliance associated with the Exchange Agreement has been completed, and any litigation associated with such compliance has been concluded and is subject to no further right of appeal; and

(b) If required, the appropriate Court has approved the exchange and the decision of the Court approving the exchange is final and subject to no further appeal.

6.3 The United States, in executing this Settlement Agreement, agrees to negotiate the desired Exchange Agreements in good faith and, if an Exchange Agreement is reached, to complete the Environmental Compliance associated with the execution of the Exchange Agreement in an expeditious manner, prior to the Final Effective Date.

6.4 Phelps Dodge's rights under an Exchange Agreement on the main stem of the Gila River shall be subject to the priority in Waters of the Gila River Watershed of Kennecott Copper Corporation and its successors for purposes of exchange as set forth in Covenant 10 of that agreement among the Community, the United States of America, and Kennecott Copper Corporation dated January 1, 1977; provided, however, that such priority shall apply only if such agreement is in effect prior to the date the United States signs this Settlement Agreement and only to Waters of the Gila River Watershed that are Diverted by the successors of Kennecott Copper Corporation downstream of San Carlos Reservoir for use downstream of such Reservoir. Except for diversions that are made for the benefit of the State of New Mexico pursuant to section 304 of the Colorado River Basin Project Act (43 U.S.C. §§ 1501 et seq.) 82 Stat. 885, as amended by the Act, Phelps Dodge shall have the first priority ahead of all other exchange partners of the Community, including Kennecott Copper Corporation and its successors for Waters of the Gila River Watershed that are Diverted by Phelps Dodge upstream of San Carlos Reservoir, if Kennecott Copper Corporation or its successors are diverting upstream of the San Carlos Reservoir, pursuant to the Exchange Agreement. Nothing in this Settlement Agreement shall be construed as providing Kennecott Copper Corporation or any of its successors with any right to or benefit

in any of the CAP water leased by Phelps Dodge from the Community pursuant to the Lease or delivered by Phelps Dodge to the Community pursuant to the Exchange Agreement.

7.0 Satisfaction of Claims and Agreements not to Object

7.1 The provisions set forth in Section 7.2 hereof shall become effective on the date that the conditions set forth in both Section 4.2(c)(i) and 4.2(c)(ii) are satisfied, which date shall be the Final Effective Date. Notwithstanding the preceding sentence, Phelps Dodge may waive the requirement that the condition in Section 4.2(c)(i) must occur, in which event the Final Effective Date shall be the date on which the condition in Section 4.2(c)(ii) is satisfied. In the event the condition in Section 4.2(c)(i) occurs, Phelps Dodge shall be obligated to give the notice required by Section 4.2(c)(ii) within thirty (30) days of the occurrence of the condition in Section 4.2(c)(i).

7.2 From and after the Final Effective Date, the Community and the United States, for the consideration provided in this Settlement Agreement, in the capacities set forth in Section 3.0 of this Settlement Agreement, shall not:

(a) Object to the validity or the characteristics of Phelps Dodge's water rights as described in Attachments "C-1", "C-2" and "C-3" hereof, which Attachments are hereby made a part hereof, in the Gila River Adjudication Proceedings or in any other judicial or administrative proceeding.

(b) Assert a senior priority as against, or to place a call upon or against, any use of water from the sources described in Attachment "D" hereto, or to object to the withdrawal of water from existing or future wells within the areas shown on Attachments "E" and "F" hereof, which Attachments are hereby made a part hereof, in proceedings for the administration of any decree entered in the Gila River Adjudication Proceedings, the Globe Equity Decree, or any other judicial or administrative proceeding for the administration or enforcement of the Community's and the Allottees' water rights.

7.3 If Phelps Dodge fails to pay when due any amount specified in Section 4.2(c) of this Settlement Agreement, as adjusted pursuant to Section 4.3 hereof, the Community may give Phelps

Dodge written notice of Phelps Dodge's failure to make such payment. If Phelps Dodge fails to make the payment within ninety (90) days of the Community's giving of such notice to Phelps Dodge, then, the Community may give further written notice to Phelps Dodge that, if an accord on payment is not reached between the Community and Phelps Dodge, the agreements provided for in this Section 7.0 as well as the waivers of claims and releases pursuant to paragraph 25.0 of the Community's Settlement Agreement will expire and be void ninety (90) days from the date such further notice is given. Phelps Dodge may cure the failure to make the payment by making the payment at any time before the end of the period for which the further notice was given. Notwithstanding the preceding sentence, Phelps Dodge and the Community, with the approval of the Secretary, may enter into modifications of this Settlement Agreement extending or revising the time or times when any payment or payments otherwise due under this Settlement Agreement shall be made, upon such terms as Phelps Dodge and the Community may agree.

7.4 Notwithstanding the agreements set forth in Section 7.2 hereof, the Community and the United States retain the right to:

(a) Enforce this Settlement Agreement, the Lease and any Exchange Agreements;

(b) Except as provided in Section 7.2(b) as to water rights claimed by Phelps Dodge outside the area subject to Globe Equity Decree as of the Initial Effective Date, enforce the rights of the United States decreed to the Reservation for allotted lands and the administrative area under the Globe Equity Decree;

(c) Assert claims for the establishment or enforcement of the Community's and the Allottees' water rights against parties other than Phelps Dodge, and claims for the administration or enforcement of the Community's and the Allottees' rights, in the Gila River Adjudication Proceedings, including but not limited to proceedings in the Arizona Supreme Court on Issues 2 through 6, or in any other judicial or administrative proceeding for the determination or administration of such claims and rights, except to the extent limited by Section 7.2(b) hereof.

7.5 (a) Phelps Dodge retains the right to enforce this Settlement Agreement, the Lease and any Exchange Agreements;

(b) Phelps Dodge shall not object to the validity or the characteristics of the water rights claims of the Community and the Allottees for the Reservation in the Gila River Adjudication Proceedings or in any other proceeding for the determination of water rights. Phelps Dodge may continue to assert its legal rights in the Gila River Adjudication Proceedings or in any other court with respect to Issues 2 through 6 currently pending before the Arizona Supreme Court, and may assert all claims and defenses it has in the Gila River Adjudication Proceedings or in any other forum respecting Phelps Dodge's water rights, the water rights claims of any other community, tribe, nation or band of Indians, the water rights claims of the United States other than for the Community and the Allottees, and the water rights claims of claimants other than the Community or the United States on behalf of the Community and the Allottees. The agreements described in this Section 7.5 shall become effective upon the Final Effective Date.

7.6 Any entitlement to water of the Community, any Allottee, or of the United States on behalf of the Community or the Allottees, as against Phelps Dodge shall be satisfied out of the monetary resources provided to the Community in this Settlement Agreement and neither the Community nor the Allottees, nor the United States on behalf of the Community or the Allottees, shall have further claims against Phelps Dodge with respect to any water rights of the Reservation except as is permitted in Sections 7.3 and 7.4 hereof.

7.7 The provisions of paragraph 25.0 of the Community's Settlement Agreement, applicable to the Parties, shall be effective among the Parties upon the Final Effective Date.

8.0 Election

8.1 In the event that the Lease provided for in Section 5.0 hereof has not been executed by the Secretary and either:

(i) direct Diversions of Lease water from the CAP canal have not been authorized by the Secretary pursuant to a request from Phelps Dodge for such Diversions, or

(ii) an Exchange Agreement for the exchange of Lease water as provided for in Section 6.0 hereof has not been executed by the Secretary,

by the end of the 7th year following the Intermediate Effective Date, unless such date is extended by the Community and Phelps Dodge, Phelps Dodge shall make one of the following elections and shall notify the Community and the United States of such election within thirty (30) days:

(a) Phelps Dodge may elect to cancel this Settlement Agreement. In the event this Settlement Agreement is canceled, all sums paid by Phelps Dodge to the Community pursuant to Sections 4.2(a) and 4.2(b) hereof as of the date of the cancellation shall remain the property of the Community and shall be non-refundable to Phelps Dodge; or

(b) Phelps Dodge may elect to pay the principal sum provided for in Section 4.4 hereof and waive the conditions of this Section 8.1, in which event the other provisions of this Settlement Agreement shall remain in effect. Notwithstanding such waiver and payment, Phelps Dodge and the Community shall continue to seek the fulfillment of one or more of the conditions set forth in this Section 8.1 for a period through the end of the Option Period specified in Section 7.2 of the Lease. If one or more of the conditions in Subsections 8.1(i) or 8.1(ii) are not satisfied by the end of the Option Period, the Community shall have no further obligation of cooperation in the fulfillment of such conditions.

8.2 The Parties acknowledge that, upon fulfillment of either of the conditions of Subsections 8.1(i) or 8.1(ii) hereof and Phelps Dodge's payment of all sums due under the Settlement Agreement and the Lease, Phelps Dodge may during the term and any extended term of the Lease:

(a) enter into exchange agreements using the Lease water in addition to any Exchange Agreement that has been executed in fulfillment of Section 8.1(ii) hereof; and,

(b) obtain authorizations to make direct Diversions of Lease water from the CAP canal at one or more locations other than a location that has been authorized in fulfillment of Subsection 8.1(i) hereof.

9.0 Miscellaneous

9.1 This Settlement Agreement shall inure to the benefit of and be binding upon the Parties' successors.

9.2 The Secretary's execution of this Settlement Agreement shall not be considered to be a major federal action under the National Environmental Policy Act (42 U S.C. § 4321 et seq.). The Secretary's execution of the Lease referred to in Section 5.0 and an Exchange Agreement provided for in Section 6.0 shall be subject to all Environmental Compliance required by law.

9.3 Nothing in this Settlement Agreement shall be construed as establishing any standard for the quantification of federal reserved rights, aboriginal rights or any other Indian water rights in the Gila River Adjudication Proceedings or in any other judicial or administrative proceeding. Nothing herein shall be construed as establishing any water rights for Phelps Dodge, the Community, or the Allottees as against any person or entity which is not a Party signatory to this Settlement Agreement. Nothing in this Settlement Agreement shall be construed, in any dispute with any person or entity which is not a Party to this Settlement Agreement, as establishing any fact or entitlement in any such party or as a concession of any fact, right or any point of law by Phelps Dodge or the Community as against any such party.

9.4 This Settlement Agreement has been arrived at in good faith negotiations for the purposes of resolving legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Settlement Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the interpretation or enforcement of this Settlement Agreement.

9.5 The United States' waiver of its sovereign immunity as provided for in section 213 of the Act applies to any action in any court of the United States or any state court related only and directly to the interpretation or enforcement of the Act or the Gila River agreement, as defined by the Act, including the Lease and an Exchange Agreement provided for in this Settlement Agreement. The Community's limited waiver of its sovereign immunity provided for in section 213 of the Act applies to any action in any court of the United States or any state court related only and directly to the interpretation or enforcement of the Act or the Gila River agreement, as defined by the Act, including the Lease and an Exchange Agreement provided for in this Settlement Agreement. Any action by the Community, the United States, or Phelps Dodge to seek enforcement under this Settlement Agreement, the Lease, or an Exchange Agreement provided for in this Settlement Agreement shall be in any court of competent jurisdiction, but not the courts of the Community.

9.6 No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Settlement Agreement or to any benefit that may arise herefrom. This shall not be construed to extend to this Settlement Agreement if made with a corporation or company for its general benefit.

9.7 This Settlement Agreement may be executed in multiple counterparts, each of which shall be considered to be an original.

9.8 There shall be no third party beneficiaries of this Settlement Agreement.

9.9 Phelps Dodge shall provide to the Community one-half (1/2) of the water required as mitigation under paragraph 10.0 of exhibit 20.1 of the Community's Settlement Agreement on such terms and conditions as the Community and Phelps Dodge shall agree in writing. Nothing herein requires Phelps Dodge to provide any water to the District. The Community shall indemnify and hold Phelps Dodge harmless for any damages caused by the Community's failure, if such failure occurs, to provide mitigation water to the District under paragraph 10.0 of exhibit 20.1 of the Community's Settlement Agreement.

9.10 Any notice to be given hereunder or payment to be made shall have been properly given or made when received by the officer designated herein, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows:

(a) As to the United States:

The Secretary of the Interior
Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Area Director
Phoenix Area Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

(b) As to the Community:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to Phelps Dodge:

General Counsel
Phelps Dodge Corporation
One North Central Avenue
Phoenix, Arizona 85004

M.J. Brophy
C.M. Chandley
Ryley Carlock and Applewhite
One North Central Avenue, Suite 1200
Phoenix, Arizona 85004

or addressed to such other address as the Party to receive such notice or payment shall have designated by written notice given as required by this Section 9.10.

IN WITNESS WHEREOF, the Community, the United States and Phelps Dodge have executed this Settlement Agreement as of the day and year first above written.

GILA RIVER INDIAN COMMUNITY

By_____
Governor

Dated:

UNITED STATES OF AMERICA

By_____
Secretary of the Interior

PHELPS DODGE CORPORATION

By_____
Its President and Chief Operating Officer

Final Execution Version
October 21, 2005

ATTACHMENT "A"

LEASE AND OPTION AGREEMENT FOR CAP WATER BETWEEN PHELPS DODGE CORPORATION, GILA RIVER INDIAN COMMUNITY AND THE UNITED STATES, AS TRUSTEE FOR THE GILA RIVER INDIAN COMMUNITY

1.0 PARTIES:

This Lease and Option Agreement is made and entered into by and between Phelps Dodge Corporation, the Gila River Indian Community and the United States of America, sometimes collectively referred to as "the Parties."

2.0 DEFINITIONS:

2.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

2.2 "Additional CAP Water" shall mean that water subject to the Option granted to Phelps Dodge in Section 7.0 of this Lease.

2.3 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is (A) located within the Reservation; and (B) held in trust by the United States.

2.4 "Amended and Restated Settlement Agreement" shall mean the amended and restated settlement agreement dated _____, 2005 to the original settlement agreement dated May 4, 1998, entered into among and between Phelps Dodge, the Community and the United States, settling specified water rights claims raised by the Parties in the Gila River Adjudication Proceedings. This Lease constitutes Attachment "A" to the Settlement Agreement.

2.5 "CAP" shall mean the Central Arizona Project, a reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

2.6 "CAP Water" shall mean the water leased by the Community to Phelps Dodge pursuant to Section 6.0 of this Lease.

2.7 "CAWCD" shall mean the Central Arizona Water Conservation District, a political subdivision of the State of Arizona and a tax-levying public improvement district organized under the laws of the State of Arizona, or its successor, which has executed a contract to repay the United States the reimbursable costs of the CAP.

2.8 "CAWCD Service Area" shall mean the area included within CAWCD, consisting of Maricopa, Pinal and Pima Counties, as well as any other counties that may hereafter become part of CAWCD.

2.9 "Community" shall mean the Gila River Indian Community, the sovereign government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476), and its members.

2.10 "Community Water Delivery Contract" shall mean: (A) Contract No. 3-07-30-W0284 between the Community and the United States dated October 22, 1992; and (B) the term Community Water Delivery Contract includes any amendments to the contract described in (A). This is the same contract referred to in the Act as Contract No. 3-0907-0930-09W0284.

2.11 "Community's Settlement Agreement" shall mean that amended and restated agreement entered among and between Phelps Dodge, the Community and the United States, and other parties settling specified water rights claims raised by the parties in the Gila River Adjudication Proceedings.

2.12 "Environmental Compliance" shall mean all environmental reviews and clearances required under the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq.), the Endangered Species Act (16 U.S.C. §§ 1531 et seq.) and any other applicable federal or state environmental laws.

2.13 "Exchange Agreement" shall mean an exchange agreement provided for in Section 6.0 of the Settlement Agreement defined below.

2.14 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa, styled *In Re The General Adjudication*

of All Rights to Use Water in the Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated). This is the same case referred to in the Act as *In Re The General Adjudication of All Rights to Use Water in the Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).*

2.15 "Lease" shall mean this Lease and Option Agreement.

2.16 "OM&R" shall mean operation, maintenance and replacement of the CAP.

2.17 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

2.18 "Reservation" shall mean the Gila River Indian Reservation, as defined in Section 1.29 of the Settlement Agreement.

2.19 "Secretary" shall mean the Secretary of the United States Department of the Interior.

2.20 "Settlement Agreement" shall mean the Amended and Restated Settlement Agreement.

2.21 "United States" shall mean the United States of America in the capacities set forth in Section 3.3 of the Settlement Agreement and in all other capacities necessary to effectuate the terms of this Lease.

3.0 RECITALS:

3.1 The Parties have entered into the Settlement Agreement in order to permanently settle the water rights claims specified in the Settlement Agreement.

3.2 As partial consideration for entering into the Settlement Agreement, the Community and Phelps Dodge are entering into this Lease.

4.0 COMMITMENT DATE AND EFFECTIVE DATE:

4.1 Commitment Date. This Lease shall become binding upon Phelps Dodge and the Community as of the first date on which both Phelps Dodge and the Community have executed this Lease

("the Commitment Date"). From and after the Commitment Date, the Community shall be obligated to lease to Phelps Dodge the quantities of CAP water specified in this Lease from and after the date the Secretary executes this Lease.

4.2 Effective Date. This Lease shall be binding on the United States on the date it executes this Lease ("the Effective Date"). The United States shall not execute this Lease until all of the events specified in Section 5.2(a) and (b) of the Settlement Agreement have occurred. Upon the occurrence of all of the events specified in Section 5.2(a) and (b) of the Settlement Agreement, the Secretary shall execute this Lease Agreement. The Secretary's duty to execute this Lease Agreement upon the occurrence of these events shall be non-discretionary and mandatory.

5.0 TERM OF LEASE:

5.1 Initial Term. The Initial Term of this Lease, which applies to the CAP Water leased pursuant to Section 6.0 below, shall commence on the Effective Date specified in Section 4.2 above, and shall continue for a period of fifty years.

5.2 Renewal Term. The term of this Lease, with respect to the CAP Water, may be extended for an additional Renewal Term of fifty years immediately following expiration of the Initial Term.

5.3 Option Term. If Phelps Dodge elects to exercise the option granted to it under Section 7.0 below to lease Additional CAP Water from the Community, the term of this Lease, with respect to the Additional CAP Water, shall be automatically extended to provide a one hundred year Option Term from the date the Option is exercised by Phelps Dodge.

6.0 LEASE OF CAP WATER FOR INITIAL AND RENEWAL TERMS:

6.1 Grant of Lease. Upon the Effective Date of this Lease, the Community hereby leases to Phelps Dodge the quantity of 12,000 acre-feet per annum of CAP Water consistent with the terms and conditions of this Lease. The CAP Water subject to this Lease shall be water to which the Community is

entitled pursuant to the Community Water Delivery Contract and which is CAP Indian Priority Water as defined in Article 4.9 of the Community Water Delivery Contract.

6.2 Consideration for Initial Term of Lease. In consideration for the quantity of CAP Water leased to Phelps Dodge during the Initial Term of this Lease, Phelps Dodge shall make a one time payment to the Community on or before the 30th day following the Effective Date of this Lease. The amount of this payment shall be the sum of $4,800,000 ("the principal sum"), as adjusted annually for inflation on each anniversary of the Commitment Date, which anniversary shall constitute the "adjustment date." The adjustment shall be in direct proportion to the percentage change in the "Implicit Price Deflator" for the U.S. gross domestic product, published by the U.S. Department of Commerce, which occurs during the four-quarter period immediately preceding the quarter in which the adjustment is made ("the adjustment factor"). The adjustment factor shall be calculated by dividing the index for the immediately preceding quarter by the index for the same quarter of the previous year. On the first adjustment date, the principal sum shall be multiplied by the adjustment factor, and the product obtained shall become the "adjusted principal sum." On each subsequent adjustment date, the adjusted principal sum shall be multiplied by the adjustment factor to obtain the next adjusted principal sum. In the event the Implicit Price Deflator is discontinued or for any reason is not available at the time an adjustment is to be made, Phelps Dodge, the Community and the Secretary shall select a comparable index.

6.3 Establishing Consideration for Renewal Term of Lease. The consideration to be paid by Phelps Dodge to the Community for the Renewal Term of the Lease shall be established by one of the following methods:

(a) At any time during the two years prior to the final year of the Initial Term of this Lease, Phelps Dodge may request initiation of negotiations to establish the then-current fair market value of the CAP Water. Within 90 days of receiving such request, the Community shall meet with Phelps Dodge to establish such fair market value. The Community and Phelps Dodge shall take into consideration the then-current market prices of leases of comparable quantities of municipal and industrial priority CAP water, and such other factors as the Community and Phelps Dodge agree are

relevant to establishing such fair market value. If Phelps Dodge and the Community agree upon the then-current fair market value of the CAP Water, they shall memorialize such agreement in writing.

(b) If Phelps Dodge and the Community are unable, at least one year prior to the expiration of the Initial Term, to agree upon a fair market value of the CAP Water pursuant to subsection 6.3(a) above, the Secretary shall establish such fair market value by independently reviewing the then-current market prices of leases of comparable quantities of municipal and industrial priority CAP water, and such other factors as the Secretary deems relevant to establishing such fair market value. The Secretary shall issue in writing, at least six months prior to the expiration of the Initial Term, his determination of the fair market value of the CAP Water, and such determination shall be binding on Phelps Dodge and the Community.

(c) Upon establishment of the then-current fair market value of the CAP Water under either subsection 6.3(a) or 6.3(b) above, this amount shall constitute the Renewal Term Consideration to be paid by Phelps Dodge to the Community in the event that Phelps Dodge elects to renew this Lease for the Renewal Term. Phelps Dodge may renew this Lease, as to the CAP Water, for the Renewal Term by paying the Renewal Term Consideration in the manner provided in Section 6.4 below.

6.4 Payment of Consideration for Renewal Term of Lease. Phelps Dodge may renew this Lease for the Renewal Term, by paying the Renewal Term Consideration established pursuant to Section 6.3, above, to the Community either:

(a) as a single installment on or before the first day of the Renewal Term; or

(b) in ten equal annual installments of principal, plus accrued interest at 8% per annum.

If Phelps Dodge elects to pay the Renewal Term Consideration by installments, the first payment shall be due on or before the first day of the Renewal Term, and subsequent installments, plus accrued interest, shall be due and payable on each subsequent anniversary of that date. Phelps Dodge shall be free to prepay all or any portion or portions of the consideration due under this Paragraph at any time or times without penalty.

6.5 CAP Capital Charges. During the Initial Term and any Renewal Term of this Lease, no water service capital charges associated with the CAP Water leased to Phelps Dodge pursuant to this Section 6.0, shall be due or payable by the Community, and Phelps Dodge shall not be required to pay any such charges to the United States or the Community. For purposes of determining the allocation and repayment of costs of any stages of the CAP hereafter constructed, the costs associated with the delivery of the CAP Water leased to Phelps Dodge pursuant to the Section 6.0 shall be non reimbursable and such costs shall not be included in CAWCD's repayment obligation.

6.6 OM&R Charges. During the Initial Term and any Renewal Term of this Lease, Phelps Dodge shall pay to the United States, or, at the United States' request, to CAWCD, for all CAP Water which Phelps Dodge schedules for delivery pursuant to Section 8.0 of this Lease all OM&R charges associated with such CAP Water.

6.7 No Other Charges. Phelps Dodge shall not be obligated to pay any costs or charges not explicitly set forth in this Lease, and the charges specified in this Section 6.0 are the only charges that either the Community or the United States may impose upon Phelps Dodge for the CAP Water subject to this Lease.

6.8 Use of CAP Water Leased by Phelps Dodge. Subject to the Community's rights to receive, use and lease CAP Water under the Community Water Delivery Contract, Phelps Dodge may use the leased CAP Water for any lawful purpose, including without limitation: (1) direct use at any location within the CAWCD Service Area; (2) direct or indirect recharge at any location within the CAWCD Service Area; or (3) direct use, including direct and indirect recharge, by Diversions from the CAP canal, at any location authorized by the Act; or (4) through exchange with the Community or other parties within the CAWCD Service Area allowing beneficial use of the water obtained in exchange, at any location authorized by the Act. Except for any necessary Environmental Compliance, such use or uses may be made without further approval by the Community. Changes in use or location may be made without any additional approvals except for (1) necessary Environmental Compliance and (2) approval of the Secretary as required by the Community Water Delivery Contract. The Community will not object to

any proposed changes in use or location by Phelps Dodge provided such changes are not contrary to existing law. The Community agrees to assist and cooperate in Phelps Dodge's efforts to obtain the necessary approvals.

6.9 Use of Leased CAP Water by Community. The Community may make use of the CAP Water subject to this Lease during the period between the Commitment Date and the Effective Date in any manner that does not defeat the purpose of this Lease.

7.0 OPTION TO LEASE ADDITIONAL CAP WATER:

7.1 Grant of Option. The Community hereby grants to Phelps Dodge an option to lease from the Community Additional CAP Water in the amount of up to 10,000 acre-feet per annum. The Additional CAP Water subject to this Option shall be water to which the Community is entitled pursuant to the Community Water Delivery Contract and which is CAP Indian Priority Water as defined in Article 4.9 of the Community Water Delivery Contract.

7.2 Exercise of Option. Phelps Dodge may exercise this Option by providing written notice to the Community at any time within twenty years after the Effective Date of this Lease ("the Option Period"). Such notice shall specify the amount of Additional CAP Water, up to the maximum amount of 10,000 acre-feet, for which Phelps Dodge elects to exercise this Option. If Phelps Dodge fails to exercise the Option within the Option Period, the Option shall expire and Phelps Dodge shall thereafter have no right to lease the quantity of water specified in this Section 7.0.

7.3 Option Payments. As consideration for the grant of this Option, Phelps Dodge shall annually pay to the Community the sum of $50,000 from the Effective Date of this Lease until the Option either is exercised by Phelps Dodge, expires as provided in Section 7.2 above, or is terminated by Phelps Dodge as provided in Section 7.10 below. If this Option is exercised, expires as provided in Section 7.2 above or is terminated by Phelps Dodge as provided in Section 7.10 below, all sums paid by Phelps Dodge to the Community prior to the date of exercise, expiration or termination shall remain the property of the Community and shall be non-refundable to Phelps Dodge.

7.4 Consideration for Exercise of Option. At any time during the Option Period, Phelps Dodge may request that the then-current fair market value of the Additional CAP Water be established. Thereafter, such fair market value shall be established by one of the following methods:

(a) Within 90 days of receiving a written request from Phelps Dodge, the Community shall meet with Phelps Dodge to negotiate the then-current fair market value of the Additional CAP Water. The Community and Phelps Dodge shall take into consideration the then-current market prices of comparable municipal and industrial priority CAP water, and such other factors as the Community and Phelps Dodge agree are relevant to this determination. Phelps Dodge and the Community may continue such negotiations for a period of up to 180 days from the time of the Parties' first meeting, or for such longer period as both Phelps Dodge and the Community may agree to negotiate. If, during this negotiating period, Phelps Dodge and the Community agree on the then-current fair market value of the Additional CAP Water, they shall memorialize such agreement in writing.

(b) If Phelps Dodge and the Community are unable to agree on the then-current fair market value of the Additional CAP Water during the negotiating period specified in subsection 7.4(a) above, Phelps Dodge may refer this issue to the Secretary for determination. Upon such referral, the Secretary shall establish the fair market value by independently reviewing the then-current market prices of leases of comparable quantities of municipal and industrial CAP water, and such other factors as the Secretary deems relevant to establishing the fair market value of the Additional CAP Water. Within 180 days after this issue is referred to the Secretary, the Secretary shall issue his or her written determination of the fair market value of the Additional CAP Water, and such determination shall be binding on Phelps Dodge and the Community for the one year period described below. Upon the establishment of the then-current fair market value of the Additional CAP Water under either subsection 7.4(a) or 7.4(b) above, this amount shall become the Option Term Consideration for a period of one year. During this one year period, Phelps Dodge may elect to exercise this Option by paying the Option Term Consideration to the Community as provided in Section 7.5 below. If Phelps Dodge does not exercise this Option within this one year period, the previously established fair market value of the Additional CAP Water shall lapse.

Phelps Dodge may thereafter reinitiate the fair market valuation procedure specified above at any subsequent time during the Option Period.

7.5 Payment of Option Consideration. If Phelps Dodge elects to exercise the Option after the Option Consideration is established pursuant to Section 7.4 above, and after providing notice of intent to exercise the option pursuant to Section 7.2, above, Phelps Dodge shall pay the consideration to the Community either:

(a) as a single installment, to be paid within 30 days after Phelps Dodge provides notice of its intent to exercise the Option; or

(b) in ten equal annual installments of principal, plus accrued interest at 8% per annum.

If Phelps Dodge elects to pay by installment, the first payment shall be due within 30 days after it provides notice of its intent to exercise the Option, and subsequent installments, plus accrued interest, shall be due and payable on each subsequent anniversary of that date. Phelps Dodge shall be free to prepay all or any portion or portions of the consideration due under this Section 7.5 at any time or times without penalty.

7.6 CAP Capital Charges. No water service capital charges associated with the 10,000 acre-feet of Additional CAP Water available to Phelps Dodge under this Option shall be due or payable by the Community, and if Phelps Dodge elects to exercise this Option, Phelps Dodge shall not be required to pay any such charges to the United States or the Community. For purposes of determining the allocation and repayment of costs of any stages of the CAP hereinafter constructed, the costs associated with the delivery of the Additional CAP Water available to Phelps Dodge under this option shall be non-reimbursable, and such costs shall not be included in CAWCD's repayment obligation.

7.7 OM&R Charges. If Phelps Dodge elects to exercise this Option, it shall pay to the United States, or, at the United States' request, to CAWCD, for all Additional CAP Water which Phelps Dodge schedules for delivery pursuant to Section 8.0 of this Lease, all OM&R charges associated with such Additional CAP Water. Phelps Dodge shall not be obligated to schedule any amount of Additional CAP

Water for delivery in any year of the Option Term of this Lease, and Phelps Dodge shall not be responsible for any OM&R charges associated with Additional CAP Water it does not schedule for delivery.

7.8 No Other Charges. If Phelps Dodge elects to exercise this Option, it shall not be obligated to pay any costs or charges for the Additional CAP Water that are not explicitly set forth in this Lease, and the charges specified in this Section 7.0 are the only charges that either the Community or the United States may impose upon Phelps Dodge for Additional CAP Water leased pursuant to this Option.

7.9 Use of Additional CAP Water Leased by Phelps Dodge. If Phelps Dodge elects to exercise this Option, it may use the Additional CAP Water under the same conditions described in Section 6.8.

7.10 Termination of Option. Phelps Dodge may terminate this Option prior to the expiration of the twenty year period specified in Section 7.2 above by submitting to the Community written notice of termination. If Phelps Dodge terminates this Option by submitting such written notice, it shall have no further obligation to the Community under this Section 7.0, it shall have no further claim to the quantity of water specified in this Section 7.0, and any Option Payments previously made by Phelps Dodge to the Community shall remain the property of the Community as provided in Section 7.3 above.

8.0 SCHEDULING OF WATER FOR DELIVERY:

8.1 Scheduling Procedure. During the Initial Term, Renewal Term and Option Term of this Lease, Phelps Dodge shall schedule water for delivery as agreed upon by the Parties in the Exchange Agreement or Agreements, if such Exchange Agreement(s) are executed. If Phelps Dodge takes all or part of the Lease water through Diversions of Water from the CAP canal at one or more locations, then Phelps Dodge shall schedule such water for delivery as separately agreed by the Parties.

9.0 [Intentionally not used].

10.0 DEFAULT AND REMEDIES:

10.1 Events of Default. Any failure by Phelps Dodge to pay:

(a) the consideration specified in Section 6.2 above for the Initial Term of this Lease;

(b) the consideration specified in Section 6.4 above for the Renewal Term of this Lease, if Phelps Dodge elects to renew this Lease for the Renewal Term;

(c) the Option Payments specified in Section 7.3; or

(d) the consideration specified in Section 7.5 above for the Option Term of this Lease, if Phelps Dodge elects to exercise the Option;

within 30 days after any such payments become due under the terms of this Lease, shall constitute a default of Phelps Dodge's obligations under this Lease.

10.2 Notice of Default. In the event of a default by Phelps Dodge as defined in Paragraph 10.1 above, the Community shall provide written notice, specifying the default and demanding that the default be cured within 60 days of the notice.

10.3 Remedies. If Phelps Dodge fails to cure a default within 60 days after notice:

(a) if the default is a failure to pay consideration under Section 6.2 above for the Initial Term, the Community may terminate this Lease;

(b) if the default is a failure to pay consideration under Section 6.4 above for the Renewal Term, the Community may terminate Phelps Dodge's right to renew this Lease for the Renewal Term;

(c) if the default is a failure to pay an Option Payment under Section 7.3 above, the Community may terminate Phelps Dodge's Option; and

(d) if the default is a failure to pay consideration under Section 7.5 above for the Option Term, the Community may terminate Phelps Dodge's right to exercise the Option.

The foregoing shall be the sole remedies available to the Community in the event of a default by Phelps Dodge of any obligation under this Lease.

11.0 TERMINATION AND SURRENDER OF WATER:

11.1 Automatic Termination. Unless extended by mutual agreement of Phelps Dodge and the Community, this Lease shall terminate automatically if the Parties fail to execute the Exchange Agreement or Phelps Dodge has not obtained any necessary authorizations to make Diversions of water from the CAP canal pursuant to the Lease within the Option Period, as that term is defined in Section 7.2 of this Lease.

11.2 Voluntary Termination. Phelps Dodge may terminate this Lease at any time by submitting written notice to the Community of its decision to terminate this Lease. If Phelps Dodge terminates this Lease, all sums paid by Phelps Dodge to the Community prior to the date of termination shall remain the property of the Community and shall be non-refundable to Phelps Dodge.

11.3 Voluntary Surrender of Water. Phelps Dodge may elect, at any time during the Initial Term, Renewal Term or Option Term of this Lease, to surrender its interest in all or any portion of the CAP Water or the Additional CAP Water by providing written notice to the Community of its decision to surrender such interest. If Phelps Dodge surrenders its interest in all or any portion of the CAP Water or Additional CAP Water, all sums paid by Phelps Dodge to the Community for such water prior to the date of surrender shall remain the property of the Community and shall be non-refundable to Phelps Dodge.

12.0 MISCELLANEOUS PROVISIONS:

12.1 Approval, Consent and Ratification. The Secretary, by execution of this Lease, approves, endorses, consents to and ratifies this Lease, and the Community, by executing this Lease, approves, accepts, consents to and ratifies this Lease.

12.2 Quality of Water. Neither the Community nor the United States in its capacity as trustee on behalf of the Community and its members warrants the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. Phelps Dodge waives its right to make a claim against the Community or the United States in its capacity as trustee on

behalf of the Community and its members, but in no other capacity, because of the changes in water quality.

12.3 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

12.4 Notice. Any notice to be given or payment to be made under this Lease shall be properly given or made when received by the officer designated below, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows:

(a) As to the United States:
The Secretary of the Interior
Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Area Director
Phoenix Area Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

(b) As to the Community:
Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to Phelps Dodge:
General Counsel
Phelps Dodge Corporation
One North Central Avenue
Phoenix, Arizona 85004

M.J. Brophy
C.M. Chandley
Ryley Carlock and Applewhite
One North Central Avenue, Suite 1200
Phoenix, Arizona 85004

or addressed to such other address as the party to receive such notice or payment shall have designated by written notice given as required by this Section 12.4.

12.5 Governing Law. This Lease shall be governed by and construed in accordance with applicable Arizona and federal law.

12.6 Waiver. No waiver of any breach of any of the terms or conditions of this Lease shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Lease.

12.7 Severability. If any term or provision of this Lease is held to be unenforceable or invalid by a court of competent jurisdiction, that term or provision shall be severable from the remainder of this Lease and shall not affect or render invalid any other term or provision of this Lease.

12.8 Construction and Effect. This Lease and each of its provisions are to be construed fairly and reasonably and not strictly for or against either Party. The Section titles used in this Lease are for convenience only and shall not to be considered in the construction of this Lease.

12.9 Successors and Assigns. Each of the terms and conditions of this Lease shall be binding on and inure to the benefit of the Parties and their successors and assigns.

12.10 Benefits of Lease. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise from this Lease. This shall not be construed to extend to this Lease if made with a corporation or company for its general benefit.

12.11 Third Party Beneficiaries. There shall be no third party beneficiaries of this Lease.

12.12 Good Faith Negotiations. This Lease has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Lease may be used as either evidence or argument by any Party to this Lease in any legal or administrative proceeding other than a proceeding for the interpretation or enforcement of this Settlement Agreement.

12.13 Further Cooperation. The Parties acknowledge that Phelps Dodge will be entering negotiations for Exchange Agreements, as provided for in the Settlement Agreement. The Community hereby agrees to cooperate, if necessary, with Phelps Dodge in good faith and as expeditiously as circumstances will allow. The Parties further agree to cooperate with the United States as it works to complete all Environmental Compliance required before it may execute this Lease, the Exchange Agreement or Agreements, and/or authorize any Diversions by Phelps Dodge from the CAP canal pursuant to this Lease.

IN WITNESS WHEREOF, the Community and Phelps Dodge have executed this Lease as of the dates indicated below.

GILA RIVER INDIAN COMMUNITY

By_____
Governor

Date_____

UNITED STATES OF AMERICA

By._____
Secretary of the Interior
Date_____

PHELPS DODGE CORPORATION

By_____
Its President and Chief Operating Officer

Date_____

Attachment B

EXAMPLE INFLATION ADJUSTMENT AND INTEREST CALCULATION

Given:

Fourth anniversary is 05/04/02
12/10/04 is the date legislation ratifying approving and confirming this Settlement Agreement is enacted.

Assume:

Final effective Date is 12/31/06
Inflation Index Baseline (Year 2000 = 100)
YEAR 1 = 4/1/02-3/31/03
YEAR 2 = 4/1/03-3/31/04
YEAR 3-5 Adjustment Factors = two-year average from 4/1/02-3/31/04; calculated as (101.98% + 101.65%)/2 = 101.82%

	Principal Sum	
End of Year 1, Qtr Index (03/31//03)	105.5	**(Actual Index Value)**
Beginning of Year 1, Qtr Index (04/01/02)	103.5	**(Actual Index Value)**
Adjustment Factor	101.98%	
Original Principal	17,000,000	
Adjusted Principal at End of Year 1	17,336,878	
End of Year 2, Qtr Index (03/31/04)	107.2	**(Actual Index Value)**
Beginning of Year 2, Qtr Index (04/01/03)	105.5	**(Actual Index Value)**
Adjustment Factor	101.65%	
Adjusted Principal sum @ End of Year 1	17,336,878	
Adjusted Principal at End of Year 2	17,623,799	
End of Year 3, Qtr Index (03/31/05)	109.2	**(Theoretical Index Value)**
Beginning of Year 3, Qtr Index (04/01/04)	107.2	**(Actual Index Value)**
Adjustment Factor	101.82%	
Adjusted Principal sum @ End of Year 2	17,623,799	
Adjusted Principal at End of Year 3	17,944,552	

End of Year 4, Qtr Index (03/31/06)	111.2	**(Theoretical Index Value)**
Beginning of Year 4, Qtr Index (04/01/05)	109.2	**(Theoretical Index Value)**
Adjustment Factor	101.82%	
Adjusted Principal sum @ End of Year 3	17,944,552	
Adjusted Principal at End of Year 4	18,271,143	

End of Year 5, Qtr Index (12/31/06)	112.7	**(Theoretical Index Value)**
Beginning of Year 5, Qtr Index (04/01/06)	111.2	**(Theoretical Index Value)**
Adjustment Factor	101.35	
Adjusted Principal sum @ End of Year 4	18,271,143	
Adjusted Principal at End of Year 5	18,517,803	

	Payment	Principal	Interest	Balance	
				18,517,803	
Payment 1 - (01/30/07)	1,975,232	1,851,780	123,452	16,666,023	**thirty days of interest**
Payment 2 - (01/30/08)	3,185,062	1,851,780	1,333,282	14,814,243	
Payment 3 - (01/30/09)	3,036,919	1,851,780	1,185,139	12,962,463	
Payment 4 - (01/30/10)	2,888,777	1,851,780	1,036,997	11,110,683	
Payment 5 - (01/30/11)	2,740,635	1,851,780	888,855	9,258,903	
Payment 6 - (01/30/12)	2,592,492	1,851,780	740,712	7,407,123	
Payment 7 - (01/30/13)	2,444,350	1,851,780	592,570	5,555,343	
Payment 8 - (01/30/14)	2,296,207	1,851,780	444,427	3,703,563	
Payment 9 - (01/30/15)	2,148,065	1,851,780	296,285	1,851,783	
Payment 10 - (01/30/16)	1,999,926	1,851,783	148,143	0	

Attachment C-1
Phelps Dodge Agreement
PD Non-Gila River Water Rights
Water Rights Filings

	Quantity and Date Information				
	1974 Water Rights Registration Act Filings			Gila River Adjudication Statement of Claimant	
Water Right Descriptor	**Registration No.**	**Date Water Was First Used Beneficially**	**ADWR File No.**	**Claimed Right**	**Claimed Priority Date**
				AFA	
MISC:					
Horseshoe (147,537 acre-feet credit balance)	CWR 1894 & 1895	11-27-1943 (CWR 1894) 6-8-1944 (CWR 1895)	39-48007	14,000	11-27-1943 (CWR 1894) 6-8-1944 (CWR 1895)
Show Low	CWR 2093	2-26-1951	39-84542	10,000	2-26-1951
Blue Ridge	CWR 3696	4-11-1957	39-84543	15,000	4-11-1957
Black River	CWR 1752 & 2094	11-27-1943 (CWR 1752) 3-22-1951 (CWR 2094)	39-00446	28,956	11-27-1943 (CWR 1752) 3-22-1951 (CWR 2094)
Black River / San Carlos CAP		Beginning 1/1/1999	N/A	14,000	N/A
VERDE:					
Sycamore Creek (SRVWUA Decree)	36-25473	Prior to 1896	39-47996	5,068	Prior to 1896
Verde River (SRVWUA Decree)	36-25472	Prior to 1896	39-48045	1,930	Prior to 1896
E. L. Jordan Ditch	36-25465	1882	39-47997	1,810	1882
Allen Ditch	36-25461	1895	39-47998	7,240	1895
Sullivan Ditch	36-25466	5-13-1895	39-47999	1,086	5-13-1895
Duff Ditch	36-25467	1877	39-48000	2,715	1877
Jerome/Clarkdale Water Supply:					
Allen Spring	CWR 6[1]	9-28-1889	39-48001	3,620	9-28-1889
Blowout Spring	CWR 6	6-29-1916	"	"	6-29-1916
Haskell Spring	CWR 6	11-23-1891	"	"	11-23-1891
Cliff Spring	CWR 6	10-7-1915	"	"	10-7-1915
Baltimore Spring	36-25468	6-15-1911	"	32.2	6-15-1911
Walnut Spring	36-25464	7-5-1878	"	1,451.7	7-5-1878
Silver Spring	36-25463	10-18-1883	"	121	10-18-1883

[1] 3,620 is the TOTAL for Allen, Blowout, Haskell, and Cliff springs under CWR 6.

Attachment C-1
Phelps Dodge Agreement
PD Non-Gila River Water Rights
Water Rights Filings

Copper Chief Spring (Old Abe)	36-25469	9-28-1889	"	483.9	9-28-1889
Twin Springs (Twin No. 1 & 2)	36-25470	9-28-1889	"	121	9-28-1889
Hull Spring	CWR 8	7-27-1887	"	724	7-27-1887
Shea Springs	36-25460	Prior to 10-30-1911	39-48002	806.5	Prior to 10-30-1911
Peck's Lake/Hickey Ditch	36-25471	1876	39-48003	905	1876
Indian Springs	36-104805	Prior to 1-18-1912	39-55909	905	Prior to 1-18-1912
Section House Spring	36-104803	9-24-1916	39-55905	16	9-24-1916
Iron King/Pleasant Spring	36-104804	1-2-1890	39-55915	32.3	1-2-1890
Hopewell Tunnel Spring	36-104802	12-18-1906	39-55914	137	12-18-1906
Mescal Gulch	36-104914	1-18-1919	39-55922	1,810	1-18-1919
Mescal Gulch – Section 34	36-104965	1-1-1903	39-55930	56	1-1-1903
Mescal Gulch – Section 33	36-104964	1-2-1891	39-55931	40	1-2-1891
Iron King Mine Spring	36-104913	1-1-1886	39-55923	0.4	1-1-1886
500 Level Adit	36-104934	5-4-1883	39-55927	16.1	5-4-1883
Wells	Multiple Well Registrations	N/A	39-48006	Reasonable Use	N/A
Verde Water Rights TOTAL:				**31,111.1**	
BISBEE (Douglas Basin):					
Wells	Multiple Well Registrations	N/A	39-002297	Reasonable Use	N/A
AJO:					
Wells	Multiple Well Registrations	N/A	39-28207	Reasonable Use	N/A

Attachment C-2
Phelps Dodge Agreement
PD Gila River Water Rights
Water Rights Filings
Arizona

	Quantity and Date Information				
	1974 Water Rights Registration Act Filings			Gila River Adjudication Statement of Claimant	
Water Right Descriptor	**Registration No.**	**Date Water Was First Used Beneficially**	**ADWR File No.**	**Claimed Right**	**Claimed Priority Date**
				AFA	
MORENCI:					
Morenci Water Co. (Ling Decree)	36-25442	6-3-1898	39-63166	5,041	6-3-1898
	CWR 429/429A				
Hopkins (Ling Decree)	36-25437	9-22-1894	39-62937	8,065	9-22-1894
	CWR 513				
Colquhoun (Ling Decree)	36-25439	8-9-1901	39-62939	8,065	8-9-1901
	CWR BB-515				
Smelter Well (Ling Decree)	36-25453	1912	39-62954	693	1912
	CWR 514				
PD/Gust (Ling Decree - Irrigation)	36-68392	1889	39-62972	240	1889
	CWR 542				
PD/Chilton (Ling Decree - Irrigation)	CWR 537	1890	39-63641	80	1890
Westmoreland (Ling Decree - Irrigation)	CWR 523	1908	39-64797	120	1908
Kohlfam Properties (Ling Decree - Irrigation)	Ling Decree	1902	39-61043	60	1902
***Ling Decree TOTAL:**				**22,364**	
Clifton Water & Improvement Co.	36-25458	11-11-1901	39-63164	806	11-11-1901
Wells	36-25435	4-15-1899	39-62935	8,065	4-15-1899
Hopkins Eagle Creek	36-25438	10-10-1899	39-62938	362	10-10-1899
Sweeting	36-25455	4-15-1901	39-62956	8,065	4-15-1901
Eagle Creek Hot Spring	36-25457	7-25-1898	39-62958	484	7-25-1898
Morenci Water Co.	CWR 56	3-11-1922	39-63167	7,240	3-11-1922
Detroit Mining Co.	36-25436	9-1-1896	39-62936	323	9-1-1896
Shannon	36-25454	1902	39-62955	458	1902

Attachment C-2
Phelps Dodge Agreement
PD Gila River Water Rights
Water Rights Filings
Arizona

November Water Right	36-104801	1-19-1901	39-69102	905	1-19-1901
Gold Standard Spring	CWR 3657	1-11-1965	39-69098	0.14	1-11-1965
Exposition Spring	CWR 3658	1-11-1965	39-69099	0.11	1-11-1965
Colorado Gulch Spring	CWR 3659	1-11-1965	39-69101	0.17	1-11-1965
Eagle Creek (Formerly Lines Property)	CWR 1700	12-2-1937	39-62301	18.75	12-2-1937
Cottonwood Spring	CWR 3591	1-11-1965	39-69100	0.51	1-11-1965
Groundwater (Morenci District / Upper Eagle Creek)	Multiple Well Registrations	N/A	39-63165 39-62948	Reasonable Use	N/A
Misc. Other Water Rights TOTAL:				**26,727.68**	
CHRISTMAS:					
Dripping Spring Wash	36-23702	1-1-1907	39-64338	0.8	1-1-1907
Dripping Spring Wash	36-23705	6-11-1919	39-64331	3	6-11-1919
Copper Canyon	36-23707	6-11-1919	39-64333	3	6-11-1919
Unnamed Tributary	36-23708	6-11-1919	39-64334	1	6-11-1919
Dripping Spring Wash	36-23709	6-11-1919	39-64332	1	6-11-1919
Groundwater	Multiple Well Registrations	N/A	39-64335 39-64336 39-64362	Reasonable Use Reasonable Use Reasonable Use	N/A
SAFFORD DISTRICT:					
Groundwater (Dos Pobres)	Multiple Well Registrations	N/A	39-62949	Reasonable Use	N/A
Groundwater (Lonestar)	Multiple Well Registrations	N/A	39-62756 through 39-62768	Reasonable Use	N/A
BISBEE (San Pedro Basin):					
Groundwater	Multiple Well Registrations	N/A	39-002297	Reasonable Use	N/A

Attachment C-3
Phelps Dodge Agreement
PD Gila River Water Rights
Water Rights Filings
New Mexico

NM State Engineer License No.	10 Year Average Annual Diversion Right (AFA)	10 Year Average Annual Consumptive Use Right (AFA)	Purpose of Use
License GSF 85 et al.	1,273.39	702.56	1
	36.00	36.00	2
Subtotal	1,309.39	738.56	
License 02260	11,791.081	6,581.713	1
Totals	**13,065.671**	**7,320.273**	

Legend:

1: Purpose of Use is Domestic, Municipal, Mining, Metallurgical, and Other Industrial Purposes.
2: Purpose of Use is Domestic Purposes.

Final Execution Version
October 21, 2005

Attachment "D" to Community/Phelps Dodge Agreement

Phelps Dodge Water Rights Not Subject to Call

The Community shall not assert a senior priority as against, or place a call upon or against, any use of water from the sources described below, or object to the withdrawal of water from existing or future wells within the areas shown on Attachments "E" and "F" to the Settlement Agreement, all as more fully specified in Section 7.2 of the Settlement Agreement:

a. Black River Exchange Water

(1) Up to 14,000 acre-feet per annum of CAP water exchanged through the Black River Pump Station pursuant to a CAP water lease with the San Carlos Apache Tribe and/or the United States and an exchange agreement with Salt River Project or others.

(2) The place of use for Black River Exchange Water is limited to the Morenci Mine and the towns of Clifton and Morenci. If Phelps Dodge and the San Carlos Apache Tribe reach a different agreement regarding the place of use of the exchange water, the exchange water can be used elsewhere provided doing so does not harm the Community or SCIDD.

b. Horseshoe Credits

(1) Up to 147,537 acre-feet of the credits available to Phelps Dodge from Horseshoe Dam pursuant to that agreement among Salt River Valley Water Users' Association, Defense Plant Corporation, and Phelps Dodge dated March 1, 1944.

(2) Credits available under the agreement described in b.(1) may be used at any location, including use in connection with the exchange which will be the subject of the Exchange Agreement provided for in Section 6.0 of the Settlement Agreement, provided that a change in location does not harm the Community or SCIDD.

c. Upper Eagle District

(1) Water withdrawn from present or future wells located in the Upper Eagle District as shown on Attachment "E" to the Settlement Agreement, irrespective of the character of such water.

(2) Notwithstanding c. (1), any future wells (other than replacement wells in the same location) constructed in the Upper Eagle District after the Initial Effective Date shall be completed in the volcanic aquifer and not in the conglomerate aquifer.

d. Ling Decree

(1) Not to exceed 3,000 acre-feet per annum of diversions from Eagle Creek and the San Francisco River of water available to Phelps Dodge from those sources under that decree styled as *In Re: The Matter of the Determination of the Relative Rights To the Waters of the Gila River and its Tributaries in Greenlee County, Arizona*, No. 1154-B, Superior Court, Greenlee County, November 28, 1927,

Amended Decree, April 27, 1936 ("the Ling Decree"), with diversions in any month not to exceed the following amounts in the month indicated:

January	1,000 acre-feet
February	1,000 acre-feet
March	600 acre-feet
April	60 acre-feet
May	60 acre-feet
June	60 acre-feet
July	60 acre-feet
August	60 acre-feet
September	60 acre-feet
October	60 acre-feet
November	600 acre-feet
December	1,000 acre-feet

e. Morenci District Water

(1) Water produced from present or future wells in the Morenci District as shown on Attachment "F" to the Settlement Agreement, irrespective of the character of the water. All such water must be used within the Morenci District.

Water shall not be pumped from existing or new production well(s) identified in Attachment "D-1" if pumping from the well(s) causes a decline in water levels in the monitor well(s) associated with the production well(s), as shown on Attachment "D-1", to a level that is below the elevation of the bed of the San Francisco River. In the event that water is pumped from any existing or new production wells(s) and causes a decline in water levels in the monitor well(s) associated with the production well(s), as shown on Attachment "D-1," to a level that is below the level of the bed of the San Francisco River, the water withdrawn from such well(s) shall be charged against the right described in paragraph d(1), above. A map showing the location of existing production and monitor well(s) in the Gila Conglomerate located next to the San Francisco River as of the Effective Date is attached as Attachment "D-1" to this Attachment "D."

(2) All water which falls upon or flows into the Morenci Mine Complex, including, but not limited to, water which falls on or flows into the Morenci Mine Complex as a result of the relocation of the Upper Chase Creek Facility upstream from its existing location to a new location in the NW ¼, NW ¼ of Section 28, Township 3 South, Range 29 East, G&SRB&M, within the Morenci District. Phelps Dodge shall continue to bypass around the Morenci Mine Complex all surface water that flows into the Upper Chase Creek Facility at its location as of the Effective Date and at its new location in Chase Creek in the NW ¼, NW ¼ of Section 28, Township 3 South, Range 29 East, G&SRB&M, at such time as the Upper Chase Creek Facility is relocated to such location.

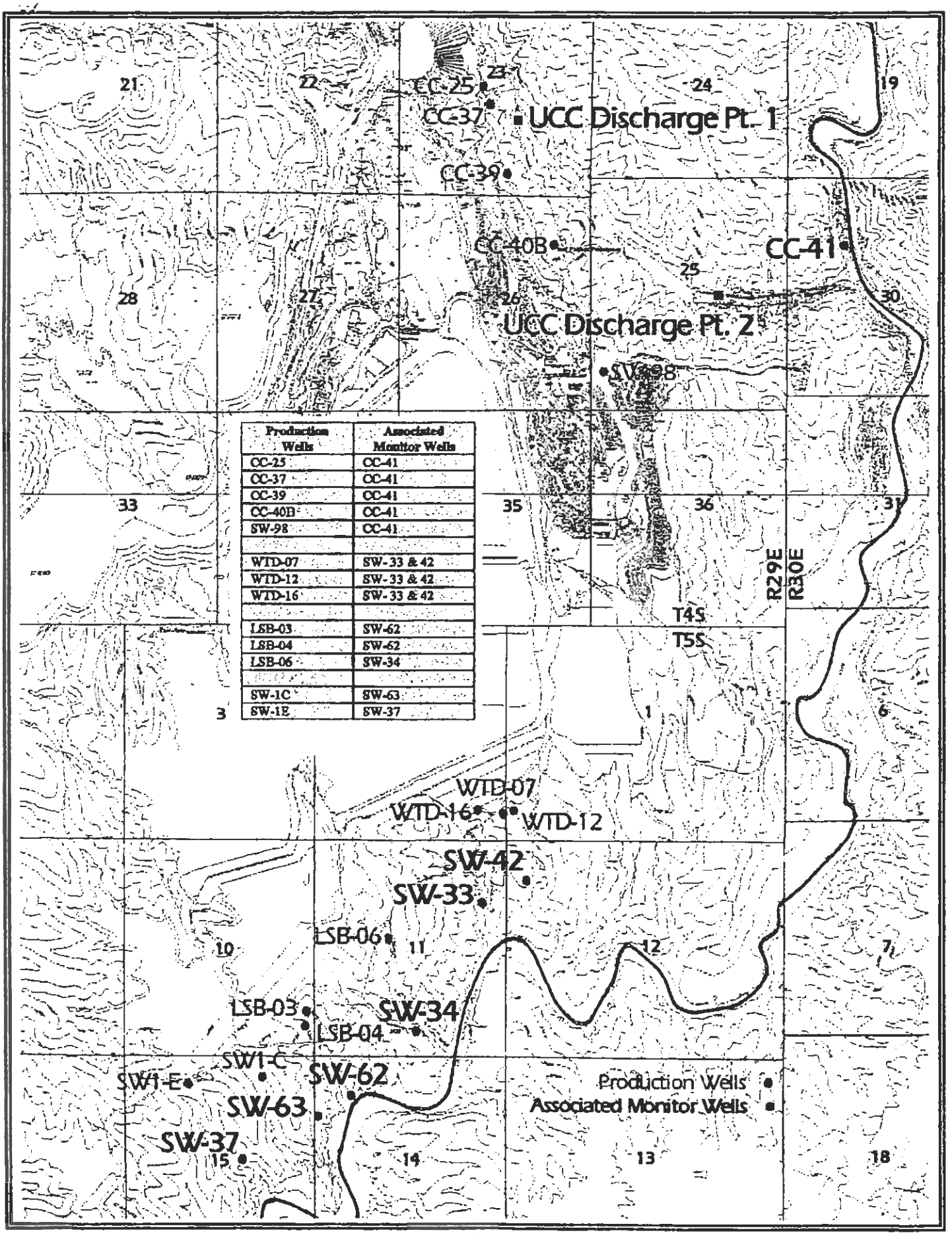
f. Safford Area Mines

(1) Groundwater produced from wells located on non-decreed lands (i.e., lands to which Globe Equity No. 59 does not decree water rights) for use in mines in the Safford area.

(2) Notwithstanding f.(1), Phelps Dodge shall model and monitor the projected impact of groundwater pumping from wells located as described in f.(1) on flows in the Gila River and shall mitigate the impact of such pumping, if any, on flows in the Gila River in the manner provided in the Dos Pobres/San Juan Project Clean Water Act, Section 404 Mitigation and Monitoring Plan to be published in the Final Environmental Impact Statement for the Dos Pobres/San Juan Project, or in such other manner as the Community and Phelps Dodge may subsequently agree.

ATTACHMENT "D-1"

MAP OF PRODUCTION WELLS
AND
ASSOCIATED MONITOR WELLS



Production Wells	Associated Monitor Wells
CC-25	CC-41
CC-37	CC-41
CC-39	CC-41
CC-40B	CC-41
SW-98	CC-41
WTD-07	SW-33 & 42
WTD-12	SW-33 & 42
WTD-16	SW-33 & 42
LSB-03	SW-62
LSB-04	SW-62
LSB-06	SW-34
SW-1C	SW-63
SW-1E	SW-37

Attachment D-2

Phelps Dodge Morenci Inc.
DISTRICT WELLS PRODUCTION REPORT

MONTH: August 2002

TAILING DAM AREA WELLS

MTD	WTD-07	WTD-12	WTD-16	LSB-03	LSB-04	LSB-06	SW-1C	SW-1E	SW-98
Kgals	4,493	3,000	9,062	4,073	12,907	6,085	0	8,315	0
AF	13 8	9 2	27 8	12 5	39 6	18 7	0.0	25 5	0.0
YTD									
Kgals	135,575	53,315	35,574	81,061	26,061	7,134	1,106	100,572	0
AF	416 1	163 6	109 2	248.8	80 0	21 9	3.4	308 6	0.0

MTD	TOTALS
Kgals	47,935
AF	147.1
YTD	
Kgals	440,398
AF	1,351.8

CHASE CREEK AREA WELLS

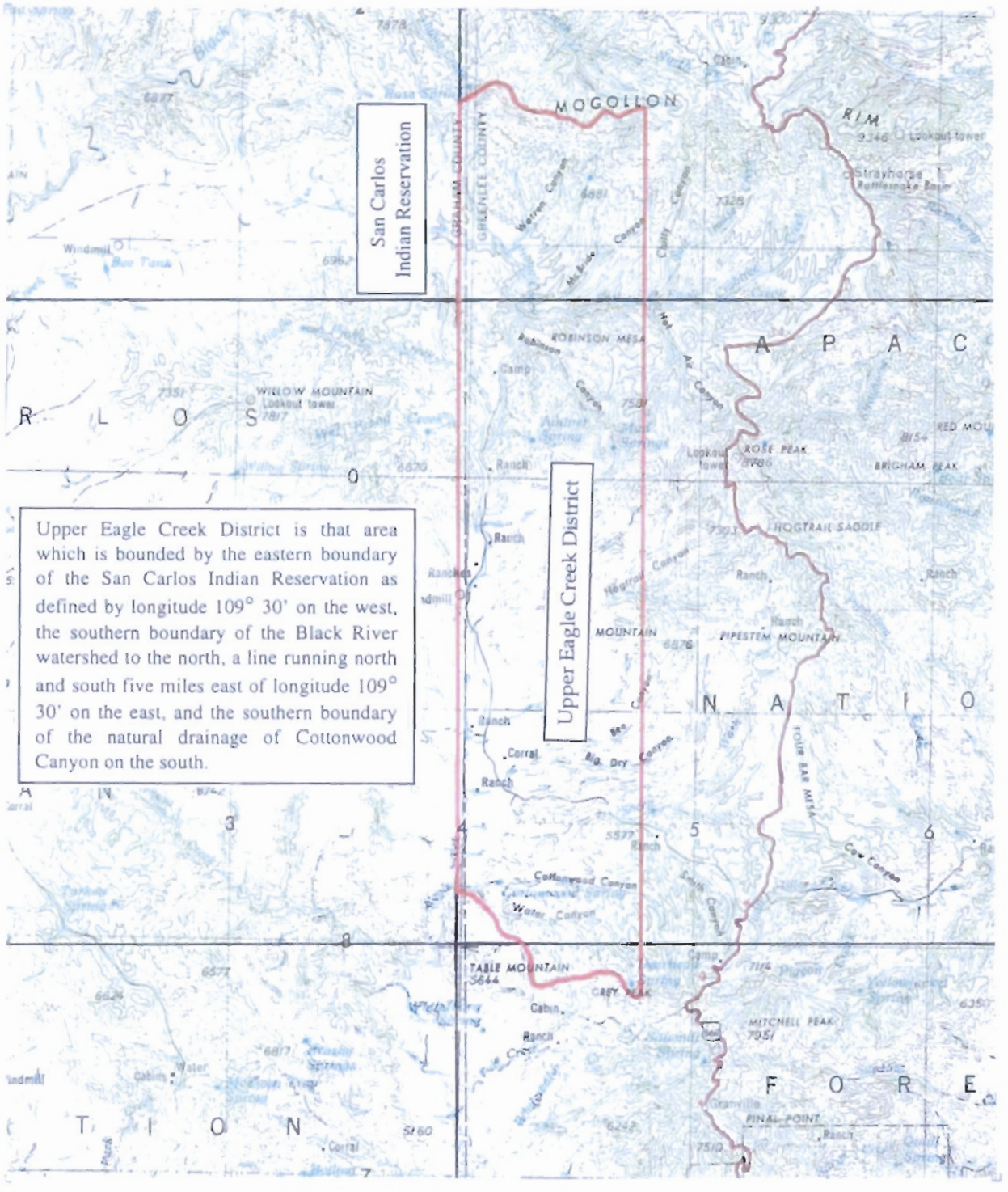
MTD	CC-25	CC-37	CC-39	CC-40B	TOTALS
Kgals	0	21,023	0	0	21,023
AF	0.0	64 5	0.0	0 0	64 5
YTD					
Kgals	16,848	138,778	1,076	47	156,749
AF	51 7	425.9	3 3	0.1	481 0

MONITOR WELLS

	SW-33	SW-37	SW-42	SW-62	SW-63	CC-41
WSEL	3345	3339	3349	3331	3365	3445

ATTACHMENT "E"

MAP OF UPPER EAGLE DISTRICT

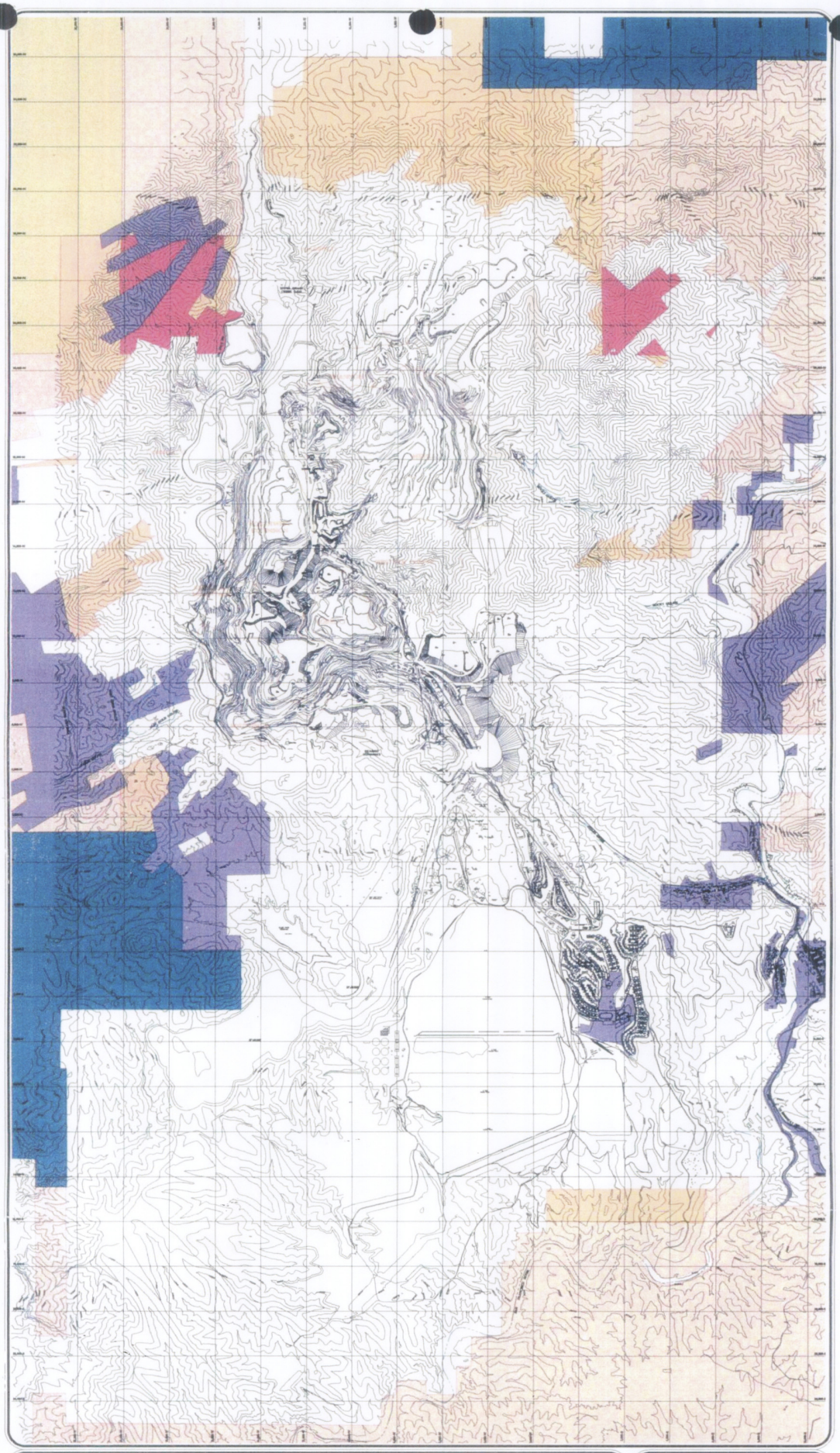


SCALE IN MILES

Upper Eagle Creek District
Location Map

ATTACHMENT "F"

MAP OF MORENCI DISTRICT



EXPLANATION:

- BLM Lands
- BLM Exchange Lands
- State Lands
- USPS Lands
- Other Private Lands
- State Purchase Lands

N

SCALE: 1 inch = 1000 feet

0 1000 2000

Contour Interval 100 feet

Datum is Mean Sea Level

Morenci District Property Map

phelps dodge Morenci Inc.

Exhibit 12.1
Graph of Community's Entitlement to
SRP Stored Water

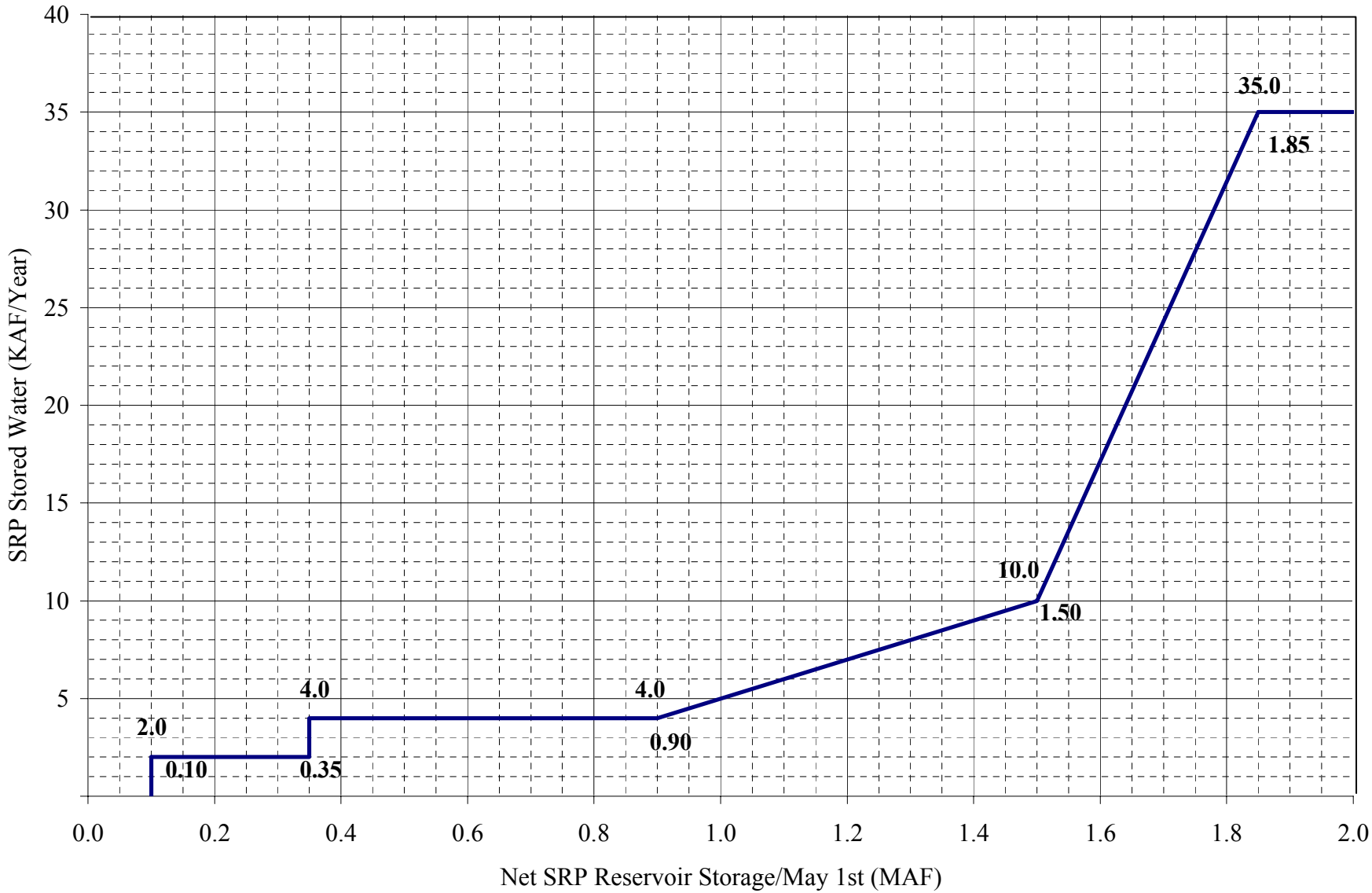


Exhibit 12.13
Blue Ridge Stored Water Allocation to GRIC

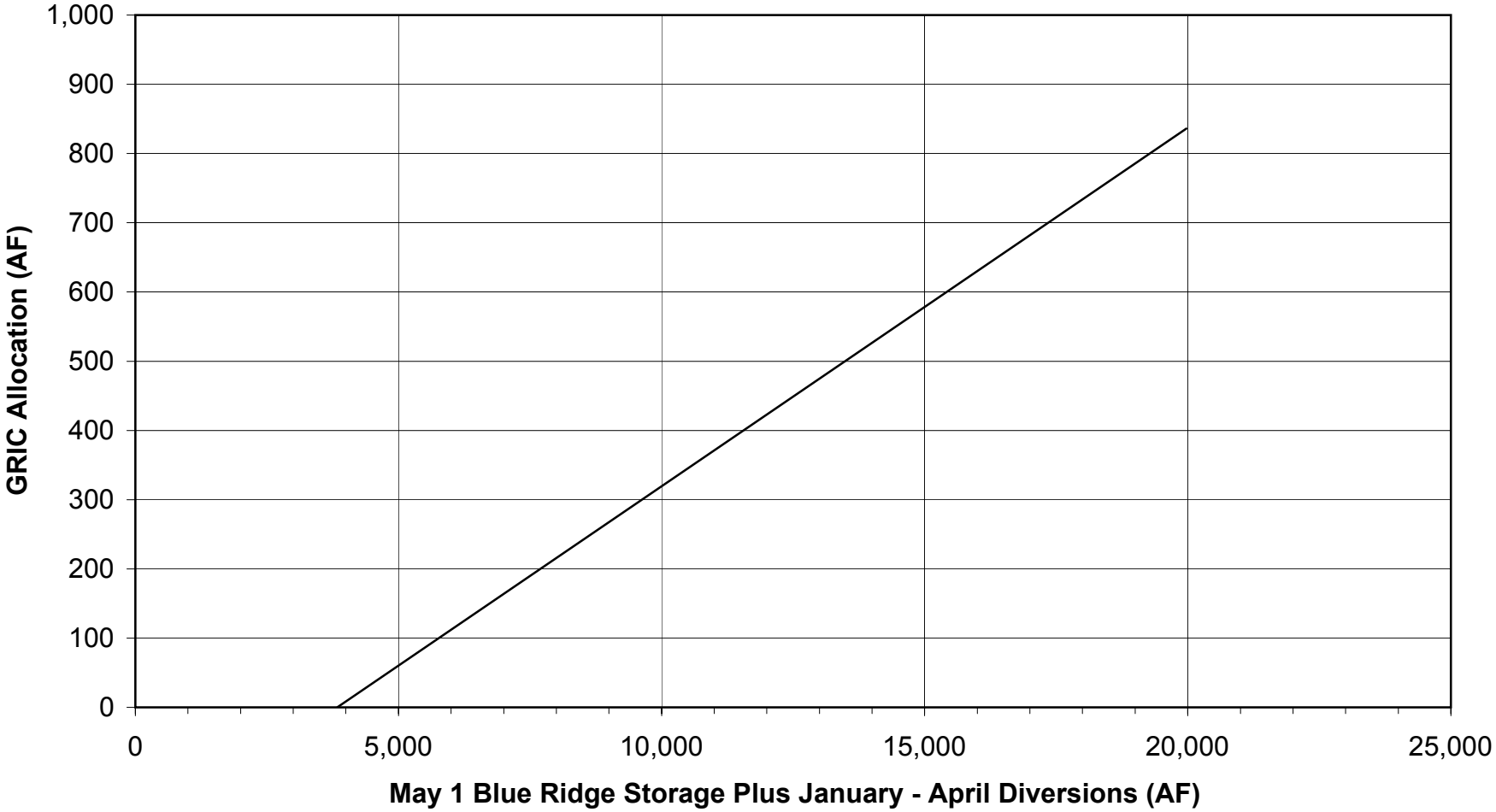


EXHIBIT 12.13.4

COST DEFINITIONS FOR BLUE RIDGE STORED WATER

This Exhibit 12.13.4 defines the terms "SRP's fixed OM&R costs" and "SRP's variable costs" for Blue Ridge Stored Water as used in paragraph 12.13.4 of the Agreement.

As used in this exhibit, "Blue Ridge facilities" shall mean Blue Ridge dam and reservoir and all related facilities, including but not limited to: the dam, outlet works, tunnel, pump station, priming reservoir, pipelines, roads, communication facilities, power generation station, switchyard, and electrical transmission lines.

SRP's Fixed OM&R Costs

"SRP's fixed OM&R costs" shall mean all costs incurred by SRP for operation, maintenance, and replacement of Blue Ridge facilities, except for those defined below as SRP's variable costs. SRP's fixed OM&R costs for Blue Ridge facilities shall include, but not be limited to, costs for the following items: insurance, inspections, permits, taxes, fees, licenses, contract services, legal services, accounting, travel, environmental compliance, construction, repairs, testing, labor, salaries, overhead, materials, supplies, expenses, equipment and vehicles.

SRP's Variable Costs

"SRP's variable costs" shall mean all costs incurred by SRP for energy and fuel to operate the Blue Ridge facilities do divert water from Blue Ridge reservoir and discharge it to the East Verde River. The total of SRP's variable costs for a particular month divided by the number of acre feet diverted by SRP from Blue Ridge reservoir to the East Verde River in that month shall be used to derive the monthly "per acre foot variable cost" as used in paragraph 12.13.4 of the Agreement.

Final Execution Version
October 21, 2005

EXHIBIT 17.1B

LEASE AGREEMENT FOR CAP WATER AMONG THE CITY OF PEORIA THE GILA RIVER INDIAN COMMUNITY AND THE UNITED STATES, AS TRUSTEE FOR THE GILA RIVER INDIAN COMMUNITY

1. PREAMBLE

This agreement providing for the lease of Central Arizona Project water ("Lease Agreement"), made this 15th day of May, ~~2005~~ 2006, is among the United States of America (hereinafter "United States"), the Gila River Indian Community (hereinafter "Community") and the City of Peoria, Arizona (hereinafter "City").

2. RECITALS

2.1 The Parties to this Lease Agreement are also parties to the Settlement Agreement as defined under Subparagraph 3.22 herein.

2.2 As partial consideration for entering into the Settlement Agreement, the Community and the City are entering into this Lease Agreement by which the Community will lease to the City a portion of the Community's CAP Indian Priority Water to which the Community is entitled in accordance with the Community Water Delivery Contract. The parties acknowledge that the consideration received by the Community in exchange for the Leased Water represents fair market value.

2.3 By the Arizona Water Settlements Act, Public Law 108-451 (118 Stat. 3478) (the "Act"), the United States confirmed the Settlement Agreement and specifically provided for an amendment to the Community Water Delivery Contract authorizing the Community to lease

Community CAP Water.

2.3.1 The Community Water Delivery Contract, which authorizes the Community to enter into this Lease Agreement, is attached to the Settlement Agreement as exhibit 8.2.

3.0 DEFINITIONS

3.1 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C.§§ 1521 et seq.).

3.2 "CAP Contractor" shall mean a person or entity that has entered into a long-term contract (as that term is used in the CAP Repayment Stipulation, which is defined in the Settlement Agreement in subparagraph 2.35) with the United States for delivery of water through the CAP System.

3.3 "CAP Repayment Contract" shall mean the contract dated December 1, 1988 (Contract No. 14-06-W-245, Amendment No. 1) between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project. The term "CAP Repayment Contract" includes all amendments to and revisions of that contract. This is the same contract referred to in the Act as Contract No. 14-0906-09W-09245, Amendment No. 1.

3.4 "CAP Subcontractor" shall mean a person or entity that has entered into a long-term subcontract (as that term is used in the CAP Repayment Stipulation, which is defined in the Settlement Agreement in subparagraph 2.35) with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

3.5 "CAWCD" or "Central Arizona Water Conservation District" shall mean the political subdivision of the State that is the contractor under the CAP Repayment Contract.

3.6 "CAP Service Area" or "District" shall mean the area included within the Central Arizona Water Conservation District, consisting of Maricopa, Pinal and Pima Counties, as well as any other counties, or portions thereof, that may hereafter become part of the District.

3.7 "Cities" shall mean the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Scottsdale.

3.8 "City" shall mean the City of Peoria, an Arizona Municipal Corporation, its predecessors, successors and assigns.

3.9 "Community CAP Water" or "Community's CAP Water" shall mean water to which the Community is entitled pursuant to the Community Water Delivery Contract.

3.10 "Community Water Delivery Contract" shall mean Contract No. 3-07-30-W0284 between the Community and the United States dated October 22, 1992. The term "Community Water Delivery Contract" includes any amendments to the contract described in the preceding sentence. A copy of the Community Water Delivery Contract is attached as exhibit 8.2 of the Settlement Agreement. This is the same contract referred to in the Act as Contract No. 3-0907-0930-09W0284..

3.11 "CPI-U" shall mean the All Items Consumer Price Index All Urban Consumers, U.S. City Average (1982-84 = 100), which is published by the U.S. Department of Labor, Bureau of Labor Statistics.

3.12 "Enforceability Date" shall be the date on which the Secretary publishes in the

Federal Register the statement of findings described in Section 207(c) of the Act.

3.13 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated).* . This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).*

3.14 "Gila River Indian Community" or "the Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

3.15 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

3.16 "Leased Water" shall mean that portion of the Community's CAP Indian Priority Water that is leased by the Community to the City pursuant to this Lease Agreement.

3.17 "OM&R" shall mean the care, operation, maintenance, and replacement of

the Transferred Works or any part thereof.

3.18 "Operating Agency" shall mean the entity or entities authorized to assume OM&R responsibility of all or any part of the Transferred Works and approved for that purpose by the Secretary or his designee acting in his behalf. CAWCD is the Operating Agency at the time of execution of this Lease Agreement.

3.19 "Other Cities" shall mean the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Scottsdale, except for the City defined in Subparagraph 3.8.

3.20 "Party" shall mean an entity represented by a signatory to this Lease Agreement. "Parties" shall mean more than one of these entities. The United States' participation as a Party shall be in the capacity as described in subparagraph 3.25.

3.21 "Secretary" shall mean the Secretary of the United States Department of the Interior.

3.22 "Settlement Agreement" shall mean that agreement entered into among and between the Cities, the Community and the United States, and other parties to that agreement settling specified water rights claims raised by the parties in the Gila River Adjudication Proceedings. This Lease Agreement constitutes exhibit 17.1B to the Settlement Agreement.

3.23 "Subparagraph" shall mean a subparagraph of this Lease Agreement.

3.24 "Transferred Works" shall mean such facilities of the CAP water supply system or of other construction stages as to which OM&R responsibility is transferred from the United States to the Operating Agency.

3.25 "United States" shall mean the United States of America acting: (i) as trustee

on behalf of the Community, Members and Allottees, (ii) as owner of the Central Arizona Project; and (iii) in no other capacity.

3.26 "Water Lease Charge" shall be that amount of money paid to the Community for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this and other pertinent agreements, it is agreed as follows:

4.0 LEASE OF WATER

4.1 Subject of Lease. The Community hereby leases to the City of Peoria seven thousand (7,000) acre-feet per year of Leased Water subject to the terms and conditions of the Community Water Delivery Contract except as agreed to herein. The City shall not be subject to amendments to the Community Water Delivery Contract subsequent to the execution of this Lease Agreement that adversely affect this Lease Agreement unless the City agrees to such amended terms in writing.

4.2 Term of Lease Agreement. The term of this Lease Agreement shall begin thirty (30) days after the Enforceability Date and end 100 years thereafter. At the Community's sole discretion and with the approval of the Secretary, the Community may enter into a separate lease agreement with the City for Community CAP Water upon such terms and conditions as may be negotiated at that time either during the term of this Lease Agreement or thereafter, provided however, that the term of any such separate lease shall not exceed one hundred (100) years.

4.3 City's Consideration During Initial Term of Lease Agreement.

4.3.1 In consideration for the Leased Water during the term of the Lease Agreement, the

City shall pay to the Community the one-time Water Lease Charge which is equal to the result obtained by multiplying the ratio determined by dividing the CPI-U published for the month in which the term begins by the CPI-U of 137.9 (as published for the month of December, 1991) ("ratio") by the base payment of One Thousand Two Hundred Three Dollars ($1,203) ("base payment"), and multiplying that product by seven thousand (7,000) acre-feet ("AF"). An example showing the manner in which the adjustment required by this Subparagraph 4.3.1 shall be made, and the manner in which the total consideration shall be calculated, is as follows:

Assuming, solely for purposes of this example, that the amount of water leased is 1,000 acre-feet per year and that the CPI-U index published for the month in which the date of initial payment of this Lease occurs is 207 ("current period").

Calculation (all numbers rounded to the nearest hundredth):

CPI-U for the month that the term begins	207
CPI-U as of December 1991	137.9
Ratio equals (207 divided by 137.9)	1.50
Base payment equals	$1,203
Product equals (1.5 x $1,203)	$1,804.50
Water Lease Charge equals ($1,804.5 x 1,000 AF)	$1,804,500

In the event the CPI-U index is discontinued or not otherwise available as of the month in which the term begins, the Parties shall select a comparable index.

4.3.2 The City may, at its election, pay the Water Lease Charge in full (without interest) within thirty (30) days after the date that the term begins. In lieu of making such payment,

the City may elect to make payment in either of the following ways:

4.3.2.1 An initial payment of one-half (1/2) of the Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the date that the term begins, with the remaining balance to be paid in four (4) annual payments, payable on the next four (4) anniversary dates of the date that the term begins. Each such payment shall be one-eighth (1/8) of the Water Lease Charge plus interest on the unpaid balance at an annual rate determined as follows: one percent (1%) over the net interest rate paid by the City of Phoenix on its most recently issued Water Renewal Refunding Bonds, as of the Enforceability Date. Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.1 shall be made, is as follows:

> Assume, solely for purposes of this example, that the Water Lease Charge is $1,000,000 and the net interest rate paid by the City of Phoenix on its most recently issued Water Renewal Refunding Bonds, as of the Enforceability Date is five percent (5%). Under this example, the applicable resulting interest rate would be six percent (6%) [5% + 1% = 6%] and payments including interest under this Subparagraph 4.3.2.1 would be calculated as follows: The City would make an initial payment of $500,000. The first annual installment would be in the principal amount of [$1,000,000 x 1/8 = $125,000] plus interest on the unpaid balance of [$1,000,000 - $500,000 = $500,000] in the amount of [$500,000 x .06 = $30,000], for a total payment of [$125,000 + $30,000 = $155,000]. The second annual installment would be in the principal amount of $125,000 plus interest on

the unpaid balance of [$1,000,000 - $625,000 = $375,000] in the amount of [$375,000 x .06 = $22,500], for a total payment of [$125,000 + $22,500 = $147,500]. The third annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $750,000 = $250,000] in the amount of [$250,000 x .06 = $15,000], for a total payment of [$125,000 + $15,000 = $140,000]. The fourth and final annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $875,000 = $125,000] in the amount of [$125,000 x .06 = $7,500], for a total payment of [$125,000 + 7,500 = $132,500].

4.3.2.2 An initial payment of one-fifteenth (1/15) of the Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the term begins, with the balance paid in fourteen (14) annual payments payable on the next fourteen (14) anniversary dates of the date that the term begins. Each such payment shall be one-fifteenth of the Water Lease Charge plus interest on the unpaid balance at an annual rate of one percent (1%) over the Chase Manhattan Home Office prime rate (or if such bank ceases to exist, then the home office prime rate of a bank of similar size and stature, or if such bank merges with another institution, then the home office of the merged institution) as of the Enforceability Date. Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.2 shall be made, is as follows:

Assume, solely for purposes of this example, that the Water Lease Charge is $1,000,000 and that the Chase Manhattan Home Office prime rate (or if such

bank ceases to exist, then the home office prime rate of a bank of similar size and stature, or if such bank merges with another institution, then the home office of the merged institution) on the Enforceability Date is seven percent (7%). Under this example, the applicable resulting interest rate would be eight percent (8%) [7% + 1% = 8%] and the payments including interest under this Subparagraph 4.3.2.2 would be calculated as follows: The City would make an initial payment of $66,666.67 [$1,000,000 x 1/15 = $66,666.67]. The first annual installment would be in the principal amount of [$1,000,000 x 1/15 = $66,666.67] plus interest on the unpaid balance of [$1,000,000 - $66,666.67 = $933,333.33] in the amount of [$933,333.33 x .08 = $74,666.67], for a total payment of [$66,666.67 + $74,666.67 = $141,333.34]. The second annual installment would be in the principal amount of $66,666.67 plus interest on the unpaid balance of [$1,000,000 - $133,333.34 = $866,666.66] in the amount of [$866,666.66 x .08 = $69,333.33], for a total payment of [$66,666.67 + $69,333.33 = $136,000.00]. The third annual installment would be in the principal amount of $66,666.67 plus interest on the unpaid balance of [$1,000,000 - $200,000.01 = $799,999.99] in the amount of [$799,999.99 x .08 = $64,000.00], for a total payment of [$66,666.67 + $64,000.00 = $130,666.67]. The calculations and annual installments continue until the Water Lease Charge and all interest due have been paid in full.

4.3.3 Under either of the payment options set forth in Subparagraphs 4.3.2.1 and 4.3.2.2,

without any prepayment penalty, the City may at any time elect to pay the remaining balance in full together with interest on the unpaid balance to the date of such payment.

4.4 OM&R Costs. The City shall pay OM&R costs for the delivery of the Leased Water to the Operating Agency upon the same terms and conditions as are mandated by article 5.1 of the City's CAP M&I Water Service Subcontract No. 5-07-30-W0081, as amended, ("City's M&I Water Service Subcontract") except that the City's obligation to pay such OM&R costs shall not begin earlier than the date that the City is entitled to receive water under this Lease Agreement, but in no event unless and until the water is scheduled for delivery by the City. Prior to the date that the term of this Lease Agreement (as described in Subparagraph 4.2) begins, the Community may use the Leased Water in accordance with the Community Water Delivery Contract.

4.5 Other Charges or Payments. Pursuant to section 205(e) of the Act, neither the Community nor the City shall be obligated to pay water service capital charges, M&I subcontract charges, or any other charges, payments, or fees for the Leased Water other than as provided in Subparagraphs 4.3, 4.4, and 4.12, and Paragraph 6.0 of this Lease Agreement.

4.6 Delivery of Water. The United States or the Operating Agency shall deliver the Community's Leased Water to the City as further provided herein; however, neither the United States nor the Operating Agency shall be obligated to make such deliveries if, in the judgment of the Operating Agency or the Secretary, delivery or schedule of deliveries to the City would limit deliveries of CAP water to any CAP Contractor, including the Community, or CAP Subcontractor to a degree greater than would direct deliveries to the Community. The United States or the Operating Agency shall deliver the Leased Water to the City in accordance with water delivery schedules

provided by the City to the United States and the Operating Agency, and the Operating Agency shall inform the Community of the amount of Leased Water delivered in the previous year. The water ordering procedures contained in article 4.4 of the City's CAP M&I Water Service Subcontract (or any replacement subcontracts) shall apply to the City's ordering of water under this Lease Agreement. In no event shall the United States or the Operating Agency be required to deliver to the City under this Lease Agreement, in any one month, a total amount of Leased Water greater than eleven percent (11%) of the City's annual maximum entitlement under this Lease Agreement; provided, however, that the United States or the Operating Agency may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of CAP water to other CAP Contractors and CAP Subcontractors, as determined by the United States and the Operating Agency if the City agrees to accept such increased deliveries.

4.6.1 Delivery of Water During Times of Shortages. Unless otherwise agreed to in writing, if a time of shortage exists, as described at subparagraphs 8.16.1.1 and 8.16.1.2 of the Settlement Agreement, the amount of Leased Water available to a City under its Lease Agreement shall be reduced by the same percentage by which water available for delivery as CAP M&I Priority Water is reduced in that Year in accordance with subparagraphs 8.16.2.1 and 8.16.2.2 of the Settlement Agreement.

4.7 Use of Leased Water Outside Reservation. The City may use or deliver Leased Water for use outside the boundaries of the Reservation, but may not use, lease, transfer the use of, or otherwise cause the Leased Water to be delivered for use outside of the boundaries of the CAP Service Area, except for use within the City's water service area when the City's water service area

extends beyond the CAP Service Area.

4.8 Conditions Relating to Delivery and Use. The City shall have the right to use Leased Water for any purpose that is consistent with Arizona law and not expressly prohibited by this Lease Agreement, including groundwater recharge as that term is defined in the CAP Repayment Contract. Except to the extent that this Lease Agreement conflicts with the terms of the City's M&I Water Service Subcontract, deliveries of Leased Water to the City and its use by the City shall be subject to the Conditions Relating to Delivery and Use in article 4.3 of the City's CAP M&I Water Service Subcontract. During the term of this Lease Agreement, the following subarticles or articles of the City's CAP M&I Water Service Subcontract shall apply to the City and to the City's use of water under this Lease Agreement: subarticles 4.5(c), 4.5(d), and 5.2(f); articles 4.6, 4.9, 5.3, 5.4, 5.5, 6.4, 6.6, 6.9, 6.10, 6.11, and 6.13. The City expressly approves and agrees to all the terms presently set out in the CAP Repayment Contract, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that CAP Repayment Contract, to the extent not inconsistent with the express provisions of this Lease Agreement.

4.9 Quality of Water. The of Transferred Works shall be operated in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Secretary. The United States, the Community, and the Operating Agency make no warranty as to the quality of water and are under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The City waives its right to make a claim against the United States, the Operating Agency, the Community, other lessee(s), or CAP Subcontractor(s) because of changes in water quality caused by the

commingling of Leased Water with other water.

4.10 Points of Delivery. The Leased Water to be delivered to the City pursuant to the provisions of this Lease Agreement shall be delivered at turnouts on the CAP water delivery system or such other points that may be agreed upon by the City, the United States and the Operating Agency.

4.11 Community's Covenants. The Community agrees:

(A) To observe and perform all obligations imposed on the Community by the Community Water Delivery Contract which are not assumed by the City so that the City's rights and duties are not in any way impaired;

(B) Not to execute any other lease of the Community's CAP Water that would impair the City's rights and duties hereunder;

(C) Not to alter or modify the terms of the Community Water Delivery Contract in such a way as to impair the City's rights hereunder or exercise any right or action permitted by the Community Water Delivery Contract so as to interfere with or change the rights and obligations of the City hereunder; and

(D) Not to terminate or cancel the Community Water Delivery Contract or transfer, convey or permit a transfer or conveyance of such contract so as to cause a termination of, interference with, or modification of the rights and obligations of the Community under it.

4.12 Assignment of Interest in Leased Water.

(A) General. The City may not transfer, assign, sublease or otherwise designate or authorize for the use of others all or any part of the Leased Water without the written approval of the

Community and the Secretary.

(B) Assignment to the Cities. Notwithstanding the prohibition of Subparagraph 4.12(A) above, approval is hereby granted by the Secretary and the Community to the City, if the City is not in default of its payment obligations to the Community, to assign all or any part of its interest in Leased Water under this Lease Agreement to one or more of the Other Cities, or to their successor(s) in interest within the boundaries of their existing or future service areas. Before assigning any part of its interest in Leased Water under this Lease Agreement, the City shall offer such interest to all the Other Cities in equal shares. In the event that any of the Other Cities elects not to take its share of the City's assignment, the water shall then be offered to all of the remaining Other Cities in equal shares until the full amount of the water is so assigned. Such assignment shall be effective only upon the execution, by the assignor City and the assignee of a Voluntary Assignment and Assumption Agreement, the form of which is attached to this Lease Agreement as exhibit 4.12 (exhibit 17.1.1A of the Settlement Agreement). A copy of such Voluntary Assignment and Assumption Agreement shall be provided to the Operating Agency, the Community and the United States.

(C) Recovery of Costs Allowed. The City shall not assign all or any part of its interest in Leased Water hereunder for an amount in excess of that portion of the Water Lease Charge that is attributable to the portion of the Leased Water that is assigned. Nothing in this Lease Agreement shall affect the City's ability to recover actual future costs, if any, incurred for the transportation, treatment, and distribution of the assigned Leased Water.

4.13 Allocation and Repayment of CAP Costs. Pursuant to Section 204(d) of the Act,

for the purposes of determining the allocation and repayment of costs of any stages of the CAP constructed after December 10, 2004, the costs associated with the delivery of Leased Water shall be nonreimbursable and shall be excluded from the repayment obligation of CAWCD. Pursuant to Section 205(a)(7) of the Act, the costs associated with the construction of the CAP system allocable to the Community shall be nonreimbursable and shall be excluded from the repayment obligation of the Community. Pursuant to Section 205(a)(8) of the Act, no CAP water service capital charges shall be due or payable for the Leased Water.

5. [Intentionally not used].

6. DEFAULT AND REMEDIES

6.1 Events of Default. Any failure by the City to pay the consideration specified in Subparagraph 4.3 above within thirty (30) days after any such payments become due shall constitute a default of the City's obligations under this Lease Agreement.

6.2 Notice of Default. In the event of a default by the City as defined in Subparagraph 6.1 above, the Community shall provide written notice ("Notice of Default") to the City and contemporaneously shall send copies of such notice to the Other Cities, specifying the default and demanding that the default be cured within ninety (90) days of the notice. Notice shall be given in the manner and to the City officers specified in Subparagraph 8.10 of this Lease Agreement. The Notice of Default shall specifically describe the default and state the amount due from the City, which amount shall be the sum of all payments due the Community that should have been paid, but were not paid ("Default Amount"). The purpose of this Subparagraph is to put the City and the Other Cities on notice as to the time and cause of default. De minimis mistakes in the Notice of

Default shall not invalidate the effectiveness of the Notice of Default.

6.3 Remedies for Failure to Pay. If the City fails to cure a non-payment default in accordance with Subparagraph 6.4(A), and if none of the Other Cities cures the non-payment default pursuant to Subparagraph 6.4(B), the Community may terminate this Lease Agreement. If the Community terminates this Lease Agreement for non-payment, the Community shall be entitled to judgment as provided at Subparagraph 6.4(C), but shall not be entitled to any other remedy as a result of such a default.

6.4 Curing for City's Non-payment. After Notice of Default, the default may be cured as follows:

(A) First Grace Period. During the first thirty (30) days following the Notice of Default ("First Grace Period"), the City shall have the exclusive right to cure any such default by tendering the Default Amount to the Community together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the date that the missed payment became due ("Due Date"). During the first fifteen (15) days following the Notice of Default, the City shall provide written notice to the Other Cities declaring its intent whether it will cure the default, provided that all payments becoming due during the First Grace Period shall be automatically added to and become a part of the Default Amount and interest thereupon shall accrue in accordance with this provision.

(B) Second Grace Period. In the event that the defaulting City has not cured the default within thirty (30) days following the Notice of Default, the City, any of the Other Cities, and/or any combination thereof, may thereafter, but only within sixty (60) days following the end of

the First Grace Period ("Second Grace Period"), cure the default by tendering the Default Amount to the Community together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the Due Date. Each of the Other Cities that desires to succeed to the interest of the City shall, within sixty (60) days of the Notice of Default, give notice to the Other Cities and the City that it will be a curing city and declare the maximum amount of water that it will lease and succeed to the interest of the City. Each curing city shall succeed to the interest and obligation of the City to the extent of its contribution, and the City and each curing city shall execute an Assignment and Assumption Agreement in the form attached hereto as Exhibit 6.4 (exhibit 17.1.1.B of the Settlement Agreement) whereby the curing city or cities agree to be bound by the terms of this Lease Agreement to the extent of its/their contribution. The defaulting City shall be responsible for any proportionate remainder of any Default amount not cured by the Other Cities pursuant to this Subparagraph. A copy of such Assignment and Assumption Agreement(s) shall be provided by the curing city to the Operating Agency, the Community and the United States. The Community shall accept payment from such curing city or cities in lieu of payment by the City. If the curing cities collectively request more water than what is available for assignment and assumption under this Subparagraph, such curing cities shall succeed to the interest of the Cities in equal shares ("Equal Share Amount"); provided, however, if any of the curing cities requests less water than its Equal Share Amount, then the difference between that curing city's Equal Share Amount and the amount it requested shall be divided among the other curing cities in equal shares.

If the City fails to cure its default within the time-period set forth in this Subparagraph 6.4(B) it shall execute an Assignment and Assumption Agreement, the form of which is attached hereto as

exhibit 6.4 with each curing city, provided, however, that if the default is not fully cured by the end of the Second Grace Period, the City's right to Leased Water that has not been assigned pursuant to this Subparagraph shall be forfeited and the Community shall be entitled to the remedy described in Subparagraph 6.4(C) of this Lease Agreement *pro rata* for that portion that has not been cured as provided for herein. If the City or the City and any combination of the Other Cities have arranged to cure the default and the curing cities have signed all necessary Assignment and Assumption Agreements, but the City has either failed or refused to sign such agreement(s) before the end of the Second Grace Period, the Assignment and Assumption Agreements(s) shall be self-executing without the need for the City to sign an Assignment and Assumption Agreement, the form of which is attached hereto as Exhibit 6.4. A cure effected pursuant to this Subparagraph shall constitute full performance of such default payment obligation to the extent of the amount of Leased Water assigned and assumed.

(C) Default Amount. After Notice of Default and after failure to cure as provided for in Subparagraphs 6.4(A) and (B) hereof, the City will be indebted to the Community and the Community will be entitled to judgment for the Default Amount plus an amount equal to three percent (3%) of the balance of the Water Lease Charge not yet due and payable, together with interest on the three percent (3%) of the balance of the Water Lease Charge not yet due and payable, from the time of default until judgment is obtained, and such costs and reasonable attorneys fees as the Community incurs after the due date for obtaining and collecting judgment for the unpaid amounts as a result of such default. The balance of such amount shall continue to accrue interest at the rate of ten percent (10%) per annum until paid in full. Payment of this amount plus such accrued

interest as provided in this Subparagraph shall constitute full performance of the City's obligations under Subparagraph 4.3 of this Lease Agreement.

7.0 TERMINATION AND SURRENDER OF WATER

7.1 Voluntary Termination of this Lease. After offering to assign the Leased Water to the Cities identified in and in accordance with Subparagraph 4.12, the City may terminate this Lease Agreement at any time by submitting written notice to the Community of its decision to terminate at least one year prior to the time that it intends the Lease Agreement to be terminated, provided, however, the City must receive the written approval of the Community before it may terminate this Lease Agreement pursuant to this Subparagraph 7.1 unless the City has paid the Community at least one-fourth of the Water Lease Charge (plus any interest due) set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the Community's agreement that the City may withdraw its notice. The City shall continue to make all payments required by this Lease Agreement during that one-year period and shall not use any Leased Water beyond the day for which the last payment is intended to pay. If the City terminates this Lease Agreement, all sums paid by the City to the Community prior to the date of termination shall remain the property of the Community and shall be non-refundable to the City.

7.2 Voluntary Surrender of a Portion of the Leased Water. After offering to transfer, assign or sublease the Leased Water to the Other Cities identified in and in accordance with Subparagraph 4.12, the City may elect, at any time during the term of this Lease Agreement to surrender its interest in any portion of the Leased Water by providing written notice to the Community of its decision to surrender such interest at least one year prior to the time that it intends

to surrender its interest. However, the City must receive the written approval of the Community before it may surrender any portion of its interest under this Lease Agreement pursuant to this Subparagraph 7.2 unless the City has paid the Community at least one-fourth of the Water Lease Charge set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the Community's agreement that the City may withdraw its notification. The City shall continue to make all payments required of this Lease Agreement during that one year period of time and shall not use any Leased Water that will be surrendered pursuant to this Subparagraph 7.2 beyond the day for which the last payment is intended to pay. If the City surrenders its interest in all or any portion of the Leased Water, all sums paid by the City to the Community for such water prior to the date of surrender shall remain the property of the Community and shall be non-refundable to the City. All portions of the Lease Agreement shall remain in effect for all the portions of the Leased Water that are not surrendered. To the extent that the retained portion of the Leased Water has not already been paid for by the City, payment shall be in proportion to the amount of water retained by the City, charged at the per acre-foot charge, including applicable interest, for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement for the years remaining on the term of this Lease Agreement. At the time of the surrender of Leased Water pursuant to this Subparagraph 7.2, the City shall pay to the Community an amount equal to three percent (3%) of the principal payment for the portion of the Leased Water surrendered.

8. GENERAL PROVISIONS

8.1 United States Consent to Lease Agreement. The United States hereby approves and

consents to this Lease Agreement.

8.2 Lease Agreement Renegotiation. The Parties to this Lease Agreement agree that the Community and the City may renegotiate this Lease Agreement at any time during its term, as provided in Subparagraph 8.5 of the Settlement Agreement.

8.3 Lease Agreement Extension. If the ADWR final rule referenced in Subparagraph 8.5 can be satisfied by an extension of the term of this Lease Agreement to allow Leased Water to be counted in the City's Assured Water supply, the Community agrees to meet with the City and discuss the extension of the term of the Lease Agreement.

8.4 Effective Date. This Lease Agreement shall become effective upon the occurrence of: (1) thirty (30) days after the Enforceability Date; (2) when ADWR adopts a rule, satisfactory to the City, consistent with the Groundwater Code, that enables it to use Leased Water as part of an Assured Water Supply; and (3) when it is signed by all Parties.

8.5 Rejection of Lease Agreement. Thirty (30) days after the Enforceability Date a City at its option may, upon written notice to the Community, reject this Lease Agreement whether or not ADWR has adopted a final rule enabling the Cities to use the Leased Water as part of an Assured Water Supply. In the event a City rejects this Lease Agreement pursuant to this Subparagraph 8.5, the City shall have no obligations under this Lease Agreement and the City's entitlement shall be offered to the Other Cities in equal shares until that water is fully leased.

8.6 Enforceability of Lease Agreement. Upon the occurrence of the events listed in Subparagraph 8.4, this Lease Agreement shall be enforceable between the Community and the City notwithstanding the performance or non-performance of other provisions of the Settlement

Agreement not related to this Lease Agreement. The provisions of the Settlement Agreement that relate to this Lease Agreement include, without limitation, Paragraphs 8.0, and 17.0.

8.7 Invalidity of Lease Agreement. If, as a result of any acts or omissions by a person or entity not a Party to this Lease Agreement, the City's entitlement to Leased Water under this Lease Agreement is determined to be invalid by a final judgment entered over the opposition of the City with the result that the Lease Agreement is deemed null and void, the Community shall refund to the City that portion of the lease payment that the number of years remaining in the lease term at the time of such determination bears to the total lease term.

8.8 Approval, Consent and Ratification. Each Party to this Lease Agreement, does by execution of the signature pages hereto, approve, endorse, consent to and ratify this Lease Agreement.

8.9 Counterparts. This Lease Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

8.10 Notice. Any notice to be given or payment to be made under this Lease Agreement shall be properly given or made when received by the officer designated below, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows (or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Section 8.10):

(a) As to the United States:
The Secretary of the Interior

Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Regional Director
Western Region Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 61470
Boulder City, Nevada 89005

(b) As to the Community:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the Cities:

Chandler City Manager
P.0. Box 4008 Mail Stop 605
Chandler, AZ 85244-4008

Chandler City Attorney
P.O. Box 4008 Mail Stop 602
Chandler, Arizona 85225- 4008

Glendale City Manager
5850 West Glendale Ave.
Glendale, AZ 85301

Glendale City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

Goodyear City Manager
190 North Litchfield Road
Goodyear, Arizona 85338

Goodyear City Attorney
190 North Litchfield Road
Goodyear, Arizona 85338

Mesa City Manager
P.O. Box 1466
Mesa, AZ 85211-1466

Mesa City Attorney
20 E. Main St., Ste. 850
P.O. Box 1466
Mesa, Arizona 85211-1466

Peoria City Manager
8401 West Monroe
Peoria, Arizona 85345

Peoria City Attorney
8401 West Monroe
Peoria, Arizona 85345-6560

Phoenix City Manager
200 West Washington, Suite 1200
Phoenix, Arizona 85003

Phoenix City Attorney
200 W. Washington, Suite 1300
Phoenix, Arizona 85003-1611

Scottsdale City Manager
3939 Drinkwater Blvd.
Scottsdale, AZ 85251

Scottsdale City Attorney

3939 Drinkwater Blvd.
Scottsdale, Arizona 85251

8.11 Governing Law. This Lease Agreement shall be governed by and construed in accordance with applicable Arizona and federal law.

8.12 Waiver. No waiver of any breach of any of the terms or conditions of this Lease Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Lease Agreement.

8.13 Severability. If any provision or clause of this Lease Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that no provision or clause shall be severed if the severance would deprive any Party of its material benefits under this Agreement.

8.14 Construction and Effect. This Lease Agreement and each of its provisions are to be construed fairly and reasonably and not strictly for or against any Party. The Paragraph and Subparagraph titles used in this Lease Agreement are for convenience only and shall not be considered in the construction of this Lease Agreement.

8.15 Successors and Assigns. Each of the terms and conditions of this Lease Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

8.16 Benefits of Lease Agreement. No member or delegate to Congress or Resident

Commissioner shall be admitted to any share or part of this Lease Agreement or to any benefit that may arise herefrom. This shall not be construed to extend to this Lease Agreement if made with a corporation or company for its general benefit.

8.17 Third Party Beneficiaries. With the exception of the Other Cities, which shall be third party beneficiaries for enforcement of Subparagraphs 4.12 and 6.4, there shall be no third party beneficiaries of this Lease Agreement.

8.18 Good Faith Negotiations. This Lease Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Lease Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the interpretation or enforcement of this Lease Agreement.

8.19 [Intentionally not used].

8.20 Attorneys' Fees. In the event of litigation between the Parties to enforce this Lease Agreement, the prevailing Party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, without limitation, court costs, attorneys' fees and discovery costs; provided, however, that this Subparagraph 8.20 shall not apply to the United States.

8.21 Remedies for Default on Matters other than Failure to Pay. The Community may enforce by the remedy of specific performance any City obligation, other than an obligation to pay which is addressed at Subparagraphs 6.3 and 6.4(C) of this Lease Agreement. The Community shall not be entitled to any other remedy as a result of such default. Actions to enforce the terms and

conditions of this Lease Agreement are subject to the provisions of Subparagraph 8.20.

IN WITNESS WHEREOF the Parties have executed this Lease Agreement on the date written above.

FOR THE GILA RIVER INDIAN COMMUNITY

By: _____

Governor

Attest_____

Dated: _____

Approved as to form:

By: _____

FOR THE UNITED STATES OF AMERICA

By: _____

Dated:

FOR THE CITY OF PEORIA

By: _____

Title

Dated: _____

Attest:_____

City Clerk

Approved as to form: _____

City Attorney

Final Execution Version
October 21, 2005

Exhibit 4.12 of the Peoria Lease Agreement
(form of which is exhibit 17.1.1A of the Settlement Agreement)

VOLUNTARY ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of Peoria ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Voluntary Assignment and Assumption Pursuant to Subparagraph 4.12 of Lease Agreement</u>.

This Voluntary Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, subparagraph 4.12 of the Lease Agreement. Except as provided in paragraph 2 of this Voluntary Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's

percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor's Lease Agreement for the period prior to the date hereof and Assignee shall have no liability therefor. Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date of this Voluntary Assignment and Assumption Agreement for the assigned portion of the Leased Water. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Voluntary Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Voluntary Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned to Assignee by this Voluntary Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor’s burdens and obligations as provided for herein.

5. **Counterparts.** This Voluntary Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Voluntary Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Voluntary Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto.

IN WITNESS WHEREOF the parties have executed this Voluntary Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

Title

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Voluntary Assignment and Assumption Agreement certify that a copy of this Voluntary Assignment and Assumption Agreement was provided in accordance with subparagraphs 4.12 (B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency on _____ __, 2___.

Final Execution Version
October 21, 2005

Exhibit 6.4 of the Peoria Lease Agreement
(form of which is exhibit 17.1.1B of the Settlement Agreement)

ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of Peoria ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Assignment and Assumption Pursuant to Subparagraph 6.4 of Lease Agreement</u>. This Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, subparagraph 6.4 of the Lease Agreement. Except as provided in Paragraph 2 of this Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof, except that Assignee agrees to pay and be

responsible to the Community for the Assignee's share of the Default Amount set forth in subparagraph 6.2 of the Lease Agreement. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor under the Lease Agreement for the period prior to the date of default under subparagraph 6.1 of the Lease Agreement and Assignee shall have no liability therefor. For the assigned portion of the Leased Water, Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date that this Assignment and Assumption Agreement is effective. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned by this Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor’s burdens and obligations as provided for herein.

5. **Counterparts.** This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto and the Assignee has paid its share of the Default Amount in accordance with subparagraph 6.4 B of the Lease Agreement, or if not signed by Assignor, upon Assignee's signature in accordance with the provisions of subparagraph 6.4 B of the Lease Agreement describing “self execution”, and the Assignee’s payment of its share of the Default Amount.

IN WITNESS WHEREOF the parties have executed this Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

Title

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Assignment and Assumption Agreement certify that a copy of this Assignment and Assumption Agreement was provided in accordance with subparagraphs 6.4(B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency

on _____ __, 2___.

Final Execution Version
October 21, 2005

EXHIBIT 17.1A

LEASE AGREEMENT FOR CAP WATER AMONG THE CITY OF GOODYEAR THE GILA RIVER INDIAN COMMUNITY AND THE UNITED STATES

1. PREAMBLE

This agreement providing for the lease of Central Arizona Project water ("Lease Agreement"), made this 15th day of May, ~~2005~~ 2006, is among the United States of America (hereinafter "United States"), the Gila River Indian Community (hereinafter "Community") and the City of Goodyear, Arizona (hereinafter "City").

2. RECITALS

2.1 The Parties to this Lease Agreement are also parties to the Settlement Agreement as defined under Subparagraph 3.22 herein.

2.2 As partial consideration for entering into the Settlement Agreement, the Community and the City are entering into this Lease Agreement by which the Community will lease to the City a portion of the Community's CAP Indian Priority Water to which the Community is entitled in accordance with the Community Water Delivery Contract. The parties acknowledge that the consideration received by the Community in exchange for the Leased Water represents fair market value.

2.3 By the Arizona Water Settlements Act, Public Law 108-451 (118 Stat. 3478) (the "Act"), the United States confirmed the Settlement Agreement and specifically provided for an amendment to the Community Water Delivery Contract authorizing the Community to lease Community CAP Water.

2.3.1 The Community Water Delivery Contract, which authorizes the Community to enter into this Lease Agreement, is attached to the Settlement Agreement as exhibit 8.2.

3.0 DEFINITIONS

3.1 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C.§§ 1521 et seq.).

3.2 "CAP Contractor" shall mean a person or entity that has entered into a long-term contract (as that term is used in the CAP Repayment Stipulation, which is defined in the Settlement Agreement in subparagraph 2.35) with the United States for delivery of water through the CAP System.

3.3 "CAP Repayment Contract" shall mean the contract dated December 1, 1988 (Contract No. 14-06-W-245, Amendment No. 1) between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project. The term "CAP Repayment Contract" includes all amendments to and revisions of that contract. This is the same contract referred to in the Act as Contract No. 14-0906-09W-09245, Amendment No. 1.

3.4 "CAP Subcontractor" shall mean a person or entity that has entered into a long-term subcontract (as that term is used in the CAP Repayment Stipulation, which is defined in the Settlement Agreement in subparagraph 2.35) with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

3.5 "CAWCD" or "Central Arizona Water Conservation District" shall mean the

political subdivision of the State that is the contractor under the CAP Repayment Contract.

3.6 "CAP Service Area" or "District" shall mean the area included within the Central Arizona Water Conservation District, consisting of Maricopa, Pinal and Pima Counties, as well as any other counties, or portions thereof, that may hereafter become part of the District.

3.7 "Cities" shall mean the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Scottsdale.

3.8 "City" shall mean the City of Goodyear, an Arizona Municipal Corporation, its predecessors, successors and assigns.

3.9 "Community CAP Water" or "Community's CAP Water" shall mean water to which the Community is entitled pursuant to the Community Water Delivery Contract.

3.10 "Community Water Delivery Contract" shall mean Contract No. 3-07-30-W0284 between the Community and the United States dated October 22, 1992. The term "Community Water Delivery Contract" includes any amendments to the contract described in the preceding sentence. A copy of the Community Water Delivery Contract is attached as exhibit 8.2 of the Settlement Agreement. This is the same contract referred to in the Act as Contract No. 3-0907-0930-09W0284.

3.11 "CPI-U" shall mean the All Items Consumer Price Index All Urban Consumers, U.S. City Average (1982-84 = 100), which is published by the U.S. Department of Labor, Bureau of Labor Statistics.

3.12 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in Section 207(c) of the Act.

3.13 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated).* This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).*

3.14 "Gila River Indian Community" or "the Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

3.15 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

3.16 "Leased Water" shall mean that portion of the Community's CAP Indian Priority Water that is leased by the Community to the City pursuant to this Lease Agreement.

3.17 "OM&R" shall mean the care, operation, maintenance, and replacement of the Transferred Works or any part thereof.

3.18 "Operating Agency" shall mean the entity or entities authorized to assume OM&R responsibility of all or any part of the Transferred Works and approved for that purpose by the Secretary or his designee acting in his behalf. CAWCD is the Operating Agency at the time of execution of this Lease Agreement.

3.19 "Other Cities" shall mean the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Scottsdale, except for the City defined in Subparagraph 3.8.

3.20 "Party" shall mean an entity represented by a signatory to this Lease Agreement. "Parties" shall mean more than one of these entities. The United States' participation as a Party shall be in the capacity as described in subparagraph 3.25.

3.21 "Secretary" shall mean the Secretary of the United States Department of the Interior.

3.22 "Settlement Agreement" shall mean that agreement entered into among and between the Cities, the Community and the United States, and other parties to that agreement settling specified water rights claims raised by the parties in the Gila River Adjudication Proceedings. This Lease Agreement constitutes exhibit 17.1A to the Settlement Agreement.

3.23 "Subparagraph" shall mean a subparagraph of this Lease Agreement.

3.24 "Transferred Works" shall mean such facilities of the CAP water supply system or of other construction stages as to which OM&R responsibility is transferred from the United States to the Operating Agency.

3.25 "United States" shall mean the United States of America acting: (i) as trustee on behalf of the Community, Members and Allottees, (ii) as owner of the Central Arizona

Project; and (iii) in no other capacity.

3.26 "Water Lease Charge" shall be that amount of money paid to the Community for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this and other pertinent agreements, it is agreed as follows:

4.0 LEASE OF WATER

4.1 Subject of Lease. The Community hereby leases to the City of Goodyear seven thousand (7,000) acre-feet per year of Leased Water subject to the terms and conditions of the Community Water Delivery Contract except as agreed to herein. The City shall not be subject to amendments to the Community Water Delivery Contract subsequent to the execution of this Lease Agreement that adversely affect this Lease Agreement unless the City agrees to such amended terms in writing.

4.2 Term of Lease Agreement. The term of this Lease Agreement shall begin thirty (30) days after the Enforceability Date and end one hundred (100) years thereafter. At the Community's sole discretion and with the approval of the Secretary, the Community may enter into a separate lease agreement with the City for Community CAP Water upon such terms and conditions as may be negotiated at that time either during the term of this Lease Agreement or thereafter, provided however, that the term of any such separate lease shall not exceed one hundred (100) years.

4.3 City's Consideration During Initial Term of Lease Agreement.

4.3.1 In consideration for the Leased Water during the term of the Lease Agreement, the City shall pay to the Community the one-time Water Lease Charge which is equal to the result

obtained by multiplying the ratio determined by dividing the CPI-U published for the month in which the term begins by the CPI-U of 137.9 (as published for the month of December, 1991) ("ratio") by the base payment of One Thousand Two Hundred Three Dollars ($1,203) ("base payment"), and multiplying that product by seven thousand (7,000) acre-feet ("AF"). An example showing the manner in which the adjustment required by this Subparagraph 4.3.1 shall be made, and the manner in which the total consideration shall be calculated, is as follows:

Assuming, solely for purposes of this example, that the amount of water leased is 1,000 acre-feet per year and that the CPI-U index published for the month in which the date of initial payment of this Lease occurs is 207 ("current period").

Calculation (all numbers rounded to the nearest hundredth):

CPI-U for the month that the term begins	207
CPI-U as of December 1991	137.9
Ratio equals (207 divided by 137.9)	1.50
Base payment equals	$1,203
Product equals (1.5 x $1,203)	$1,804.50
Water Lease Charge equals ($1,804.5 x 1,000 AF)	$1,804,500

In the event the CPI-U index is discontinued or not otherwise available as of the month in which the term begins, the Parties shall select a comparable index.

4.3.2 The City may, at its election, pay the Water Lease Charge in full (without interest) within thirty (30) days after the date that the term begins. In lieu of making such payment, the City may elect to make payment in either of the following ways:

4.3.2.1 An initial payment of one-half (1/2) of the Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the date that the term begins, with the remaining balance to be paid in four (4) annual payments, payable on the next four (4) anniversary dates of the date that the term begins. Each such payment shall be one-eighth (1/8) of the Water Lease Charge plus interest on the unpaid balance at an annual rate determined as follows: one percent (1%) over the net interest rate paid by the City of Phoenix on its most recently issued Water Renewal Refunding Bonds, as of the Enforceability Date. Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.1 shall be made, is as follows:

> Assume, solely for purposes of this example, that the Water Lease Charge is $1,000,000 and the net interest rate paid by the City of Phoenix on its most recently issued Water Renewal Refunding Bonds, as of the Enforceability Date is five percent (5%). Under this example, the applicable resulting interest rate would be six percent (6%) [5% + 1% = 6%] and payments including interest under this Subparagraph 4.3.2.1 would be calculated as follows: The City would make an initial payment of $500,000. The first annual installment would be in the principal amount of [$1,000,000 x 1/8 = $125,000] plus interest on the unpaid balance of [$1,000,000 - $500,000 = $500,000] in the amount of [$500,000 x .06 = $30,000], for a total payment of [$125,000 + $30,000 = $155,000]. The second annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $625,000 = $375,000] in the amount of

[$375,000 x .06 = $22,500], for a total payment of [$125,000 + $22,500 = $147,500]. The third annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $750,000 = $250,000] in the amount of [$250,000 x .06 = $15,000], for a total payment of [$125,000 + $15,000 = $140,000]. The fourth and final annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $875,000 = $125,000] in the amount of [$125,000 x .06 = $7,500], for a total payment of [$125,000 + 7,500 = $132,500].

4.3.2.2 An initial payment of one-fifteenth (1/15) of the Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the term begins, with the balance paid in fourteen (14) annual payments payable on the next fourteen (14) anniversary dates of the date that the term begins. Each such payment shall be one-fifteenth of the Water Lease Charge plus interest on the unpaid balance at an annual rate of one percent (1%) over the Chase Manhattan Home Office prime rate (or if such bank ceases to exist, then the home office prime rate of a bank of similar size and stature, or if such bank merges with another institution, then the home office of the merged institution) as of the Enforceability Date. Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.2 shall be made, is as follows:

Assume, solely for purposes of this example, that the Water Lease Charge is $1,000,000 and that the Chase Manhattan Home Office prime rate (or if such bank ceases to exist, then the home office prime rate of a bank of similar size and

stature, or if such bank merges with another institution, then the home office of the merged institution) on the Enforceability Date is seven percent (7%). Under this example, the applicable resulting interest rate would be eight percent (8%) [7% + 1% = 8%] and the payments including interest under this Subparagraph 4.3.2.2 would be calculated as follows: The City would make an initial payment of $66,666.67 [$1,000,000 x 1/15 = $66,666.67]. The first annual installment would be in the principal amount of [$1,000,000 x 1/15 = $66,666.67] plus interest on the unpaid balance of [$1,000,000 - $66,666.67 = $933,333.33] in the amount of [$933,333.33 x .08 = $74,666.67], for a total payment of [$66,666.67 + $74,666.67 = $141,333.34]. The second annual installment would be in the principal amount of $66,666.67 plus interest on the unpaid balance of [$1,000,000 - $133,333.34 = $866,666.66] in the amount of [$866,666.66 x .08 = $69,333.33], for a total payment of [$66,666.67 + $69,333.33 = $136,000.00]. The third annual installment would be in the principal amount of $66,666.67 plus interest on the unpaid balance of [$1,000,000 - $200,000.01 = $799,999.99] in the amount of [$799,999.99 x .08 = $64,000.00], for a total payment of [$66,666.67 + $64,000.00 = $130,666.67]. The calculations and annual installments continue until the Water Lease Charge and all interest due have been paid in full.

4.3.3 Under either of the payment options set forth in Subparagraphs 4.3.2.1 and 4.3.2.2, without any prepayment penalty, the City may at any time elect to pay the remaining balance in full

together with interest on the unpaid balance to the date of such payment.

4.4 OM&R Costs. The City shall pay OM&R costs for the delivery of the Leased Water to the Operating Agency upon the same terms and conditions as are mandated by article 5.1 of the City's CAP M&I Water Service Subcontract No. 5-07-30-W008, as amended, ("City's M&I Water Service Subcontract") except that the City's obligation to pay such OM&R costs shall not begin earlier than the date that the City is entitled to receive water under this Lease Agreement, but in no event unless and until the water is scheduled for delivery by the City. Prior to the date that the term of this Lease Agreement (as described in Subparagraph 4.2) begins, the Community may use the Leased Water in accordance with the Community Water Delivery Contract.

4.5 Other Charges or Payments. Pursuant to section 205(e) of the Act, neither the Community nor the City shall be obligated to pay water service capital charges, M&I subcontract charges, or any other charges, payments, or fees for the Leased Water other than as provided in Subparagraphs 4.3, 4.4, and 4.12, and Paragraph 6.0 of this Lease Agreement.

4.6 Delivery of Water. The United States or the Operating Agency shall deliver the Community's Leased Water to the City as further provided herein; however, neither the United States nor the Operating Agency shall be obligated to make such deliveries if, in the judgment of the Operating Agency or the Secretary, delivery or schedule of deliveries to the City would limit deliveries of CAP water to any CAP Contractor, including the Community, or CAP Subcontractor to a degree greater than would direct deliveries to the Community. The United States or the Operating Agency shall deliver the Leased Water to the City in accordance with water delivery schedules provided by the City to the United States and the Operating Agency, and the Operating Agency shall

inform the Community of the amount of Leased Water delivered in the previous year. The water ordering procedures contained in article 4.4 of the City's CAP M&I Water Service Subcontract (or any replacement subcontracts) shall apply to the City's ordering of water under this Lease Agreement. In no event shall the United States or the Operating Agency be required to deliver to the City under this Lease Agreement, in any one month, a total amount of Leased Water greater than eleven percent (11%) of the City's annual maximum entitlement under this Lease Agreement; provided, however, that the United States or the Operating Agency may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of CAP water to other CAP Contractors and CAP Subcontractors, as determined by the United States and the Operating Agency if the City agrees to accept such increased deliveries.

4.6.1 Delivery of Water During Times of Shortages. Unless otherwise agreed to in writing, if a time of shortage exists, as described at subparagraphs 8.16.1.1 and 8.16.1.2 of the Settlement Agreement, the amount of Leased Water available to a City under its Lease Agreement shall be reduced by the same percentage by which water available for delivery as CAP M&I Priority Water is reduced in that Year in accordance with subparagraphs 8.16.2.1 and 8.16.2.2 of the Settlement Agreement.

4.7 Use of Leased Water Outside Reservation. The City may use or deliver Leased Water for use outside the boundaries of the Reservation, but may not use, lease, transfer the use of, or otherwise cause the Leased Water to be delivered for use outside of the boundaries of the CAP Service Area, except for use within the City's water service area when the City's water service area extends beyond the CAP Service Area.

4.8 Conditions Relating to Delivery and Use. The City shall have the right to use Leased Water for any purpose that is consistent with Arizona law and not expressly prohibited by this Lease Agreement, including groundwater recharge as that term is defined in the CAP Repayment Contract. Except to the extent that this Lease Agreement conflicts with the terms of the City's M&I Water Service Subcontract, deliveries of Leased Water to the City and its use by the City shall be subject to the Conditions Relating to Delivery and Use in article 4.3 of the City's CAP M&I Water Service Subcontract. During the term of this Lease Agreement, the following subarticles or articles of the City's CAP M&I Water Service Subcontract shall apply to the City and to the City's use of water under this Lease Agreement: subarticles 4.5(c), 4.5(d), and 5.2(f); articles 4.6, 4.9, 5.3, 5.4, 5.5, 6.4, 6.6, 6.9, 6.10, 6.11, and 6.13. The City expressly approves and agrees to all the terms presently set out in the CAP Repayment Contract, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that CAP Repayment Contract, to the extent not inconsistent with the express provisions of this Lease Agreement.

4.9 Quality of Water. The Transferred Works shall be operated in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Secretary. The United States, the Community, and the Operating Agency make no warranty as to the quality of water and are under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The City waives its right to make a claim against the United States, the Operating Agency, the Community, other lessee(s), or CAP Subcontractor(s) because of changes in water quality caused by the commingling of Leased Water with other water.

4.10 Points of Delivery. The Leased Water to be delivered to the City pursuant to the provisions of this Lease Agreement shall be delivered at turnouts on the CAP water delivery system or such other points that may be agreed upon by the City, the United States and the Operating Agency.

4.11 Community's Covenants. The Community agrees:

(A) To observe and perform all obligations imposed on the Community by the Community Water Delivery Contract which are not assumed by the City so that the City's rights and duties are not in any way impaired;

(B) Not to execute any other lease of the Community Water that would impair the City's rights and duties hereunder;

(C) Not to alter or modify the terms of the Community Water Delivery Contract in such a way as to impair the City's rights hereunder or exercise any right or action permitted by the Community Water Delivery Contract so as to interfere with or change the rights and obligations of the City hereunder; and

(D) Not to terminate or cancel the Community Water Delivery Contract or transfer, convey or permit a transfer or conveyance of such contract so as to cause a termination of, interference with, or modification of the rights and obligations of the Community under it.

4.12 Assignment of Interest in Leased Water.

(A) General. The City may not transfer, assign, sublease or otherwise designate or authorize for the use of others all or any part of the Leased Water without the written approval of the Community and the Secretary.

(B) Assignment to the Cities. Notwithstanding the prohibition of Subparagraph 4.12(A) above, approval is hereby granted by the Secretary and the Community to the City, if the City is not in default of its payment obligations to the Community, to assign all or any part of its interest in Leased Water under this Lease Agreement to one or more of the Other Cities, or to their successor(s) in interest within the boundaries of their existing or future service areas. Before assigning any part of its interest in Leased Water under this Lease Agreement, the City shall offer such interest to all the Other Cities in equal shares. In the event that any of the Other Cities elects not to take its share of the City's assignment, the water shall then be offered to all of the remaining Other Cities in equal shares until the full amount of the water is so assigned. Such assignment shall be effective only upon the execution, by the assignor City and the assignee of a Voluntary Assignment and Assumption Agreement, the form of which is attached to this Lease Agreement as exhibit 4.12 (exhibit 17.1.1A of the Settlement Agreement). A copy of such Voluntary Assignment and Assumption Agreement shall be provided to the Operating Agency, the Community and the United States.

(C) Recovery of Costs Allowed. The City shall not assign all or any part of its interest in Leased Water hereunder for an amount in excess of that portion of the Water Lease Charge that is attributable to the portion of the Leased Water that is assigned. Nothing in this Lease Agreement shall affect the City's ability to recover actual future costs, if any, incurred for the transportation, treatment, and distribution of the assigned Leased Water.

4.13 Allocation and Repayment of CAP Costs. Pursuant to Section 204(d) of the Act, for the purposes of determining the allocation and repayment of costs of any stages of the CAP

constructed after December 10, 2004, the costs associated with the delivery of Leased Water shall be nonreimbursable and shall be excluded from the repayment obligation of CAWCD. Pursuant to Section 205(a)(7) of the Act, the costs associated with the construction of the CAP system allocable to the Community shall be nonreimbursable and shall be excluded from the repayment obligation of the Community. Pursuant to Section 205(a)(8) of the Act, no CAP water service capital charges shall be due or payable for the Leased Water.

5. [Intentionally not used].

6. DEFAULT AND REMEDIES

6.1 Events of Default. Any failure by the City to pay the consideration specified in Subparagraph 4.3 above within thirty (30) days after any such payments become due shall constitute a default of the City's obligations under this Lease Agreement.

6.2 Notice of Default. In the event of a default by the City as defined in Subparagraph 6.1 above, the Community shall provide written notice ("Notice of Default") to the City and contemporaneously, shall send copies of such notice to the Other Cities, specifying the default and demanding that the default be cured within ninety (90) days of the notice. Notice shall be given in the manner and to the City officers specified in Subparagraph 8.10 of this Lease Agreement. The Notice of Default shall specifically describe the default and state the amount due from the City, which amount shall be the sum of all payments due the Community that should have been paid, but were not paid ("Default Amount"). The purpose of this Subparagraph is to put the City and the Other Cities on notice as to the time and cause of default. De minimis mistakes in the Notice of Default shall not invalidate the effectiveness of the Notice of Default.

6.3 Remedies for Failure to Pay. If the City fails to cure a non-payment default in accordance with Subparagraph 6.4(A), and if none of the Other Cities cures the non-payment default pursuant to Subparagraph 6.4(B), the Community may terminate this Lease Agreement. If the Community terminates this Lease Agreement for non-payment, the Community shall be entitled to judgment as provided at Subparagraph 6.4(C), but shall not be entitled to any other remedy as a result of such a default.

6.4 Curing for City's Non-payment. After Notice of Default, the default may be cured as follows:

(A) First Grace Period. During the first thirty (30) days following the Notice of Default ("First Grace Period"), the City shall have the exclusive right to cure any such default by tendering the Default Amount to the Community together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the date that the missed payment became due ("Due Date"). During the first fifteen (15) days following the Notice of Default, the City shall provide written notice to the Other Cities declaring its intent whether it will cure the default, provided that all payments becoming due during the First Grace Period shall be automatically added to and become a part of the Default Amount and interest thereupon shall accrue in accordance with this provision.

(B) Second Grace Period. In the event that the defaulting City has not cured the default within thirty (30) days following the Notice of Default, the City, any of the Other Cities, and/or any combination thereof, may thereafter, but only within sixty (60) days following the end of the First Grace Period ("Second Grace Period"), cure the default by tendering the Default Amount to

the Community together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the Due Date. Each of the Other Cities that desires to succeed to the interest of the City shall, within sixty (60) days of the Notice of Default, give notice to the Other Cities and the City that it will be a curing city and declare the maximum amount of water that it will lease and succeed to the interest of the City. Each curing city shall succeed to the interest and obligation of the City to the extent of its contribution, and the City and each curing city shall execute an Assignment and Assumption Agreement in the form attached hereto as Exhibit 6.4 (exhibit 17.1.1.B of the Settlement Agreement) whereby the curing city or cities agree to be bound by the terms of this Lease Agreement to the extent of its/their contribution. The defaulting City shall be responsible for any proportionate remainder of any Default amount not cured by the Other Cities pursuant to this Subparagraph. A copy of such Assignment and Assumption Agreement(s) shall be provided by the curing city to the Operating Agency, the Community and the United States. The Community shall accept payment from such curing city or cities in lieu of payment by the City. If the curing cities collectively request more water than what is available for assignment and assumption under this Subparagraph, such curing cities shall succeed to the interest of the Cities in equal shares ("Equal Share Amount"); provided, however, if any of the curing cities requests less water than its Equal Share Amount, then the difference between that curing city's Equal Share Amount and the amount it requested shall be divided among the other curing cities in equal shares.

If the City fails to cure its default within the time-period set forth in this Subparagraph 6.4(B) it shall execute an Assignment and Assumption Agreement, the form of which is attached hereto as exhibit 6.4 with each curing city; provided, however, that if the default is not fully cured by the end

of the Second Grace Period, the City's right to Leased Water that has not been assigned pursuant to this Subparagraph shall be forfeited and the Community shall be entitled to the remedy described in Subparagraph 6.4(C) of this Lease Agreement *pro rata* for that portion that has not been cured as provided for herein. If the City or the City and any combination of the Other Cities have arranged to cure the default and the curing cities have signed all necessary Assignment and Assumption Agreements, but the City has either failed or refused to sign such agreement(s) before the end of the Second Grace Period, the Assignment and Assumption Agreements(s) shall be self-executing without the need for the City to sign an Assignment and Assumption Agreement, the form of which is attached hereto as Exhibit 6.4. A cure effected pursuant to this Subparagraph shall constitute full performance of such default payment obligation to the extent of the amount of Leased Water assigned and assumed.

(C) Default Amount. After Notice of Default and after failure to cure as provided for in Subparagraphs 6.4(A) and (B) hereof, the City will be indebted to the Community and the Community will be entitled to judgment for the Default Amount plus an amount equal to three percent (3%) of the balance of the Water Lease Charge not yet due and payable, together with interest on the three percent (3%) of the balance of the Water Lease Charge not yet due and payable, from the time of default until judgment is obtained, and such costs and reasonable attorneys fees as the Community incurs after the due date for obtaining and collecting judgment for the unpaid amounts as a result of such default. The balance of such amount shall continue to accrue interest at the rate of ten percent (10%) per annum until paid in full. Payment of this amount plus such accrued interest as provided in this Subparagraph shall constitute full performance of the City's obligations

under Subparagraph 4.3 of this Lease Agreement.

7.0 TERMINATION AND SURRENDER OF WATER

7.1 Voluntary Termination of this Lease. After offering to assign the Leased Water to the Cities identified in and in accordance with Subparagraph 4.12, the City may terminate this Lease Agreement at any time by submitting written notice to the Community of its decision to terminate at least one year prior to the time that it intends the Lease Agreement to be terminated, provided, however, the City must receive the written approval of the Community before it may terminate this Lease Agreement pursuant to this Subparagraph 7.1 unless the City has paid the Community at least one-fourth of the Water Lease Charge (plus any interest due) set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the Community's agreement that the City may withdraw its notice. The City shall continue to make all payments required by this Lease Agreement during that one-year period and shall not use any Leased Water beyond the day for which the last payment is intended to pay. If the City terminates this Lease Agreement, all sums paid by the City to the Community prior to the date of termination shall remain the property of the Community and shall be non-refundable to the City.

7.2 Voluntary Surrender of a Portion of the Leased Water. After offering to transfer, assign or sublease the Leased Water to the Other Cities identified in and in accordance with Subparagraph 4.12, the City may elect, at any time during the term of this Lease Agreement to surrender its interest in any portion of the Leased Water by providing written notice to the Community of its decision to surrender such interest at least one year prior to the time that it intends to surrender its interest. However, the City must receive the written approval of the

Community before it may surrender any portion of its interest under this Lease Agreement pursuant to this Subparagraph 7.2 unless the City has paid the Community at least one-fourth of the Water Lease Charge set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the Community's agreement that the City may withdraw its notification. The City shall continue to make all payments required of this Lease Agreement during that one year period of time and shall not use any Leased Water that will be surrendered pursuant to this Subparagraph 7.2 beyond the day for which the last payment is intended to pay. If the City surrenders its interest in all or any portion of the Leased Water, all sums paid by the City to the Community for such water prior to the date of surrender shall remain the property of the Community and shall be non-refundable to the City. All portions of the Lease Agreement shall remain in effect for all the portions of the Leased Water that are not surrendered. To the extent that the retained portion of the Leased Water has not already been paid for by the City, payment shall be in proportion to the amount of water retained by the City, charged at the per acre-foot charge, including applicable interest, for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement for the years remaining on the term of this Lease Agreement. At the time of the surrender of Leased Water pursuant to this Subparagraph 7.2, the City shall pay to the Community an amount equal to three percent (3%) of the principal payment for the portion of the Leased Water surrendered.

8. GENERAL PROVISIONS

8.1 United States Consent to Lease Agreement. The United States hereby approves and

consents to this Lease Agreement.

8.2 Lease Agreement Renegotiation. The Parties to this Lease Agreement agree that the Community and the City may renegotiate this Lease Agreement at any time during its term, as provided in Subparagraph 8.5 of the Settlement Agreement.

8.3 Lease Agreement Extension. If the ADWR final rule referenced in Subparagraph 8.5 can be satisfied by an extension of the term of this Lease Agreement to allow Leased Water to be counted in the City's Assured Water supply, the Community agrees to meet with the City and discuss the extension of the term of the Lease Agreement.

8.4 Effective Date. This Lease Agreement shall become effective upon the occurrence of the last of the following events: (1) a date thirty (30) days after the Enforceability Date; (2) ADWR's adoption of a rule, satisfactory to the City, consistent with the Groundwater Code, that enables the City to use Leased Water as part of an Assured Water Supply; and (3) the execution of this Lease Agreement by all Parties.

8.5 Rejection of Lease Agreement. Thirty (30) days after the Enforceability Date a City at its option may, upon written notice to the Community, reject this Lease Agreement whether or not ADWR has adopted a final rule enabling the Cities to use the Leased Water as part of an Assured Water Supply. In the event a City rejects this Lease Agreement pursuant to this Subparagraph 8.5, the City shall have no obligations under this Lease Agreement and the City's entitlement shall be offered to the Other Cities in equal shares until that water is fully leased.

8.6 Enforceability of Lease Agreement. Upon the occurrence of the events listed in Subparagraph 8.4, this Lease Agreement shall be enforceable between the Community and the City

notwithstanding the performance or non-performance of other provisions of the Settlement Agreement not related to this Lease Agreement. The provisions of the Settlement Agreement that relate to this Lease Agreement include, without limitation, Paragraphs 8.0, and 17.0.

8.7 Invalidity of Lease Agreement. If, as a result of any acts or omissions by a person or entity not a Party to this Lease Agreement, the City's entitlement to Leased Water under this Lease Agreement is determined to be invalid by a final judgment entered over the opposition of the City with the result that the Lease Agreement is deemed null and void, the Community shall refund to the City that portion of the lease payment that the number of years remaining in the lease term at the time of such determination bears to the total lease term.

8.8 Approval, Consent and Ratification. Each Party to this Lease Agreement, does by execution of the signature pages hereto, approve, endorse, consent to and ratify this Lease Agreement.

8.9 Counterparts. This Lease Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

8.10 Notice. Any notice to be given or payment to be made under this Lease Agreement shall be properly given or made when received by the officer designated below, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows (or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Section 8.10):

(a) As to the United States:
The Secretary of the Interior
Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Regional Director
Western Region Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 61470
Boulder City, Nevada 89005

(b) As to the Community:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the Cities:

Chandler City Manager
P.0. Box 4008 Mail Stop 605
Chandler, AZ 85244-4008

Chandler City Attorney
P.O. Box 4008 Mail Stop 602
Chandler, Arizona 85225- 4008

Glendale City Manager
5850 West Glendale Ave.

Glendale, AZ 85301

Glendale City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

Goodyear City Manager
190 North Litchfield Road
Goodyear, Arizona 85338

Goodyear City Attorney
190 North Litchfield Road
Goodyear, Arizona 85338

Mesa City Manager
P.O. Box 1466
Mesa, AZ 85211-1466

Mesa City Attorney
20 E. Main St., Ste. 850
P.O. Box 1466
Mesa, Arizona 85211-1466

Peoria City Manager
8401 West Monroe
Peoria, Arizona 85345

Peoria City Attorney
8401 West Monroe
Peoria, Arizona 85345-6560

Phoenix City Manager
200 West Washington, Suite 1200
Phoenix, Arizona 85003

Phoenix City Attorney
200 W. Washington, Suite 1300
Phoenix, Arizona 85003-1611

Scottsdale City Manager
3939 Drinkwater Blvd.
Scottsdale, AZ 85251

Scottsdale City Attorney
3939 Drinkwater Blvd.
Scottsdale, Arizona 85251

8.11 Governing Law. This Lease Agreement shall be governed by and construed in accordance with applicable Arizona and federal law.

8.12 Waiver. No waiver of any breach of any of the terms or conditions of this Lease Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Lease Agreement.

8.13 Severability. If any provision or clause of this Lease Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that no provision or clause shall be severed if the severance would deprive any Party of its material benefits under this Agreement.

8.14 Construction and Effect. This Lease Agreement and each of its provisions are to be construed fairly and reasonably and not strictly for or against any Party. The Paragraph and Subparagraph titles used in this Lease Agreement are for convenience only and shall not be considered in the construction of this Lease Agreement.

8.15 Successors and Assigns. Each of the terms and conditions of this Lease Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

8.16 Benefits of Lease Agreement. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Lease Agreement or to any benefit that may arise herefrom. This shall not be construed to extend to this Lease Agreement if made with a corporation or company for its general benefit.

8.17 Third Party Beneficiaries. With the exception of the Other Cities, which shall be third party beneficiaries for enforcement of Subparagraphs 4.12 and 6.4, there shall be no third party beneficiaries of this Lease Agreement.

8.18 Good Faith Negotiations. This Lease Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Lease Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the interpretation or enforcement of this Lease Agreement.

8.19 [Intentionally not used].

8.20 Attorneys' Fees. In the event of litigation between the Parties to enforce this Lease Agreement, the prevailing Party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, without limitation, court costs, attorneys' fees and discovery costs; provided, however, that this Subparagraph 8.20 shall not apply to the United States.

8.21 Remedies for Default on Matters other than Failure to Pay. The Community may enforce by the remedy of specific performance any City obligation, other than an obligation to pay which is addressed at Subparagraphs 6.3 and 6.4(C) of this Lease Agreement. The Community shall

not be entitled to any other remedy as a result of such default. Actions to enforce the terms and conditions of this Lease Agreement are subject to the provisions of Subparagraph 8.20.

IN WITNESS WHEREOF the Parties have executed this Lease Agreement on the date written above.

FOR THE GILA RIVER INDIAN COMMUNITY

By: _____

Governor

Attest_____

Dated:_____

Approved as to form:

By: _____

FOR THE UNITED STATES OF AMERICA

By: _____

Regional Director
Lower Colorado Region
Bureau of Reclamation
Dated:

By: _____

Regional Director
Western Region
Bureau of Indian Affairs
Dated:

FOR THE CITY OF GOODYEAR

By: _____

Title

Dated: _____

Attest: _____

City Clerk

Approved as

to form:_____

City Attorney

Final Execution Version
October 21, 2005

Exhibit 4.12 of the Goodyear Lease Agreement (form of which is exhibit 17.1.1A of the Settlement Agreement)

VOLUNTARY ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of Goodyear ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Voluntary Assignment and Assumption Pursuant to Subparagraph 4.12 of Lease Agreement</u>.

This Voluntary Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, subparagraph 4.12 of the Lease Agreement. Except as provided in paragraph 2 of this Voluntary Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's

percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor's Lease Agreement for the period prior to the date hereof and Assignee shall have no liability therefor. Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date of this Voluntary Assignment and Assumption Agreement for the assigned portion of the Leased Water. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Voluntary Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Voluntary Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned to Assignee by this Voluntary Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor’s burdens and obligations as provided for herein.

5. **Counterparts.** This Voluntary Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Voluntary Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Voluntary Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto.

IN WITNESS WHEREOF the parties have executed this Voluntary Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Voluntary Assignment and Assumption Agreement certify that a copy of this Voluntary Assignment and Assumption Agreement was provided in accordance with subparagraphs 4.12 (B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency on _____ __, 2___.

Exhibit 6.4 of the Goodyear Lease Agreement
(form of which is exhibit 17.1.1B of the Settlement Agreement)

ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of Goodyear ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Assignment and Assumption Pursuant to Subparagraph 6.4 of Lease Agreement</u>. This Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, subparagraph 6.4 of the Lease Agreement. Except as provided in Paragraph 2 of this Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and

obligations arise from and after the date hereof, except that Assignee agrees to pay and be responsible to the Community for the Assignee's share of the Default Amount set forth in subparagraph 6.2 of the Lease Agreement. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor under the Lease Agreement for the period prior to the date of default under subparagraph 6.1 of the Lease Agreement and Assignee shall have no liability therefor. For the assigned portion of the Leased Water, Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date that this Assignment and Assumption Agreement is effective. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned by this Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor’s burdens and obligations as

provided for herein.

5. **Counterparts.** This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto and the Assignee has paid its share of the Default Amount in accordance with subparagraph 6.4 B of the Lease Agreement, or if not signed by Assignor, upon Assignee's signature in accordance with the provisions of subparagraph 6.4 B of the Lease Agreement describing “self execution”, and the Assignee’s payment of its share of the Default Amount.

IN WITNESS WHEREOF the parties have executed this Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

Title

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Assignment and Assumption Agreement certify that a copy of this Assignment and Assumption Agreement was provided in accordance with subparagraphs 6.4(B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency

on _____ __, 2___.

Final Execution Version
October 21, 2005

EXHIBIT 17.1C

LEASE AGREEMENT FOR CAP WATER AMONG THE CITY OF PHOENIX THE GILA RIVER INDIAN COMMUNITY AND THE UNITED STATES, AS TRUSTEE FOR THE GILA RIVER INDIAN COMMUNITY

1. PREAMBLE

This agreement providing for the lease of Central Arizona Project water ("Lease Agreement"), made this 15th day of May, ~~2005,~~ 2006 is among the United States of America (hereinafter "United States"), the Gila River Indian Community (hereinafter "Community") and the City of Phoenix, Arizona (hereinafter "City").

2. RECITALS

2.1 The Parties to this Lease Agreement are also parties to the Settlement Agreement as defined under Subparagraph 3.22 herein.

2.2 As partial consideration for entering into the Settlement Agreement, the Community and the City are entering into this Lease Agreement by which the Community will lease to the City a portion of the Community's CAP Indian Priority Water to which the Community is entitled in accordance with the Community Water Delivery Contract. The parties acknowledge that the consideration received by the Community in exchange for the Leased Water represents fair market value.

2.3 By the Arizona Water Settlements Act, Public Law 108-451 (118 Stat. 3478) (the "Act"), the United States confirmed the Settlement Agreement and specifically provided for an amendment to the Community Water Delivery Contract authorizing the Community to lease

Community CAP Water.

2.3.1 The Community Water Delivery Contract, which authorizes the Community to enter into this Lease Agreement, is attached to the Settlement Agreement as exhibit 8.2.

3.0 DEFINITIONS

3.1 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C.§§ 1521 et seq.).

3.2 "CAP Contractor" shall mean a person or entity that has entered into a long-term contract (as that term is used in the CAP Repayment Stipulation, which is defined in the Settlement Agreement in subparagraph 2.35) with the United States for delivery of water through the CAP System.

3.3 "CAP Repayment Contract" shall mean the contract dated December 1, 1988 (Contract No. 14-06-W-245, Amendment No. 1) between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project. The term "CAP Repayment Contract" includes all amendments to and revisions of that contract. This is the same contract referred to in the Act as Contract No. 14-0906-09W-09245, Amendment No. 1.

3.4 "CAP Subcontractor" shall mean a person or entity that has entered into a long-term subcontract (as that term is used in the CAP Repayment Stipulation, which is defined in the Settlement Agreement in subparagraph 2.35) with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

3.5 "CAWCD" or "Central Arizona Water Conservation District" shall mean the political subdivision of the State that is the contractor under the CAP Repayment Contract.

3.6 "CAP Service Area" or "District" shall mean the area included within the Central Arizona Water Conservation District, consisting of Maricopa, Pinal and Pima Counties, as well as any other counties, or portions thereof, that may hereafter become part of the District.

3.7 "Cities" shall mean the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Scottsdale.

3.8 "City" shall mean the City of Phoenix, an Arizona Municipal Corporation, its predecessors, successors and assigns.

3.9 "Community CAP Water" or "Community's CAP Water" shall mean water to which the Community is entitled pursuant to the Community Water Delivery Contract.

3.10 "Community Water Delivery Contract" shall mean Contract No. 3-07-30-W0284 between the Community and the United States dated October 22, 1992. The term "Community Water Delivery Contract" includes any amendments to the contract described in the preceding sentence. A copy of the Community Water Delivery Contract is attached as exhibit 8.2 of the Settlement Agreement. This is the same contract referred to in the Act as Contract No. 3-0907-0930-09W0284.

3.11 "CPI-U" shall mean the All Items Consumer Price Index All Urban Consumers, U.S. City Average (1982-84 = 100), which is published by the U.S. Department of Labor, Bureau of Labor Statistics.

3.12 "Enforceability Date" shall be the date on which the Secretary publishes in the

Federal Register the statement of findings described in Section 207(c) of the Act.

3.13 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated).* This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).*

3.14 "Gila River Indian Community" or "the Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

3.15 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

3.16 "Leased Water" shall mean that portion of the Community's CAP Indian Priority Water that is leased by the Community to the City pursuant to this Lease Agreement.

3.17 "OM&R" shall mean the care, operation, maintenance, and replacement of

the Transferred Works or any part thereof.

3.18 "Operating Agency" shall mean the entity or entities authorized to assume OM&R responsibility of all or any part of the Transferred Works and approved for that purpose by the Secretary or his designee acting in his behalf. CAWCD is the Operating Agency at the time of execution of this Lease Agreement.

3.19 "Other Cities" shall mean the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Scottsdale, except for the City defined in Subparagraph 3.8.

3.20 "Party" shall mean an entity represented by a signatory to this Lease Agreement. "Parties" shall mean more than one of these entities. The United States' participation as a Party shall be in the capacity as described in subparagraph 3.25.

3.21 "Secretary" shall mean the Secretary of the United States Department of the Interior.

3.22 "Settlement Agreement" shall mean that agreement entered into among and between the Cities, the Community and the United States, and other parties to that agreement settling specified water rights claims raised by the parties in the Gila River Adjudication Proceedings. This Lease Agreement constitutes exhibit 17.1C to the Settlement Agreement.

3.23 "Subparagraph" shall mean a subparagraph of this Lease Agreement.

3.24 "Transferred Works" shall mean such facilities of the CAP water supply system or of other construction stages as to which OM&R responsibility is transferred from the United States to the Operating Agency.

3.25 "United States" shall mean the United States of America acting: (i) as trustee

on behalf of the Community, Members, and Allottees, (ii) as owner of the Central Arizona Project; and (iii) in no other capacity.

3.26 "Water Lease Charge" shall be that amount of money paid to the Community for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this and other pertinent agreements, it is agreed as follows:

4.0 LEASE OF WATER

4.1 Subject of Lease. The Community hereby leases to the City of Phoenix fifteen thousand (15,000) acre-feet per year of Leased Water subject to the terms and conditions of the Community Water Delivery Contract except as agreed to herein. The City shall not be subject to amendments to the Community Water Delivery Contract subsequent to the execution of this Lease Agreement that adversely affect this Lease Agreement unless the City agrees to such amended terms in writing.

4.2 Term of Lease Agreement. The term of this Lease Agreement shall begin thirty (30) days after the Enforceability Date and end 100 years thereafter. At the Community's sole discretion and with the approval of the Secretary, the Community may enter into a separate lease agreement with the City for Community CAP Water upon such terms and conditions as may be negotiated at that time either during the term of this Lease Agreement or thereafter, provided however, that the term of any such separate lease shall not exceed one hundred (100) years.

4.3 City's Consideration During Initial Term of Lease Agreement.

4.3.1 In consideration for the Leased Water during the term of the Lease Agreement, the

City shall pay to the Community the one-time Water Lease Charge which is equal to the result obtained by multiplying the ratio determined by dividing the CPI-U published for the month in which the term begins by the CPI-U of 137.9 (as published for the month of December, 1991) ("ratio") by the base payment of One Thousand Two Hundred Three Dollars ($1,203) ("base payment"), and multiplying that product by fifteen thousand (15,000) acre-feet ("AF"). An example showing the manner in which the adjustment required by this Subparagraph 4.3.1 shall be made, and the manner in which the total consideration shall be calculated, is as follows:

Assuming, solely for purposes of this example, that the amount of water leased is 1,000 acre-feet per year and that the CPI-U index published for the month in which the date of initial payment of this Lease occurs is 207 ("current period").

Calculation (all numbers rounded to the nearest hundredth):

CPI-U for the month that the term begins	207
CPI-U as of December 1991	137.9
Ratio equals (207 divided by 137.9)	1.50
Base payment equals	$1,203
Product equals (1.5 x $1,203)	$1,804.50
Water Lease Charge equals ($1,804.5 x 1,000 AF)	$1,804,500

In the event the CPI-U index is discontinued or not otherwise available as of the month in which the term begins, the Parties shall select a comparable index.

4.3.2 The City may, at its election, pay the Water Lease Charge in full (without interest) within thirty (30) days after the date that the term begins. In lieu of making such payment,

the City may elect to make payment in either of the following ways:

4.3.2.1 An initial payment of one-half (1/2) of the Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the date that the term begins, with the remaining balance to be paid in four (4) annual payments, payable on the next four (4) anniversary dates of the date that the term begins. Each such payment shall be one-eighth (1/8) of the Water Lease Charge plus interest on the unpaid balance at an annual rate determined as follows: one percent (1%) over the net interest rate paid by the City of Phoenix on its most recently issued Water Renewal Refunding Bonds, as of the Enforceability Date. Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.1 shall be made, is as follows:

> Assume, solely for purposes of this example, that the Water Lease Charge is $1,000,000 and the net interest rate paid by the City of Phoenix on its most recently issued Water Renewal Refunding Bonds, as of the Enforceability Date is five percent (5%). Under this example, the applicable resulting interest rate would be six percent (6%) [5% + 1% = 6%] and payments including interest under this Subparagraph 4.3.2.1 would be calculated as follows: The City would make an initial payment of $500,000. The first annual installment would be in the principal amount of [$1,000,000 x 1/8 = $125,000] plus interest on the unpaid balance of [$1,000,000 - $500,000 = $500,000] in the amount of [$500,000 x .06 = $30,000], for a total payment of [$125,000 + $30,000 = $155,000]. The second annual installment would be in the principal amount of $125,000 plus interest on

the unpaid balance of [$1,000,000 - $625,000 = $375,000] in the amount of [$375,000 x .06 = $22,500], for a total payment of [$125,000 + $22,500 = $147,500]. The third annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $750,000 = $250,000] in the amount of [$250,000 x .06 = $15,000], for a total payment of [$125,000 + $15,000 = $140,000]. The fourth and final annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $875,000 = $125,000] in the amount of [$125,000 x .06 = $7,500], for a total payment of [$125,000 + 7,500 = $132,500].

4.3.2.2 An initial payment of one-fifteenth (1/15) of the Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the term begins, with the balance paid in fourteen (14) annual payments payable on the next fourteen (14) anniversary dates of the date that the term begins. Each such payment shall be one-fifteenth of the Water Lease Charge plus interest on the unpaid balance at an annual rate of one percent (1%) over the Chase Manhattan Home Office prime rate (or if such bank ceases to exist, then the home office prime rate of a bank of similar size and stature, or if such bank merges with another institution, then the home office of the merged institution) as of the Enforceability Date. Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.2 shall be made, is as follows:

Assume, solely for purposes of this example, that the Water Lease Charge is $1,000,000 and that the Chase Manhattan Home Office prime rate (or if such

bank ceases to exist, then the home office prime rate of a bank of similar size and stature, or if such bank merges with another institution, then the home office of the merged institution) on the Enforceability Date is seven percent (7%). Under this example, the applicable resulting interest rate would be eight percent (8%) [7% + 1% = 8%] and the payments including interest under this Subparagraph 4.3.2.2 would be calculated as follows: The City would make an initial payment of $66,666.67 [$1,000,000 x 1/15 = $66,666.67]. The first annual installment would be in the principal amount of [$1,000,000 x 1/15 = $66,666.67] plus interest on the unpaid balance of [$1,000,000 - $66,666.67 = $933,333.33] in the amount of [$933,333.33 x .08 = $74,666.67], for a total payment of [$66,666.67 + $74,666.67 = $141,333.34]. The second annual installment would be in the principal amount of $66,666.67 plus interest on the unpaid balance of [$1,000,000 - $133,333.34 = $866,666.66] in the amount of [$866,666.66 x .08 = $69,333.33], for a total payment of [$66,666.67 + $69,333.33 = $136,000.00]. The third annual installment would be in the principal amount of $66,666.67 plus interest on the unpaid balance of [$1,000,000 - $200,000.01 = $799,999.99] in the amount of [$799,999.99 x .08 = $64,000.00], for a total payment of [$66,666.67 + $64,000.00 = $130,666.67]. The calculations and annual installments continue until the Water Lease Charge and all interest due have been paid in full.

4.3.3 Under either of the payment options set forth in Subparagraphs 4.3.2.1 and 4.3.2.2,

without any prepayment penalty, the City may at any time elect to pay the remaining balance in full together with interest on the unpaid balance to the date of such payment.

4.4 OM&R Costs. The City shall pay OM&R costs for the delivery of the Leased Water to the Operating Agency upon the same terms and conditions as are mandated by article 5.1 of the City's CAP M&I Water Service Subcontract No. 5-07-30-W008, as amended, ("City's M&I Water Service Subcontract") except that the City's obligation to pay such OM&R costs shall not begin earlier than the date that the City is entitled to receive water under this Lease Agreement, but in no event unless and until the water is scheduled for delivery by the City. Prior to the date that the term of this Lease Agreement (as described in Subparagraph 4.2) begins, the Community may use the Leased Water in accordance with the Community Water Delivery Contract.

4.5 Other Charges or Payments. Pursuant to section 205(e) of the Act, neither the Community nor the City shall be obligated to pay water service capital charges, M&I subcontract charges, or any other charges, payments, or fees for the Leased Water other than as provided in Subparagraphs 4.3, 4.4, and 4.12, and Paragraph 6.0 of this Lease Agreement.

4.6 Delivery of Water. The United States or the Operating Agency shall deliver the Community's Leased Water to the City as further provided herein; however, neither the United States nor the Operating Agency shall be obligated to make such deliveries if, in the judgment of the Operating Agency or the Secretary, delivery or schedule of deliveries to the City would limit deliveries of CAP water to any CAP Contractor, including the Community, or CAP Subcontractor to a degree greater than would direct deliveries to the Community. The United States or the Operating Agency shall deliver the Leased Water to the City in accordance with water delivery schedules

provided by the City to the United States and the Operating Agency, and the Operating Agency shall inform the Community of the amount of Leased Water delivered in the previous year. The water ordering procedures contained in article 4.4 of the City's CAP M&I Water Service Subcontract (or any replacement subcontracts) shall apply to the City's ordering of water under this Lease Agreement. In no event shall the United States or the Operating Agency be required to deliver to the City under this Lease Agreement, in any one month, a total amount of Leased Water greater than eleven percent (11%) of the City's annual maximum entitlement under this Lease Agreement; provided, however, that the United States or the Operating Agency may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of CAP water to other CAP Contractors and CAP Subcontractors, as determined by the United States and the Operating Agency if the City agrees to accept such increased deliveries.

4.6.1 Delivery of Water During Times of Shortages. Unless otherwise agreed to in writing, if a time of shortage exists, as described at subparagraphs 8.16.1.1 and 8.16.1.2 of the Settlement Agreement, the amount of Leased Water available to a City under its Lease Agreement shall be reduced by the same percentage by which water available for delivery as CAP M&I Priority Water is reduced in that Year in accordance with subparagraphs 8.16.2.1 and 8.16.2.2 of the Settlement Agreement.

4.7 Use of Leased Water Outside Reservation. The City may use or deliver Leased Water for use outside the boundaries of the Reservation, but may not use, lease, transfer the use of, or otherwise cause the Leased Water to be delivered for use outside of the boundaries of the CAP Service Area, except for use within the City's water service area when the City's water service area

extends beyond the CAP Service Area.

4.8 Conditions Relating to Delivery and Use. The City shall have the right to use Leased Water for any purpose that is consistent with Arizona law and not expressly prohibited by this Lease Agreement, including groundwater recharge as that term is defined in theCAP Repayment Contract. Except to the extent that this Lease Agreement conflicts with the terms of the City's M&I Water Service Subcontract, deliveries of Leased Water to the City and its use by the City shall be subject to the Conditions Relating to Delivery and Use in article 4.3 of the City's CAP M&I Water Service Subcontract. During the term of this Lease Agreement, the following subarticles or articles of the City's CAP M&I Water Service Subcontract shall apply to the City and to the City's use of water under this Lease Agreement: subarticles 4.5(c), 4.5(d), and 5.2(f); articles 4.6, 4.9, 5.3, 5.4, 5.5, 6.4, 6.6, 6.9, 6.10, 6.11, and 6.13. The City expressly approves and agrees to all the terms presently set out in the CAP Repayment Contract, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that CAP Repayment Contract, to the extent not inconsistent with the express provisions of this Lease Agreement.

4.9 Quality of Water. The Transferred Works shall be operated in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Secretary. The United States, the Community, and the Operating Agency make no warranty as to the quality of water and are under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The City waives its right to make a claim against the United States, the Operating Agency, the Community, other lessee(s), or CAP Subcontractor(s) because of changes in water quality caused by the

commingling of Leased Water with other water.

4.10 Points of Delivery. The Leased Water to be delivered to the City pursuant to the provisions of this Lease Agreement shall be delivered at turnouts on the CAP water delivery system or such other points that may be agreed upon by the City, the United States and the Operating Agency.

4.11 Community's Covenants. The Community agrees:

(A) To observe and perform all obligations imposed on the Community by the Community Water Delivery Contract which are not assumed by the City so that the City's rights and duties are not in any way impaired;

(B) Not to execute any other lease of the Community Water that would impair the City's rights and duties hereunder;

(C) Not to alter or modify the terms of the Community Water Delivery Contract in such a way as to impair the City's rights hereunder or exercise any right or action permitted by the Community Water Delivery Contract so as to interfere with or change the rights and obligations of the City hereunder; and

(D) Not to terminate or cancel the Community Water Delivery Contract or transfer, convey or permit a transfer or conveyance of such contract so as to cause a termination of, interference with, or modification of the rights and obligations of the Community under it.

4.12 Assignment of Interest in Leased Water.

(A) General. The City may not transfer, assign, sublease or otherwise designate or authorize for the use of others all or any part of the Leased Water without the written approval of the

Community and the Secretary.

(B) Assignment to the Cities. Notwithstanding the prohibition of Subparagraph 4.12(A) above, approval is hereby granted by the Secretary and the Community to the City, if the City is not in default of its payment obligations to the Community, to assign all or any part of its interest in Leased Water under this Lease Agreement to one or more of the Other Cities, or to their successor(s) in interest within the boundaries of their existing or future service areas. Before assigning any part of its interest in Leased Water under this Lease Agreement, the City shall offer such interest to all the Other Cities in equal shares. In the event that any of the Other Cities elects not to take its share of the City's assignment, the water shall then be offered to all of the remaining Other Cities in equal shares until the full amount of the water is so assigned. Such assignment shall be effective only upon the execution, by the assignor City and the assignee of a Voluntary Assignment and Assumption Agreement, the form of which is attached to this Lease Agreement as exhibit 4.12 (exhibit 17.1.1A of the Settlement Agreement). A copy of such Voluntary Assignment and Assumption Agreement shall be provided to the Operating Agency, the Community and the United States.

(C) Recovery of Costs Allowed. The City shall not assign all or any part of its interest in Leased Water hereunder for an amount in excess of that portion of the Water Lease Charge that is attributable to the portion of the Leased Water that is assigned. Nothing in this Lease Agreement shall affect the City's ability to recover actual future costs, if any, incurred for the transportation, treatment, and distribution of the assigned Leased Water.

4.13 Allocation and Repayment of CAP Costs. Pursuant to Section 204(d) of the Act,

for the purposes of determining the allocation and repayment of costs of any stages of the CAP constructed after December 10, 2004, the costs associated with the delivery of Leased Water shall be nonreimbursable and shall be excluded from the repayment obligation of CAWCD. Pursuant to Section 205(a)(7) of the Act, the costs associated with the construction of the CAP system allocable to the Community shall be nonreimbursable and shall be excluded from the repayment obligation of the Community. Pursuant to Section 205(a)(8) of the Act, no CAP water service capital charges shall be due or payable for the Leased Water.

5. [Intentionally not used].

6. DEFAULT AND REMEDIES

6.1 Events of Default. Any failure by the City to pay the consideration specified in Subparagraph 4.3 above within thirty (30) days after any such payments become due shall constitute a default of the City's obligations under this Lease Agreement.

6.2 Notice of Default. In the event of a default by the City as defined in Subparagraph 6.1 above, the Community shall provide written notice ("Notice of Default") to the City and contemporaneously shall send copies of such notice to the Other Cities, specifying the default and demanding that the default be cured within ninety (90) days of the notice. Notice shall be given in the manner and to the City officers specified in Subparagraph 8.10 of this Lease Agreement. The Notice of Default shall specifically describe the default and state the amount due from the City, which amount shall be the sum of all payments due the Community that should have been paid, but were not paid ("Default Amount"). The purpose of this Subparagraph is to put the City and the Other Cities on notice as to the time and cause of default. De minimis mistakes in the Notice of

Default shall not invalidate the effectiveness of the Notice of Default.

6.3 Remedies for Failure to Pay. If the City fails to cure a non-payment default in accordance with Subparagraph 6.4(A), and if none of the Other Cities cures the non-payment default pursuant to Subparagraph 6.4(B), the Community may terminate this Lease Agreement. If the Community terminates this Lease Agreement for non-payment, the Community shall be entitled to judgment as provided at Subparagraph 6.4(C), but shall not be entitled to any other remedy as a result of such a default.

6.4 Curing for City's Non-payment. After Notice of Default, the default may be cured as follows:

(A) First Grace Period. During the first thirty (30) days following the Notice of Default ("First Grace Period"), the City shall have the exclusive right to cure any such default by tendering the Default Amount to the Community together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the date that the missed payment became due ("Due Date"). During the first fifteen (15) days following the Notice of Default, the City shall provide written notice to the Other Cities declaring its intent whether it will cure the default, provided that all payments becoming due during the First Grace Period shall be automatically added to and become a part of the Default Amount and interest thereupon shall accrue in accordance with this provision.

(B) Second Grace Period. In the event that the defaulting City has not cured the default within thirty (30) days following the Notice of Default, the City, any of the Other Cities, and/or any combination thereof, may thereafter, but only within sixty (60) days following the end of

the First Grace Period ("Second Grace Period"), cure the default by tendering the Default Amount to the Community together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the Due Date. Each of the Other Cities that desires to succeed to the interest of the City shall, within sixty (60) days of the Notice of Default, give notice to the Other Cities and the City that it will be a curing city and declare the maximum amount of water that it will lease and succeed to the interest of the City. Each curing city shall succeed to the interest and obligation of the City to the extent of its contribution, and the City and each curing city shall execute an Assignment and Assumption Agreement in the form attached hereto as Exhibit 6.4 (exhibit 17.1.1.B of the Settlement Agreement) whereby the curing city or cities agree to be bound by the terms of this Lease Agreement to the extent of its/their contribution. The defaulting City shall be responsible for any proportionate remainder of any Default amount not cured by the Other Cities pursuant to this Subparagraph. A copy of such Assignment and Assumption Agreement(s) shall be provided by the curing city to the Operating Agency, the Community and the United States. The Community shall accept payment from such curing city or cities in lieu of payment by the City. If the curing cities collectively request more water than what is available for assignment and assumption under this Subparagraph, such curing cities shall succeed to the interest of the Cities in equal shares ("Equal Share Amount"); provided, however, if any of the curing cities requests less water than its Equal Share Amount, then the difference between that curing city's Equal Share Amount and the amount it requested shall be divided among the other curing cities in equal shares.

If the City fails to cure its default within the time-period set forth in this Subparagraph 6.4(B) it shall execute an Assignment and Assumption Agreement, the form of which is attached hereto as

exhibit 6.4 with each curing city; provided, however, that if the default is not fully cured by the end of the Second Grace Period, the City's right to Leased Water that has not been assigned pursuant to this Subparagraph shall be forfeited and the Community shall be entitled to the remedy described in Subparagraph 6.4(C) of this Lease Agreement *pro rata* for that portion that has not been cured as provided for herein. If the City or the City and any combination of the Other Cities have arranged to cure the default and the curing cities have signed all necessary Assignment and Assumption Agreements, but the City has either failed or refused to sign such agreement(s) before the end of the Second Grace Period, the Assignment and Assumption Agreements(s) shall be self-executing without the need for the City to sign an Assignment and Assumption Agreement, the form of which is attached hereto as Exhibit 6.4. A cure effected pursuant to this Subparagraph shall constitute full performance of such default payment obligation to the extent of the amount of Leased Water assigned and assumed.

(C) Default Amount. After Notice of Default and after failure to cure as provided for in Subparagraphs 6.4(A) and (B) hereof, the City will be indebted to the Community and the Community will be entitled to judgment for the Default Amount plus an amount equal to three percent (3%) of the balance of the Water Lease Charge not yet due and payable, together with interest on the three percent (3%) of the balance of the Water Lease Charge not yet due and payable, from the time of default until judgment is obtained, and such costs and reasonable attorneys fees as the Community incurs after the due date for obtaining and collecting judgment for the unpaid amounts as a result of such default. The balance of such amount shall continue to accrue interest at the rate of ten percent (10%) per annum until paid in full. Payment of this amount plus such accrued

interest as provided in this Subparagraph shall constitute full performance of the City's obligations under Subparagraph 4.3 of this Lease Agreement.

7.0 TERMINATION AND SURRENDER OF WATER

7.1 Voluntary Termination of this Lease. After offering to assign the Leased Water to the Cities identified in and in accordance with Subparagraph 4.12, the City may terminate this Lease Agreement at any time by submitting written notice to the Community of its decision to terminate at least one year prior to the time that it intends the Lease Agreement to be terminated, provided, however, the City must receive the written approval of the Community before it may terminate this Lease Agreement pursuant to this Subparagraph 7.1 unless the City has paid the Community at least one-fourth of the Water Lease Charge (plus any interest due) set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the Community's agreement that the City may withdraw its notice. The City shall continue to make all payments required by this Lease Agreement during that one-year period and shall not use any Leased Water beyond the day for which the last payment is intended to pay. If the City terminates this Lease Agreement, all sums paid by the City to the Community prior to the date of termination shall remain the property of the Community and shall be non-refundable to the City.

7.2 Voluntary Surrender of a Portion of the Leased Water. After offering to transfer, assign or sublease the Leased Water to the Other Cities identified in and in accordance with Subparagraph 4.12, the City may elect, at any time during the term of this Lease Agreement to surrender its interest in any portion of the Leased Water by providing written notice to the Community of its decision to surrender such interest at least one year prior to the time that it intends

to surrender its interest. However, the City must receive the written approval of the Community before it may surrender any portion of its interest under this Lease Agreement pursuant to this Subparagraph 7.2 unless the City has paid the Community at least one-fourth of the Water Lease Charge set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the Community's agreement that the City may withdraw its notification. The City shall continue to make all payments required of this Lease Agreement during that one year period of time and shall not use any Leased Water that will be surrendered pursuant to this Subparagraph 7.2 beyond the day for which the last payment is intended to pay. If the City surrenders its interest in all or any portion of the Leased Water, all sums paid by the City to the Community for such water prior to the date of surrender shall remain the property of the Community and shall be non-refundable to the City. All portions of the Lease Agreement shall remain in effect for all the portions of the Leased Water that are not surrendered. To the extent that the retained portion of the Leased Water has not already been paid for by the City, payment shall be in proportion to the amount of water retained by the City, charged at the per acre-foot charge, including applicable interest, for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement for the years remaining on the term of this Lease Agreement. At the time of the surrender of Leased Water pursuant to this Subparagraph 7.2, the City shall pay to the Community an amount equal to three percent (3%) of the principal payment for the portion of the Leased Water surrendered.

8. GENERAL PROVISIONS

8.1 United States Consent to Lease Agreement. The United States hereby approves and

consents to this Lease Agreement.

8.2 Lease Agreement Renegotiation. The Parties to this Lease Agreement agree that the Community and the City may renegotiate this Lease Agreement at any time during its term, as provided in Subparagraph 8.5 of the Settlement Agreement.

8.3 Lease Agreement Extension. If the ADWR final rule referenced in Subparagraph 8.5 can be satisfied by an extension of the term of this Lease Agreement to allow Leased Water to be counted in the City's Assured Water supply, the Community agrees to meet with the City and discuss the extension of the term of the Lease Agreement.

8.4 Effective Date. This Lease Agreement shall become effective upon the occurrence of: (1) thirty (30) days after the Enforceability Date; (2) when ADWR adopts a rule, satisfactory to the City, consistent with the Groundwater Code, that enables it to use Leased Water as part of an Assured Water Supply; and (3) when it is signed by all Parties.

8.5 Rejection of Lease Agreement. Thirty (30) days after the Enforceability Date a City at its option may, upon written notice to the Community, reject this Lease Agreement whether or not ADWR has adopted a final rule enabling the Cities to use the Leased Water as part of an Assured Water Supply. In the event a City rejects this Lease Agreement pursuant to this Subparagraph 8.5, the City shall have no obligations under this Lease Agreement and the City's entitlement shall be offered to the Other Cities in equal shares until that water is fully leased.

8.6 Enforceability of Lease Agreement. Upon the occurrence of the events listed in Subparagraph 8.4, this Lease Agreement shall be enforceable between the Community and the City notwithstanding the performance or non-performance of other provisions of the Settlement

Agreement not related to this Lease Agreement. The provisions of the Settlement Agreement that relate to this Lease Agreement include, without limitation, Paragraphs 8.0, and 17.0.

8.7 Invalidity of Lease Agreement. If, as a result of any acts or omissions by a person or entity not a Party to this Lease Agreement, the City's entitlement to Leased Water under this Lease Agreement is determined to be invalid by a final judgment entered over the opposition of the City with the result that the Lease Agreement is deemed null and void, the Community shall refund to the City that portion of the lease payment that the number of years remaining in the lease term at the time of such determination bears to the total lease term.

8.8 Approval, Consent and Ratification. Each Party to this Lease Agreement, does by execution of the signature pages hereto, approve, endorse, consent to and ratify this Lease Agreement.

8.9 Counterparts. This Lease Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

8.10 Notice. Any notice to be given or payment to be made under this Lease Agreement shall be properly given or made when received by the officer designated below, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows (or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Section 8.10):

(a) As to the United States:
The Secretary of the Interior

Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Regional Director
Western Region Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 61470
Boulder City, Nevada 89005

(b) As to the Community:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the Cities:

Chandler City Manager
P.0. Box 4008 Mail Stop 605
Chandler, AZ 85244-4008

Chandler City Attorney
P.O. Box 4008 Mail Stop 602
Chandler, Arizona 85225- 4008

Glendale City Manager
5850 West Glendale Ave.
Glendale, AZ 85301

Glendale City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

Goodyear City Manager
190 North Litchfield Road
Goodyear, Arizona 85338

Goodyear City Attorney
190 North Litchfield Road
Goodyear, Arizona 85338

Mesa City Manager
P.O. Box 1466
Mesa, AZ 85211-1466

Mesa City Attorney
20 E. Main St., Ste. 850
P.O. Box 1466
Mesa, Arizona 85211-1466

Peoria City Manager
8401 West Monroe
Peoria, Arizona 85345

Peoria City Attorney
8401 West Monroe
Peoria, Arizona 85345-6560

Phoenix City Manager
200 West Washington, Suite 1200
Phoenix, Arizona 85003

Phoenix City Attorney
200 W. Washington, Suite 1300
Phoenix, Arizona 85003-1611

Scottsdale City Manager
3939 Drinkwater Blvd.
Scottsdale, AZ 85251

Scottsdale City Attorney

3939 Drinkwater Blvd.
Scottsdale, Arizona 85251

8.11 Governing Law. This Lease Agreement shall be governed by and construed in accordance with applicable Arizona and federal law.

8.12 Waiver. No waiver of any breach of any of the terms or conditions of this Lease Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Lease Agreement.

8.13 Severability. If any provision or clause of this Lease Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that no provision or clause shall be severed if the severance would deprive any Party of its material benefits under this Agreement.

8.14 Construction and Effect. This Lease Agreement and each of its provisions are to be construed fairly and reasonably and not strictly for or against any Party. The Paragraph and Subparagraph titles used in this Lease Agreement are for convenience only and shall not be considered in the construction of this Lease Agreement.

8.15 Successors and Assigns. Each of the terms and conditions of this Lease Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

8.16 Benefits of Lease Agreement. No member or delegate to Congress or Resident

Commissioner shall be admitted to any share or part of this Lease Agreement or to any benefit that may arise herefrom. This shall not be construed to extend to this Lease Agreement if made with a corporation or company for its general benefit.

8.17 Third Party Beneficiaries. With the exception of the Other Cities, which shall be third party beneficiaries for enforcement of Subparagraphs 4.12 and 6.4, there shall be no third party beneficiaries of this Lease Agreement.

8.18 Good Faith Negotiations. This Lease Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Lease Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the interpretation or enforcement of this Lease Agreement.

8.19 [Intentionally not used].

8.20 Attorneys' Fees. In the event of litigation between the Parties to enforce this Lease Agreement, the prevailing Party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, without limitation, court costs, attorneys' fees and discovery costs; provided, however, that this Subparagraph 8.20 shall not apply to the United States.

8.21 Remedies for Default on Matters other than Failure to Pay. The Community may enforce by the remedy of specific performance any City obligation, other than an obligation to pay which is addressed at Subparagraphs 6.3 and 6.4(C) of this Lease Agreement. The Community shall not be entitled to any other remedy as a result of such default. Actions to enforce the terms and

conditions of this Lease Agreement are subject to the provisions of Subparagraph 8.20.

IN WITNESS WHEREOF the Parties have executed this Lease Agreement on the date written above.

FOR THE GILA RIVER INDIAN COMMUNITY

By: _____

Governor

Attest_____

Dated:_____

Approved as to form:

By: _____

FOR THE UNITED STATES OF AMERICA

By: _____

Dated:

FOR THE CITY OF PHOENIX

By: _____

City Manager

Dated:_____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

Final Execution Version
October 21, 2005

Exhibit 4.12 of the Phoenix Lease Agreement
(form of which is exhibit 17.1.1A of the Settlement Agreement)

VOLUNTARY ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of Phoenix ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Voluntary Assignment and Assumption Pursuant to Subparagraph 4.12 of Lease Agreement</u>.

This Voluntary Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, subparagraph 4.12 of the Lease Agreement. Except as provided in paragraph 2 of this Voluntary Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's

percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor's Lease Agreement for the period prior to the date hereof and Assignee shall have no liability therefor. Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date of this Voluntary Assignment and Assumption Agreement for the assigned portion of the Leased Water. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Voluntary Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Voluntary Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned to Assignee by this Voluntary Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor’s burdens and obligations as provided for herein.

5. **Counterparts.** This Voluntary Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Voluntary Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Voluntary Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto.

IN WITNESS WHEREOF the parties have executed this Voluntary Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

City Manager

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Voluntary Assignment and Assumption Agreement certify that a copy of this Voluntary Assignment and Assumption Agreement was provided in accordance with subparagraphs 4.12 (B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency on _____ __, 2___.

Final Execution Version
October 21, 2005

Exhibit 6.4 of the Phoenix Lease Agreement
(form of which is exhibit 17.1.1B of the Settlement Agreement)

ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of Phoenix ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Assignment and Assumption Pursuant to Subparagraph 6.4 of Lease Agreement</u>. This Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, subparagraph 6.4 of the Lease Agreement. Except as provided in Paragraph 2 of this Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and

obligations arise from and after the date hereof, except that Assignee agrees to pay and be responsible to the Community for the Assignee's share of the Default Amount set forth in subparagraph 6.2 of the Lease Agreement. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor under the Lease Agreement for the period prior to the date of default under subparagraph 6.1 of the Lease Agreement and Assignee shall have no liability therefor. For the assigned portion of the Leased Water, Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date that this Assignment and Assumption Agreement is effective. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned by this Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor’s burdens and obligations as

provided for herein.

5. **Counterparts.** This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto and the Assignee has paid its share of the Default Amount in accordance with subparagraph 6.4 B of the Lease Agreement, or if not signed by Assignor, upon Assignee's signature in accordance with the provisions of subparagraph 6.4 B of the Lease Agreement describing “self execution”, and the Assignee’s payment of its share of the Default Amount.

IN WITNESS WHEREOF the parties have executed this Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

City Manager

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Assignment and Assumption Agreement certify that a copy of this Assignment and Assumption Agreement was provided in accordance with subparagraphs 6.4(B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency

on _____ __, 2___.

Final Execution Version
October 21, 2005

EXHIBIT 17.1D

LEASE AGREEMENT FOR CAP WATER AMONG THE CITY OF SCOTTSDALE THE GILA RIVER INDIAN COMMUNITY AND THE UNITED STATES, AS TRUSTEE FOR THE GILA RIVER INDIAN COMMUNITY

1. PREAMBLE

This agreement providing for the lease of Central Arizona Project water ("Lease Agreement"), made this 15th day of May, ~~2005,~~ 2006 is among the United States of America (hereinafter "United States"), the Gila River Indian Community (hereinafter "Community") and the City of Scottsdale, Arizona (hereinafter "City").

2. RECITALS

2.1 The Parties to this Lease Agreement are also parties to the Settlement Agreement as defined under Subparagraph 3.22 herein.

2.2 As partial consideration for entering into the Settlement Agreement, the Community and the City are entering into this Lease Agreement by which the Community will lease to the City a portion of the Community's CAP Indian Priority Water to which the Community is entitled in accordance with the Community Water Delivery Contract. The parties acknowledge that the consideration received by the Community in exchange for the Leased Water represents fair market value.

2.3 By the Arizona Water Settlements Act, Public Law 108-451 (118 Stat. 3478) (the "Act"), the United States confirmed the Settlement Agreement and specifically provided for an amendment to the Community Water Delivery Contract authorizing the Community to lease

Community CAP Water.

2.3.1 The Community Water Delivery Contract, which authorizes the Community to enter into this Lease Agreement, is attached to the Settlement Agreement as exhibit 8.2.

3.0 DEFINITIONS

3.1 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C.§§ 1521 et seq.).

3.2 "CAP Contractor" shall mean a person or entity that has entered into a long-term contract (as that term is used in the CAP Repayment Stipulation, which is defined in the Settlement Agreement in subparagraph 2.35) with the United States for delivery of water through the CAP System.

3.3 "CAP Repayment Contract" shall mean the contract dated December 1, 1988 (Contract No. 14-06-W-245, Amendment No. 1) between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project. The term "CAP Repayment Contract" includes all amendments to and revisions of that contract. This is the same contract referred to in the Act as Contract No. 14-0906-09W-09245, Amendment No. 1.

3.4 "CAP Subcontractor" shall mean a person or entity that has entered into a long-term subcontract (as that term is used in the CAP Repayment Stipulation, which is defined in the Settlement Agreement in subparagraph 2.35) with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

3.5 "CAWCD" or "Central Arizona Water Conservation District" shall mean the political subdivision of the State that is the contractor under the CAP Repayment Contract.

3.6 "CAP Service Area" or "District" shall mean the area included within the Central Arizona Water Conservation District, consisting of Maricopa, Pinal and Pima Counties, as well as any other counties, or portions thereof, that may hereafter become part of the District.

3.7 "Cities" shall mean the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Scottsdale.

3.8 "City" shall mean the City of Scottsdale, an Arizona Municipal Corporation, its predecessors, successors and assigns.

3.9 "Community CAP Water" or "Community's CAP Water" shall mean water to which the Community is entitled pursuant to the Community Water Delivery Contract.

3.10 "Community Water Delivery Contract" shall mean Contract No. 3-07-30-W0284 between the Community and the United States dated October 22, 1992. The term "Community Water Delivery Contract" includes any amendments to the contract described in the preceding sentence. A copy of the Community Water Delivery Contract is attached as exhibit 8.2 of the Settlement Agreement. This is the same contract referred to in the Act as Contract No. 3-0907-0930-09W0284.

3.11 "CPI-U" shall mean the All Items Consumer Price Index All Urban Consumers, U.S. City Average (1982-84 = 100), which is published by the U.S. Department of Labor, Bureau of Labor Statistics.

3.12 "Enforceability Date" shall be the date on which the Secretary publishes in the

Federal Register the statement of findings described in Section 207(c) of the Act.

3.13 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated).* This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).*

3.14 "Gila River Indian Community" or "the Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

3.15 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

3.16 "Leased Water" shall mean that portion of the Community's CAP Indian Priority Water that is leased by the Community to the City pursuant to this Lease Agreement.

3.17 "OM&R" shall mean the care, operation, maintenance, and replacement of

the Transferred Works or any part thereof.

3.18 "Operating Agency" shall mean the entity or entities authorized to assume OM&R responsibility of all or any part of the Transferred Works and approved for that purpose by the Secretary or his designee acting in his behalf. CAWCD is the Operating Agency at the time of execution of this Lease Agreement.

3.19 "Other Cities" shall mean the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Scottsdale, except for the City defined in Subparagraph 3.8.

3.20 "Party" shall mean an entity represented by a signatory to this Lease Agreement. "Parties" shall mean more than one of these entities. The United States' participation as a Party shall be in the capacity as described in subparagraph 3.25.

3.21 "Secretary" shall mean the Secretary of the United States Department of the Interior.

3.22 "Settlement Agreement" shall mean that agreement entered into among and between the Cities, the Community and the United States, and other parties to that agreement settling specified water rights claims raised by the parties in the Gila River Adjudication Proceedings. This Lease Agreement constitutes exhibit 17.1D to the Settlement Agreement.

3.23 "Subparagraph" shall mean a subparagraph of this Lease Agreement.

3.24 "Transferred Works" shall mean such facilities of the CAP water supply system or of other construction stages as to which OM&R responsibility is transferred from the United States to the Operating Agency.

3.25 "United States" shall mean the United States of America acting: (i) as trustee

on behalf of the Community, Members, and Allottees, (ii) as owner of the Central Arizona Project; and (iii) in no other capacity.

3.26 "Water Lease Charge" shall be that amount of money paid to the Community for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this and other pertinent agreements, it is agreed as follows:

4.0 LEASE OF WATER

4.1 Subject of Lease. The Community hereby leases to the City of Scottsdale twelve thousand (12,000) acre-feet per year of Leased Water subject to the terms and conditions of the Community Water Delivery Contract except as agreed to herein. The City shall not be subject to amendments to the Community Water Delivery Contract subsequent to the execution of this Lease Agreement that adversely affect this Lease Agreement unless the City agrees to such amended terms in writing.

4.2 Term of Lease Agreement. The term of this Lease Agreement shall begin thirty (30) days after the Enforceability Date and end 100 years thereafter. At the Community's sole discretion and with the approval of the Secretary, the Community may enter into a separate lease agreement with the City for Community CAP Water upon such terms and conditions as may be negotiated at that time either during the term of this Lease Agreement or thereafter, provided however, that the term of any such separate lease shall not exceed one hundred (100) years.

4.3 City's Consideration During Initial Term of Lease Agreement.

4.3.1 In consideration for the Leased Water during the term of the Lease Agreement, the

City shall pay to the Community the one-time Water Lease Charge which is equal to the result obtained by multiplying the ratio determined by dividing the CPI-U published for the month in which the term begins by the CPI-U of 137.9 (as published for the month of December, 1991) ("ratio") by the base payment of One Thousand Two Hundred Three Dollars ($1,203) ("base payment"), and multiplying that product by twelve thousand (12,000) acre-feet ("AF"). An example showing the manner in which the adjustment required by this Subparagraph 4.3.1 shall be made, and the manner in which the total consideration shall be calculated, is as follows:

Assuming, solely for purposes of this example, that the amount of water leased is 1,000 acre-feet per year and that the CPI-U index published for the month in which the date of initial payment of this Lease occurs is 207 ("current period").

Calculation (all numbers rounded to the nearest hundredth):

CPI-U for the month that the term begins	207
CPI-U as of December 1991	137.9
Ratio equals (207 divided by 137.9)	1.50
Base payment equals	$1,203
Product equals (1.5 x $1,203)	$1,804.50
Water Lease Charge equals ($1,804.5 x 1,000 AF)	$1,804,500

In the event the CPI-U index is discontinued or not otherwise available as of the month in which the term begins, the Parties shall select a comparable index.

4.3.2 The City may, at its election, pay the Water Lease Charge in full (without interest) within thirty (30) days after the date that the term begins. In lieu of making such payment,

the City may elect to make payment in either of the following ways:

4.3.2.1 An initial payment of one-half (1/2) of the Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the date that the term begins, with the remaining balance to be paid in four (4) annual payments, payable on the next four (4) anniversary dates of the date that the term begins. Each such payment shall be one-eighth (1/8) of the Water Lease Charge plus interest on the unpaid balance at an annual rate determined as follows: one percent (1%) over the net interest rate paid by the City of Phoenix on its most recently issued Water Renewal Refunding Bonds, as of the Enforceability Date Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.1 shall be made, is as follows:

> Assume, solely for purposes of this example, that the Water Lease Charge is $1,000,000 and the net interest rate paid by the City of Phoenix on its most recently issued Water Renewal Refunding Bonds, as of the Enforceability Date is five percent (5%). Under this example, the applicable resulting interest rate would be six percent (6%) [5% + 1% = 6%] and payments including interest under this Subparagraph 4.3.2.1 would be calculated as follows: The City would make an initial payment of $500,000. The first annual installment would be in the principal amount of [$1,000,000 x 1/8 = $125,000] plus interest on the unpaid balance of [$1,000,000 - $500,000 = $500,000] in the amount of [$500,000 x .06 = $30,000], for a total payment of [$125,000 + $30,000 = $155,000]. The second annual installment would be in the principal amount of $125,000 plus interest on

the unpaid balance of [$1,000,000 - $625,000 = $375,000] in the amount of [$375,000 x .06 = $22,500], for a total payment of [$125,000 + $22,500 = $147,500]. The third annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $750,000 = $250,000] in the amount of [$250,000 x .06 = $15,000], for a total payment of [$125,000 + $15,000 = $140,000]. The fourth and final annual installment would be in the principal amount of $125,000 plus interest on the unpaid balance of [$1,000,000 - $875,000 = $125,000] in the amount of [$125,000 x .06 = $7,500], for a total payment of [$125,000 + 7,500 = $132,500].

4.3.2.2 An initial payment of one-fifteenth (1/15) of the Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the term begins, with the balance paid in fourteen (14) annual payments payable on the next fourteen (14) anniversary dates of the date that the term begins. Each such payment shall be one-fifteenth of the Water Lease Charge plus interest on the unpaid balance at an annual rate of one percent (1%) over the Chase Manhattan Home Office prime rate (or if such bank ceases to exist, then the home office prime rate of a bank of similar size and stature, or if such bank merges with another institution, then the home office of the merged institution) as of the Enforceability Date. Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.2 shall be made, is as follows:

Assume, solely for purposes of this example, that the Water Lease Charge is $1,000,000 and that the Chase Manhattan Home Office prime rate (or if such

bank ceases to exist, then the home office prime rate of a bank of similar size and stature, or if such bank merges with another institution, then the home office of the merged institution) on the Enforceability Date is seven percent (7%). Under this example, the applicable resulting interest rate would be eight percent (8%) [7% + 1% = 8%] and the payments including interest under this Subparagraph 4.3.2.2 would be calculated as follows: The City would make an initial payment of $66,666.67 [$1,000,000 x 1/15 = $66,666.67]. The first annual installment would be in the principal amount of [$1,000,000 x 1/15 = $66,666.67] plus interest on the unpaid balance of [$1,000,000 - $66,666.67 = $933,333.33] in the amount of [$933,333.33 x .08 = $74,666.67], for a total payment of [$66,666.67 + $74,666.67 = $141,333.34]. The second annual installment would be in the principal amount of $66,666.67 plus interest on the unpaid balance of [$1,000,000 - $133,333.34 = $866,666.66] in the amount of [$866,666.66 x .08 = $69,333.33], for a total payment of [$66,666.67 + $69,333.33 = $136,000.00]. The third annual installment would be in the principal amount of $66,666.67 plus interest on the unpaid balance of [$1,000,000 - $200,000.01 = $799,999.99] in the amount of [$799,999.99 x .08 = $64,000.00], for a total payment of [$66,666.67 + $64,000.00 = $130,666.67]. The calculations and annual installments continue until the Water Lease Charge and all interest due have been paid in full.

4.3.3 Under either of the payment options set forth in Subparagraphs 4.3.2.1 and 4.3.2.2,

without any prepayment penalty, the City may at any time elect to pay the remaining balance in full together with interest on the unpaid balance to the date of such payment.

4.4 OM&R Costs. The City shall pay OM&R costs for the delivery of the Leased Water to the Operating Agency upon the same terms and conditions as are mandated by article 5.1 of the City's CAP M&I Water Service Subcontract No. 5-07-30-W0063, as amended, ("City's M&I Water Service Subcontract") except that the City's obligation to pay such OM&R costs shall not begin earlier than the date that the City is entitled to receive water under this Lease Agreement, but in no event unless and until the water is scheduled for delivery by the City. Prior to the date that the term of this Lease Agreement (as described in Subparagraph 4.2) begins, the Community may use the Leased Water in accordance with the Community Water Delivery Contract.

4.5 Other Charges or Payments. Pursuant to section 205(e) of the Act, neither the Community nor the City shall be obligated to pay water service capital charges, M&I subcontract charges, or any other charges, payments, or fees for the Leased Water other than as provided in Subparagraphs 4.3, 4.4, and 4.12, and Paragraph 6.0 of this Lease Agreement.

4.6 Delivery of Water. The United States or the Operating Agency shall deliver the Community's Leased Water to the City as further provided herein; however, neither the United States nor the Operating Agency shall be obligated to make such deliveries if, in the judgment of the Operating Agency or the Secretary, delivery or schedule of deliveries to the City would limit deliveries of CAP water to any CAP Contractor, including the Community, or CAP Subcontractor to a degree greater than would direct deliveries to the Community. The United States or the Operating Agency shall deliver the Leased Water to the City in accordance with water delivery schedules

provided by the City to the United States and the Operating Agency, and the Operating Agency shall inform the Community of the amount of Leased Water delivered in the previous year. The water ordering procedures contained in article 4.4 of the City's CAP M&I Water Service Subcontract (or any replacement subcontracts) shall apply to the City's ordering of water under this Lease Agreement. In no event shall the United States or the Operating Agency be required to deliver to the City under this Lease Agreement, in any one month, a total amount of Leased Water greater than eleven percent (11%) of the City's annual maximum entitlement under this Lease Agreement; provided, however, that the United States or the Operating Agency may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of CAP water to other CAP Contractors and CAP Subcontractors, as determined by the United States and the Operating Agency if the City agrees to accept such increased deliveries.

4.6.1 Delivery of Water During Times of Shortages. Unless otherwise agreed to in writing, if a time of shortage exists, as described at subparagraphs 8.16.1.1 and 8.16.1.2 of the Settlement Agreement, the amount of Leased Water available to a City under its Lease Agreement shall be reduced by the same percentage by which water available for delivery as CAP M&I Priority Water is reduced in that Year in accordance with subparagraphs 8.16.2.1 and 8.16.2.2 of the Settlement Agreement.

4.7 Use of Leased Water Outside Reservation. The City may use or deliver Leased Water for use outside the boundaries of the Reservation, but may not use, lease, transfer the use of, or otherwise cause the Leased Water to be delivered for use outside of the boundaries of the CAP Service Area, except for use within the City's water service area when the City's water service area

extends beyond the CAP Service Area.

4.8 Conditions Relating to Delivery and Use. The City shall have the right to use Leased Water for any purpose that is consistent with Arizona law and not expressly prohibited by this Lease Agreement, including groundwater recharge as that term is defined in the CAP Repayment Contract. Except to the extent that this Lease Agreement conflicts with the terms of the City's M&I Water Service Subcontract, deliveries of Leased Water to the City and its use by the City shall be subject to the Conditions Relating to Delivery and Use in article 4.3 of the City's CAP M&I Water Service Subcontract. During the term of this Lease Agreement, the following subarticles or articles of the City's CAP M&I Water Service Subcontract shall apply to the City and to the City's use of water under this Lease Agreement: subarticles 4.5(c), 4.5(d), and 5.2(f); articles 4.6, 4.9, 5.3, 5.4, 5.5, 6.4, 6.6, 6.9, 6.10, 6.11, and 6.13. The City expressly approves and agrees to all the terms presently set out in the CAP Repayment Contract, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that CAP Repayment Contract, to the extent not inconsistent with the express provisions of this Lease Agreement.

4.9 Quality of Water. The Transferred Works shall be operated in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Secretary. The United States, the Community, and the Operating Agency make no warranty as to the quality of water and are under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The City waives its right to make a claim against the United States, the Operating Agency, the Community, other lessee(s), or CAP Subcontractor(s) because of changes in water quality caused by the

commingling of Leased Water with other water.

4.10 Points of Delivery. The Leased Water to be delivered to the City pursuant to the provisions of this Lease Agreement shall be delivered at turnouts on the CAP water delivery system or such other points that may be agreed upon by the City, the United States and the Operating Agency.

4.11 Community's Covenants. The Community agrees:

(A) To observe and perform all obligations imposed on the Community by the Community Water Delivery Contract which are not assumed by the City so that the City's rights and duties are not in any way impaired;

(B) Not to execute any other lease of the Community's CAP Water that would impair the City's rights and duties hereunder;

(C) Not to alter or modify the terms of the Community Water Delivery Contract in such a way as to impair the City's rights hereunder or exercise any right or action permitted by the Community Water Delivery Contract so as to interfere with or change the rights and obligations of the City hereunder; and

(D) Not to terminate or cancel the Community Water Delivery Contract or transfer, convey or permit a transfer or conveyance of such contract so as to cause a termination of, interference with, or modification of the rights and obligations of the Community under it.

4.12 Assignment of Interest in Leased Water.

(A) General. The City may not transfer, assign, sublease or otherwise designate or authorize for the use of others all or any part of the Leased Water without the written approval of the

Community and the Secretary.

(B) Assignment to the Cities. Notwithstanding the prohibition of Subparagraph 4.12(A) above, approval is hereby granted by the Secretary and the Community to the City, if the City is not in default of its payment obligations to the Community, to assign all or any part of its interest in Leased Water under this Lease Agreement to one or more of the Other Cities, or to their successor(s) in interest within the boundaries of their existing or future service areas. Before assigning any part of its interest in Leased Water under this Lease Agreement, the City shall offer such interest to all the Other Cities in equal shares. In the event that any of the Other Cities elects not to take its share of the City's assignment, the water shall then be offered to all of the remaining Other Cities in equal shares until the full amount of the water is so assigned. Such assignment shall be effective only upon the execution, by the assignor City and the assignee of a Voluntary Assignment and Assumption Agreement, the form of which is attached to this Lease Agreement as exhibit 4.12 (exhibit 17.1.1A of the Settlement Agreement). A copy of such Voluntary Assignment and Assumption Agreement shall be provided to the Operating Agency, the Community and the United States.

(C) Recovery of Costs Allowed. The City shall not assign all or any part of its interest in Leased Water hereunder for an amount in excess of that portion of the Water Lease Charge that is attributable to the portion of the Leased Water that is assigned. Nothing in this Lease Agreement shall affect the City's ability to recover actual future costs, if any, incurred for the transportation, treatment, and distribution of the assigned Leased Water.

4.13 Allocation and Repayment of CAP Costs. Pursuant to Section 204(d) of the Act,

for the purposes of determining the allocation and repayment of costs of any stages of the CAP constructed after December 10, 2004, the costs associated with the delivery of Leased Water shall be nonreimbursable and shall be excluded from the repayment obligation of CAWCD. Pursuant to Section 205(a)(7) of the Act, the costs associated with the construction of the CAP system allocable to the Community shall be nonreimbursable and shall be excluded from the repayment obligation of the Community. Pursuant to Section 205(a)(8) of the Act, no CAP water service capital charges shall be due or payable for the Leased Water.

5. [Intentionally not used].

6. DEFAULT AND REMEDIES

6.1 Events of Default. Any failure by the City to pay the consideration specified in Subparagraph 4.3 above within thirty (30) days after any such payments become due shall constitute a default of the City's obligations under this Lease Agreement.

6.2 Notice of Default. In the event of a default by the City as defined in Subparagraph 6.1 above, the Community shall provide written notice ("Notice of Default") to the City and contemporaneously shall send copies of such notice to the Other Cities, specifying the default and demanding that the default be cured within ninety (90) days of the notice. Notice shall be given in the manner and to the City officers specified in Subparagraph 8.10 of this Lease Agreement. The Notice of Default shall specifically describe the default and state the amount due from the City, which amount shall be the sum of all payments due the Community that should have been paid, but were not paid ("Default Amount"). The purpose of this Subparagraph is to put the City and the Other Cities on notice as to the time and cause of default. De minimis mistakes in the Notice of

Default shall not invalidate the effectiveness of the Notice of Default.

6.3 Remedies for Failure to Pay. If the City fails to cure a non-payment default in accordance with Subparagraph 6.4(A), and if none of the Other Cities cures the non-payment default pursuant to Subparagraph 6.4(B), the Community may terminate this Lease Agreement. If the Community terminates this Lease Agreement for non-payment, the Community shall be entitled to judgment as provided at Subparagraph 6.4(C), but shall not be entitled to any other remedy as a result of such a default.

6.4 Curing for City's Non-payment. After Notice of Default, the default may be cured as follows:

(A) First Grace Period. During the first thirty (30) days following the Notice of Default ("First Grace Period"), the City shall have the exclusive right to cure any such default by tendering the Default Amount to the Community together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the date that the missed payment became due ("Due Date"). During the first fifteen (15) days following the Notice of Default, the City shall provide written notice to the Other Cities declaring its intent whether it will cure the default, provided that all payments becoming due during the First Grace Period shall be automatically added to and become a part of the Default Amount and interest thereupon shall accrue in accordance with this provision.

(B) Second Grace Period. In the event that the defaulting City has not cured the default within thirty (30) days following the Notice of Default, the City, any of the Other Cities, and/or any combination thereof, may thereafter, but only within sixty (60) days following the end of

the First Grace Period ("Second Grace Period"), cure the default by tendering the Default Amount to the Community together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the Due Date. Each of the Other Cities that desires to succeed to the interest of the City shall, within sixty (60) days of the Notice of Default, give notice to the Other Cities and the City that it will be a curing city and declare the maximum amount of water that it will lease and succeed to the interest of the City. Each curing city shall succeed to the interest and obligation of the City to the extent of its contribution, and the City and each curing city shall execute an Assignment and Assumption Agreement in the form attached hereto as Exhibit 6.4 (exhibit 17.1.1.B of the Settlement Agreement) whereby the curing city or cities agrees to be bound by the terms of this Lease Agreement to the extent of its/their contribution. The defaulting City shall be responsible for any proportionate remainder of any Default amount not cured by the Other Cities pursuant to this Subparagraph. A copy of such Assignment and Assumption Agreement(s) shall be provided by the curing city to the Operating Agency, the Community and the United States. The Community shall accept payment from such curing city or cities in lieu of payment by the City. If the curing cities collectively request more water than what is available for assignment and assumption under this Subparagraph, such curing cities shall succeed to the interest of the Cities in equal shares ("Equal Share Amount"); provided, however, if any of the curing cities requests less water than its Equal Share Amount, then the difference between that curing city's Equal Share Amount and the amount it requested shall be divided among the other curing cities in equal shares.

If the City fails to cure its default within the time-period set forth in this Subparagraph 6.4(B) it shall execute an Assignment and Assumption Agreement, the form of which is attached hereto as

exhibit 6.4 with each curing city; provided, however, that if the default is not fully cured by the end of the Second Grace Period, the City's right to Leased Water that has not been assigned pursuant to this Subparagraph shall be forfeited and the Community shall be entitled to the remedy described in Subparagraph 6.4(C) of this Lease Agreement *pro rata* for that portion that has not been cured as provided for herein. If the City or the City and any combination of the Other Cities have arranged to cure the default and the curing cities have signed all necessary Assignment and Assumption Agreements, but the City has either failed or refused to sign such agreement(s) before the end of the Second Grace Period, the Assignment and Assumption Agreements(s) shall be self-executing without the need for the City to sign an Assignment and Assumption Agreement, the form of which is attached hereto as Exhibit 6.4. A cure effected pursuant to this Subparagraph shall constitute full performance of such default payment obligation to the extent of the amount of Leased Water assigned and assumed.

(C) Default Amount. After Notice of Default and after failure to cure as provided for in Subparagraphs 6.4(A) and (B) hereof, the City will be indebted to the Community and the Community will be entitled to judgment for the Default Amount plus an amount equal to three percent (3%) of the balance of the Water Lease Charge not yet due and payable, together with interest on the three percent (3%) of the balance of the Water Lease Charge not yet due and payable, from the time of default until judgment is obtained, and such costs and reasonable attorneys fees as the Community incurs after the due date for obtaining and collecting judgment for the unpaid amounts as a result of such default. The balance of such amount shall continue to accrue interest at the rate of ten percent (10%) per annum until paid in full. Payment of this amount plus such accrued

interest as provided in this Subparagraph shall constitute full performance of the City's obligations under Subparagraph 4.3 of this Lease Agreement.

7.0 TERMINATION AND SURRENDER OF WATER

7.1 Voluntary Termination of this Lease. After offering to assign the Leased Water to the Cities identified in and in accordance with Subparagraph 4.12, the City may terminate this Lease Agreement at any time by submitting written notice to the Community of its decision to terminate at least one year prior to the time that it intends the Lease Agreement to be terminated, provided, however, the City must receive the written approval of the Community before it may terminate this Lease Agreement pursuant to this Subparagraph 7.1 unless the City has paid the Community at least one-fourth of the Water Lease Charge (plus any interest due) set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the Community's agreement that the City may withdraw its notice. The City shall continue to make all payments required by this Lease Agreement during that one-year period and shall not use any Leased Water beyond the day for which the last payment is intended to pay. If the City terminates this Lease Agreement, all sums paid by the City to the Community prior to the date of termination shall remain the property of the Community and shall be non-refundable to the City.

7.2 Voluntary Surrender of a Portion of the Leased Water. After offering to transfer, assign or sublease the Leased Water to the Other Cities identified in and in accordance with Subparagraph 4.12, the City may elect, at any time during the term of this Lease Agreement to surrender its interest in any portion of the Leased Water by providing written notice to the Community of its decision to surrender such interest at least one year prior to the time that it

intends to surrender its interest. However, the City must receive the written approval of the Community before it may surrender any portion of its interest under this Lease Agreement pursuant to this Subparagraph 7.2 unless the City has paid the Community at least one-fourth of the Water Lease Charge set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the Community's agreement that the City may withdraw its notification. The City shall continue to make all payments required of this Lease Agreement during that one year period of time and shall not use any Leased Water that will be surrendered pursuant to this Subparagraph 7.2 beyond the day for which the last payment is intended to pay. If the City surrenders its interest in all or any portion of the Leased Water, all sums paid by the City to the Community for such water prior to the date of surrender shall remain the property of the Community and shall be non-refundable to the City. All portions of the Lease Agreement shall remain in effect for all the portions of the Leased Water that are not surrendered. To the extent that the retained portion of the Leased Water has not already been paid for by the City, payment shall be in proportion to the amount of water retained by the City, charged at the per acre-foot charge, including applicable interest, for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement for the years remaining on the term of this Lease Agreement. At the time of the surrender of Leased Water pursuant to this Subparagraph 7.2, the City shall pay to the Community an amount equal to three percent (3%) of the principal payment for the portion of the Leased Water surrendered.

8. GENERAL PROVISIONS

8.1 United States Consent to Lease Agreement. The United States hereby approves and consents to this Lease Agreement.

8.2 Lease Agreement Renegotiation. The Parties to this Lease Agreement agree that the Community and the City may renegotiate this Lease Agreement at any time during its term, as provided in Subparagraph 8.5 of the Settlement Agreement.

8.3 Lease Agreement Extension. If the ADWR final rule referenced in Subparagraph 8.5 can be satisfied by an extension of the term of this Lease Agreement to allow Leased Water to be counted in the City's Assured Water supply, the Community agrees to meet with the City and discuss the extension of the term of the Lease Agreement.

8.4 Effective Date. This Lease Agreement shall become effective upon the occurrence of (1) thirty (30) days after the Enforceability Date; (2) when ADWR adopts a rule, satisfactory to the City, consistent with the Groundwater Code, that enables it to use Leased Water as part of an Assured Water Supply; and (3) when it is signed by all Parties.

8.5 Rejection of Lease Agreement. Thirty (30) days after the Enforceability Date a City at its option may, upon written notice to the Community, reject this Lease Agreement whether or not ADWR has adopted a final rule enabling the Cities to use the Leased Water as part of an Assured Water Supply. In the event a City rejects this Lease Agreement pursuant to this Subparagraph 8.5, the City shall have no obligations under this Lease Agreement and the City's entitlement shall be offered to the Other Cities in equal shares until that water is fully leased.

8.6 Enforceability of Lease Agreement. Upon the occurrence of the events listed in Subparagraph 8.4, this Lease Agreement shall be enforceable between the Community and the City

notwithstanding the performance or non-performance of other provisions of the Settlement Agreement not related to this Lease Agreement. The provisions of the Settlement Agreement that relate to this Lease Agreement include, without limitation, Paragraphs 8.0, and 17.0.

8.7 Invalidity of Lease Agreement. If, as a result of any acts or omissions by a person or entity not a Party to this Lease Agreement, the City's entitlement to Leased Water under this Lease Agreement is determined to be invalid by a final judgment entered over the opposition of the City with the result that the Lease Agreement is deemed null and void, the Community shall refund to the City that portion of the lease payment that the number of years remaining in the lease term at the time of such determination bears to the total lease term.

8.8 Approval, Consent and Ratification. Each Party to this Lease Agreement, does by execution of the signature pages hereto, approve, endorse, consent to and ratify this Lease Agreement.

8.9 Counterparts. This Lease Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

8.10 Notice. Any notice to be given or payment to be made under this Lease Agreement shall be properly given or made when received by the officer designated below, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows (or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Section 8.10):

(a) As to the United States:
The Secretary of the Interior
Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Regional Director
Western Region Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 61470
Boulder City, Nevada 89005

(b) As to the Community:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the Cities:

Chandler City Manager
P.0. Box 4008 Mail Stop 605
Chandler, AZ 85244-4008

Chandler City Attorney
P.O. Box 4008 Mail Stop 602
Chandler, Arizona 85225- 4008

Glendale City Manager
5850 West Glendale Ave.

Glendale, AZ 85301

Glendale City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

Goodyear City Manager
190 North Litchfield Road
Goodyear, Arizona 85338

Goodyear City Attorney
190 North Litchfield Road
Goodyear, Arizona 85338

Mesa City Manager
P.O. Box 1466
Mesa, AZ 85211-1466

Mesa City Attorney
20 E. Main St., Ste. 850
P.O. Box 1466
Mesa, Arizona 85211-1466

Peoria City Manager
8401 West Monroe
Peoria, Arizona 85345

Peoria City Attorney
8401 West Monroe
Peoria, Arizona 85345-6560

Phoenix City Manager
200 West Washington, Suite 1200
Phoenix, Arizona 85003

Phoenix City Attorney
200 W. Washington, Suite 1300
Phoenix, Arizona 85003-1611

Scottsdale City Manager
3939 Drinkwater Blvd.
Scottsdale, AZ 85251

Scottsdale City Attorney
3939 Drinkwater Blvd.
Scottsdale, Arizona 85251

8.11 Governing Law. This Lease Agreement shall be governed by and construed in accordance with applicable Arizona and federal law.

8.12 Waiver. No waiver of any breach of any of the terms or conditions of this Lease Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Lease Agreement.

8.13 Severability. If any provision or clause of this Lease Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that no provision or clause shall be severed if the severance would deprive any Party of its material benefits under this Agreement.

8.14 Construction and Effect. This Lease Agreement and each of its provisions are to be construed fairly and reasonably and not strictly for or against any Party. The Paragraph and Subparagraph titles used in this Lease Agreement are for convenience only and shall not be considered in the construction of this Lease Agreement.

8.15 Successors and Assigns. Each of the terms and conditions of this Lease Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

8.16 Benefits of Lease Agreement. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Lease Agreement or to any benefit that may arise herefrom. This shall not be construed to extend to this Lease Agreement if made with a corporation or company for its general benefit.

8.17 Third Party Beneficiaries. With the exception of the Other Cities, which shall be third party beneficiaries for enforcement of Subparagraphs 4.12 and 6.4, there shall be no third party beneficiaries of this Lease Agreement.

8.18 Good Faith Negotiations. This Lease Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Lease Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the interpretation or enforcement of this Lease Agreement.

8.19 [Intentionally not used].

8.20 Attorneys' Fees. In the event of litigation between the Parties to enforce this Lease Agreement, the prevailing Party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, without limitation, court costs, attorneys' fees and discovery costs; provided, however, that this Subparagraph 8.20 shall not apply to the United States.

8.21 Remedies for Default on Matters other than Failure to Pay. The Community may enforce by the remedy of specific performance any City obligation, other than an obligation to pay which is addressed at Subparagraphs 6.3 and 6.4(C) of this Lease Agreement. The Community shall

not be entitled to any other remedy as a result of such default. Actions to enforce the terms and conditions of this Lease Agreement are subject to the provisions of Subparagraph 8.20.

IN WITNESS WHEREOF the Parties have executed this Lease Agreement on the date written above.

FOR THE GILA RIVER INDIAN COMMUNITY

By: _____

Governor

Attest_____

Dated:_____

Approved as to form:

By: _____

FOR THE UNITED STATES OF AMERICA

By: _____

Dated:

FOR THE CITY OF SCOTTSDALE

By: _____

Title

Dated: _____

Attest:_____

City Clerk

Approved as

to form:_____

City Attorney

Final Execution Version
October 21, 2005

Exhibit 4.12 of the Scottsdale Lease Agreement (form of which is exhibit 17.1.1A of the Settlement Agreement)

VOLUNTARY ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of Scottsdale ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Voluntary Assignment and Assumption Pursuant to Subparagraph 4.12 of Lease Agreement</u>.

This Voluntary Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, subparagraph 4.12 of the Lease Agreement. Except as provided in paragraph 2 of this Voluntary Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's

percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor's Lease Agreement for the period prior to the date hereof and Assignee shall have no liability therefor. Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date of this Voluntary Assignment and Assumption Agreement for the assigned portion of the Leased Water. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Voluntary Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Voluntary Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned to Assignee by this Voluntary Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor’s burdens and obligations as provided for herein.

5. **Counterparts.** This Voluntary Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Voluntary Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Voluntary Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto.

IN WITNESS WHEREOF the parties have executed this Voluntary Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Voluntary Assignment and Assumption Agreement certify that a copy of this Voluntary Assignment and Assumption Agreement was provided in accordance with subparagraphs 4.12 (B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency on _____ __, 2___.

Exhibit 6.4 of the Scottsdale Lease Agreement
(form of which is exhibit 17.1.1B of the Settlement Agreement)

ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of Scottsdale ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Assignment and Assumption Pursuant to Subparagraph 6.4 of Lease Agreement</u>. This Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, subparagraph 6.4 of the Lease Agreement. Except as provided in Paragraph 2 of this Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and

obligations arise from and after the date hereof, except that Assignee agrees to pay and be responsible to the Community for the Assignee's share of the Default Amount set forth in subparagraph 6.2 of the Lease Agreement. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor under the Lease Agreement for the period prior to the date of default under subparagraph 6.1 of the Lease Agreement and Assignee shall have no liability therefor. For the assigned portion of the Leased Water, Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date that this Assignment and Assumption Agreement is effective. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned by this Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor’s burdens and obligations as

provided for herein.

5. **Counterparts.** This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto and the Assignee has paid its share of the Default Amount in accordance with subparagraph 6.4 B of the Lease Agreement, or if not signed by Assignor, upon Assignee's signature in accordance with the provisions of subparagraph 6.4 B of the Lease Agreement describing “self execution”, and the Assignee’s payment of its share of the Default Amount.

IN WITNESS WHEREOF the parties have executed this Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Mayor

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Assignment and Assumption Agreement certify that a copy of this Assignment and Assumption Agreement was provided in accordance with subparagraphs 6.4 (B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency

on _____ __, 2___.

Final Execution Version
October 21, 2005

EXHIBIT 17.1.1A

VOLUNTARY ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Voluntary Assignment and Assumption Pursuant to Paragraph 4.12 of Lease Agreement</u>.

This Voluntary Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, Subparagraph 4.12 of the Lease Agreement. Except as provided in Paragraph 2 of this Voluntary Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof. Assignor shall and hereby does agree to continue to

be responsible and indemnify Assignee for all the burdens and obligations of Assignor's Lease Agreement for the period prior to the date hereof and Assignee shall have no liability therefor. Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date of this Voluntary Assignment and Assumption Agreement for the assigned portion of the Leased Water. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Voluntary Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Voluntary Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to Paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned to Assignee by this Voluntary Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor's burdens and obligations as provided for herein.

5. **Counterparts.** This Voluntary Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Voluntary Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs.

7. **Effective Date.** This Voluntary Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto.

IN WITNESS WHEREOF the parties have executed this Voluntary Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____

Title

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

CITY OF _____ (Assignee)

By _____

Title

Dated: _____

Attest:_____

City Clerk

Approved as to form:_____

City Attorney

The parties to this Voluntary Assignment and Assumption Agreement certify that a copy of this Voluntary Assignment and Assumption Agreement was provided in accordance with subparagraphs 4.12 (B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency on _____ __, 2___.

Final Execution Version
October 21, 2005

EXHIBIT 17.1.1B

ASSIGNMENT AND ASSUMPTION OF CAP LEASED WATER

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned City of ("Assignor"), hereby transfers, assigns and conveys to the City of _____("Assignee") ____ percent (__%) of the following:

> Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated _____ between Assignor and the Gila River Indian Community (the "Community") and the United States ("Lease Agreement"). This ___ percent (__%) equals ___ acre-feet of Leased Water.

1. <u>Assignment and Assumption Pursuant to Paragraph 6.4 of Lease Agreement</u>. This Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, Subparagraph 6.4 of the Lease Agreement. Except as provided in Paragraph 2 of this Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

2. <u>Assumption of Rights and Obligations Under Lease Agreement</u>. Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof, except that Assignee agrees to pay and be

responsible to the Community for the Assignee's share of the Default Amount set forth in Paragraph 6.2 of the Lease Agreement. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor under the Lease Agreement for the period prior to the date of default under Section 6.1 of the Lease Agreement and Assignee shall have no liability therefor. For the assigned portion of the Leased Water, Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date that this Assignment and Assumption Agreement is effective. Nothing herein shall affect the Community's rights as against the Assignor for acts or omissions arising before the date of this Assignment and Assumption Agreement.

3. **Other Acts.** Each party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Assignment and Assumption Agreement.

4. **Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the Community pursuant to Paragraph 17.0 of the Settlement Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned by this Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor's burdens and obligations as

provided for herein.

5. **Counterparts.** This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs.

7. **Effective Date.** This Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto and the Assignee has paid its share of the Default Amount in accordance with Subparagraph 6.4 B of the Lease Agreement, or if not signed by Assignor, upon Assignee's signature in accordance with the provisions of Paragraph 6.4 B of the Lease Agreement describing "self execution", and the Assignee's payment of its share of the Default Amount.

IN WITNESS WHEREOF the parties have executed this Assignment and Assumption Agreement on the ____ day of _____, 200_.

CITY OF _____ (Assignor)

By _____
Title
Dated: _____
Attest:_____
City Clerk
Approved as to form:_____
City Attorney

CITY OF _____ (Assignee)

By _____
Title
Dated: _____
Attest:_____
City Clerk

Approved as to form:_____
City Attorney

The parties to this Assignment and Assumption Agreement certify that a copy of this Assignment and Assumption Agreement was provided in accordance with subparagraphs 6.4 (B) and 8.10 of the Lease Agreement to the Gila River Indian Community, the United States and the Operating Agency on _____ __, 2___.

Final Execution Version
October 21, 2005

EXHIBIT 18.1

Reclaimed Water Exchange Agreement Among the Cities of Mesa and Chandler, the Community and the United States

This agreement is entered into as of the_____ day of _____, 2003 among the United States, the Gila River Indian Community, the City of Mesa and the City of Chandler.

1.0 Preamble

This agreement provides for Chandler's contribution of Chandler Contributed Reclaimed Water to the Community and for the exchange, as between Chandler and the Community and as between Mesa and the Community, of Exchange Reclaimed Water for Community CAP Exchange Water and for the Delivery of such Reclaimed Water ("Exchange Agreement"). Both the contribution of Chandler Contributed Reclaimed Water and the net gain of water derived from the exchanges with the Cities (Reclaimed Water Exchange Premium) constitute components of the Community's settlement water budget as described in Paragraph 4.0 of the Settlement Agreement.

Mesa and Chandler (the "Cities") are in need of an additional source of water and need to comprehensively manage their water resources in accordance with their master plans. The Community has available CAP water that can be exchanged with the Cities for other water. The Community and the Cities recognize the need to enter into an exchange that will assist the Cities to acquire additional CAP water and provide the Community with additional water. Although not a part of the consideration for this Exchange Agreement, the Community agrees that it supports the Cities' ability to use the

Community CAP Exchange Water that they receive through this agreement for Assured Water Supply purposes.

2.0 Recitals

2.1 The purposes of this Exchange Agreement are to:

2.1.1 Provide for the exchange of twenty-three thousand five hundred thirty (23,530) acre-feet per Year (AFY) of Community CAP Exchange Water for twenty-nine thousand four hundred (29,400) AFY of Mesa Reclaimed Water;

2.1.2 Provide for the exchange of eight thousand nine hundred seventy (8,970) AFY of Community CAP Exchange Water for eleven thousand two hundred (11,200) AFY of Chandler Exchange Reclaimed Water;

2.1.3 Provide for Chandler's contribution to the Community of four thousand five hundred (4,500) AFY of Chandler Contributed Reclaimed Water;

2.1.4 Provide for the Delivery of Exchange Reclaimed Water; and

2.1.5 Provide Mesa and Chandler with Community CAP Exchange Water.

3.0 Definitions

3.1 Capitalized terms used in this Exchange Agreement that are not expressly defined herein shall have the same meaning as in the Settlement Agreement. The following terms shall have the following meanings when capitalized and used in this Exchange Agreement:

3.1.1 "A+ Reclaimed Water Quality Standards" shall mean those reclaimed water quality standards set forth in Table 1 of Subparagraph 4.1.1.

3.1.2 "Assured Water Supply" shall have the meaning ascribed to it in A.R.S. §45-576, *et seq*. and the rules promulgated by the Arizona Department of Water Resources thereunder, as such statutes and rules may be amended.

3.1.3 "Attainment" or "in Attainment" shall mean that the Plant producing Reclaimed Water to be Delivered either satisfies the A+ Water Quality Standards for each Parameter as demonstrated through monitoring conducted pursuant to Subparagraph 4.2 or satisfies all A+ Reclaimed Water Quality Standards except for one or more of the Parameters addressed by the contingency measures set forth in Subparagraphs 4.3.3, 4.3.4 or 4.3.5 and the requirements of such contingency measures are fully satisfied.

3.1.4 "Authorized Representative" shall mean the representatives of the Community, Chandler, and Mesa appointed pursuant to Subparagraph 7.6 to administer certain provisions of this Exchange Agreement.

3.1.5 "CAP Turnout" shall mean those locations where water is diverted from the CAP Aqueduct for delivery to Chandler under the terms of Chandler's CAP Delivery Subcontract or to Mesa under the terms of Mesa's CAP Delivery Subcontract.

3.1.6 "Chandler" shall mean the City of Chandler, an Arizona municipal corporation.

3.1.7 "Chandler's CAP Delivery Subcontract" shall mean that contract between the United States, Central Arizona Water Conservation District, and the City of Chandler Providing for Water Service, Central Arizona Project, dated December 26, 1984, as amended.

3.1.8 "Chandler Contributed Reclaimed Water" shall mean the four thousand five hundred (4,500) AFY of Reclaimed Water made available for Delivery to the

Community by Chandler pursuant to this Exchange Agreement as a contribution to the Settlement Agreement.

3.1.9 "Chandler Delivery Agreement" shall mean that agreement entitled "Agreement for Delivery of Reclaimed Water" entered into between the Community and Chandler on March 7, 2001, as may be amended from time to time, providing for Chandler's sale or exchange of reclaimed water to the Community and for other purposes.

3.1.10 "Chandler Exchange Reclaimed Water" shall mean the Reclaimed Water that Chandler makes available for Delivery to the Community in exchange for Community CAP Exchange Water pursuant to this Exchange Agreement.

3.1.11 "Chandler Pipeline" shall mean the pipeline to be located on the Reservation along old Price Road that will be used to Deliver Chandler Reclaimed Water to a structure near the northern boundary of the Reservation as described in the Construction Agreement.

3.1.12 "Chandler Point of Delivery" shall mean that location where Chandler Reclaimed Water first crosses the Reservation boundary through or by way of facilities constructed in accordance with the Construction Agreement or Subparagraph 5.18.

3.1.13 "Chandler Reclaimed Water" shall mean Chandler Exchange Reclaimed Water and Chandler Contributed Reclaimed Water.

3.1.14 "Community CAP Exchange Water" shall mean the Community's CAP Indian Priority Water that the Community provides to Chandler or Mesa in exchange for Chandler Exchange Reclaimed Water or Mesa Reclaimed Water pursuant to this Exchange Agreement.

3.1.15 "Construction Agreement" shall mean that agreement entitled "Intergovernmental Agreement for Construction of Chandler Pipeline" entered into between the Community and Chandler on February 7, 2001 providing for the construction of the Chandler Pipeline.

3.1.16 "Deliver", "Delivered", "Deliveries", "Delivering" or "Delivery" shall mean (1) the transporting of Chandler Reclaimed Water to the Chandler Point of Delivery, or (2) the transporting of Mesa Reclaimed Water to the Mesa Point of Delivery through the Mesa Pipeline or transportation of Mesa Reclaimed Water through an alternative conveyance structure pursuant to Subparagraph 6.11.1.2, or (3) the transportation or conveyance of Chandler or Mesa Reclaimed Water as may be agreed upon in writing by the affected Parties.

3.1.17 "Diurnal Flow" shall mean the daily or seasonal fluctuation in the quantity of Reclaimed Water produced by a Plant that is caused by the daily or seasonal variance in the quantity of wastewater flowing into such Plant.

3.1.18 "EPA" shall mean the United States Environmental Protection Agency.

3.1.19 "Exceed", "Exceedance", or "Exceeded", shall mean that (1) monitoring conducted pursuant to Subparagraph 4.1 demonstrates that the Reclaimed Water produced by a Plant fails to satisfy the applicable A+ Reclaimed Water Quality Standards for one or more Parameters, or (2) monitoring required pursuant to Subparagraph 4.1 has not been conducted, or (3) such status is otherwise established pursuant to Subparagraph 4.1.7 relating to the failure to take a routine sample.

3.1.20 "Exchange Reclaimed Water" shall mean Chandler Exchange Reclaimed Water and Mesa Reclaimed Water.

3.1.21 "Force Majeure" or "Force Majeure Event" shall mean a cause beyond the control of the Parties, such as failure or threat of failure of facilities, flood, earthquake, storm, fire, lightening and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome.

3.1.22 "Mesa" shall mean the City of Mesa, an Arizona municipal corporation.

3.1.23 "Mesa's CAP Delivery Subcontract" shall mean that contract between the United States, Central Arizona Water Conservation District, and the City of Mesa Providing for Water Service, Central Arizona Project, Subcontract No. 5-07-30-W0060, as amended.

3.1.24 "Mesa Delivery Agreement" shall mean that agreement entitled "Intergovernmental Agreement for Delivery of Reclaimed Water dated April 18, 2002" entered into between the Community and Mesa as may be amended from time to time, providing for Mesa's exchange of reclaimed water to the Community and for other purpose.

3.1.25 "Mesa Pipeline" shall mean a pipeline capable of Delivering not less than 29,400 AFY of Mesa Reclaimed Water.

3.1.26 "Mesa Point of Delivery" shall mean that location where Mesa Reclaimed Water first crosses the Reservation boundary through the Mesa Pipeline or such alternative conveyance structure agreed upon by Mesa and the Community.

3.1.27 "Mesa Reclaimed Water" shall mean Reclaimed Water made available for Delivery by Mesa pursuant to this Exchange Agreement in exchange for Community CAP Exchange Water.

3.1.28 "Nitrogen Species" shall mean Total Nitrogen, Nitrate plus Nitrite as Nitrogen and Total Kjeldahl Nitrogen.

3.1.29 "Non-Attainment" shall mean that: (1) a Plant producing Reclaimed Water to be Delivered fails to satisfy one or more of the A+ Reclaimed Water Quality Standards for any Parameter as established by verification sampling and, if applicable, fails to satisfy the contingency measures set forth in Subparagraphs 4.3.3, 4.3.4 or 4.3.5, or (2) the monitoring required pursuant to Subparagraph 4.2 has not been conducted, or (3) such status is otherwise established pursuant to Subparagraph 4.1.7 relating to the failure to take a routine sample.

3.1.30 "OM&R" shall mean all activities required for the efficient Delivery and acceptance of water pursuant to this Exchange Agreement, including, but not limited to, dry-ups, the care, operation, maintenance, repair and replacement of canals, laterals, drains, pumps, pipes and appurtenances.

3.1.31 "Parameter" shall mean each constituent for which an A+ Reclaimed Water Quality Standard has been set forth in Table 1 of Subparagraph 4.1.1.

3.1.32 "Party" shall mean a person or entity represented by a signatory to this Exchange Agreement and "Parties" shall mean more than one such person or entity. The

United States participation as a Party shall be in the capacity as described in Subparagraph 3.1.38.

3.1.33 "Plant" or "Plants" shall mean a wastewater treatment facility or reverse osmosis facility that produces Mesa Reclaimed Water, Chandler Exchange Reclaimed Water, or Chandler Contributed Reclaimed Water and the infrastructure to convey such Reclaimed Water for Delivery.

3.1.34 "QA/QC" shall mean quality assurance/quality control.

3.1.35 "Reclaimed Water" shall mean Effluent that has been treated and produced by a Plant.

3.1.36 "Settlement Agreement" shall mean that agreement entered into among and between the Parties, and other parties to that agreement settling specified water rights claims raised by the parties in the Gila River Adjudication Proceedings. This Exchange Agreement constitutes Exhibit 18.1 to the Settlement Agreement.

3.1.37 "TRC" shall mean technical review criteria as defined in Subparagraph 4.5.5.2.

3.1.38 "United States" shall mean the United States of America acting (1) on its own behalf and capacity to the extent authorized by the Arizona Water Settlements Act, Public Law 108-451 ("Settlements Act"); (2) acting as trustee for the Community, Members and Allottees; (3) in all other capacities necessary to effectuate the terms of this Exchange Agreement to the extent authorized by the Settlements Act or any other applicable federal law; and (4) in no other capacity.

3.1.39 "Water Producer" shall mean Chandler or Mesa, or both, as the context requires, in their individual capacities as producers of Reclaimed Water from a Plant.

3.1.40 "Year" shall mean calendar year except where specifically otherwise provided.

4.0 Reclaimed Water Quality

4.1 Routine Monitoring and A+ Reclaimed Water Quality Standards.

4.1.1 Exchange Reclaimed Water and Chandler Contributed Reclaimed Water shall be treated at a Plant through a process, to be independently selected by each Water Producer, which process shall include secondary treatment, denitrification, filtration and disinfection. The Exchange Reclaimed Water and Chandler Contributed Reclaimed Water shall be monitored and shall meet the A+ Reclaimed Water Quality Standards as set forth in Table 1 below.

TABLE 1

Parameters	**Reclaimed Water Quality Standard**	**Units**	**Routine Sampling Frequency/Type**	**Notes**
Turbidity (field)	< = 2: 24-hour avg. and < = 5: single sample max	NTU	Continuous/ Grab (See Notes)	Less than or equal to 2 Nephelometric Turbidity Units ("NTU") on a 24-hour average and less than or equal to 5 NTU for a single sample maximum. When continuously monitored, compliance with the single sample maximum shall be satisfied if turbidity levels do not exceed a rolling average of 5 NTU for any single 15 minute period. All Plants shall have a backup turbidity meter. See Subparagraph 4.3 for alternative sampling frequency should both turbidity meters fail and for contingency measures.
5-Day Biochemical Oxygen Demand (B.O.D.)	< = 10	mg/l	Weekly/Flow Weighted Composite	Less than or equal to 10 mg/l. Weekly means at least once every calendar week with sampling taken no more than ten (10) days and no less than four (4) days apart.
pH (field)	6-9	Standard Units	Weekly/Grab	Weekly means at least once every calendar week with sampling taken no more than ten (10) days and no less than four (4) days apart.
Total Nitrogen	< =10	mg/l	Monthly/Flow Weighted Composite	Less than or equal to 10 mg/l. Monthly means at least once every calendar month with monthly samples taken no more than forty-five (45) days and no less than fifteen (15) days apart.

Parameters	Reclaimed Water Quality Standard	Units	Routine Sampling Frequency/Type	Notes
Fecal Coliform	< = 2.2: 7 sample median and < = 23: single sample maximum	CFU/100 m1	Daily/Grab (See Notes)	Less than or equal to 2.2 CFU ("Colony Forming Units") per 100 milliliters on a 7-sample median and less than or equal to 23 CFU per 100 milliliters on a single sample basis. Daily means every business day. However, if routine monitoring for turbidity indicates the need for a compliance verification sample on a "non-business day", a fecal coliform sample shall also be taken. Sample median means the median of 7 consecutive samples taken on an every business day basis. See Subparagraph 4.3 for contingency measures.
Chlorine[1]	< = 0.05	mg/l	Monthly/Flow Weighted Composite	Less than or equal to 0.05 mg/l. Monthly means at least once every calendar month with monthly samples taken no more than forty-five (45) days and no less than fifteen (15) days apart. See Subparagraphs 4.1.3.2 and 4.1.3.3 for applicability. See also Subparagraph 4.3 for contingency measures.
Total Kjeldahl Nitrogen	N/A	mg/l	Monthly/Flow Weighted Composite	Monthly means at least once every calendar month with monthly samples taken no more than forty-five (45) days and no less than fifteen (15) days apart.
Nitrate plus Nitrite as Nitrogen	N/A	mg/l	Monthly/Flow Weighted Composite	Monthly means at least once every calendar month with monthly samples taken no more than forty-five (45) days and no less than fifteen (15) days apart.

[1] For Chandler only, notwithstanding this A+ Reclaimed Water Quality Standard for chlorine, upon the Community's request, the Authorized Representatives of the Community and Chandler shall meet, discuss, and agree upon permissible residual water quality standard for chlorine concentration at the Chandler Point of Delivery.

4.1.2 The Water Producers shall at all times keep a pre-treatment program in place and comply with the terms of all State and Federal permits, laws, and regulations that are applicable to the treatment of wastewater.

4.1.3 The Water Producers shall measure the quality of Reclaimed Water to be Delivered at the point that the Reclaimed Water exits the Plant except that, if the discharge is subject to an Aquifer Protection Permit, or other similar permit, the Water Producer may use the sample measurement locations for a specific parameter as required or allowed by those permit(s) if the use of such alternative location results in the measurement of the same stream of Reclaimed Water to be made available for Delivery to the Community.

4.1.3.1 To be considered valid, all samples required to be taken pursuant to this Paragraph 4.0 shall (1) be collected in accordance with a QA/QC plan that meets State or EPA requirements including, by way of example, requirements regarding sample collection and preservation and holding times, and (2) be analyzed by a State or EPA approved method at a State or Federally licensed laboratory. Turbidity meters, pH meters and other field measuring devices shall be calibrated, operated and maintained in accordance with manufacturer's specifications.

4.1.3.2 If chlorine is used as the primary means of disinfection at a Plant, the Reclaimed Water produced by that Plant shall be de-chlorinated to meet the chlorine standard set forth in Table 1 of Subparagraph 4.1.1 prior to being made available for Delivery. If the means of de-chlorinating the Reclaimed Water to be made available for Delivery from this Plant become inoperable, the Water Producer shall be permitted to

continue to Deliver for so long as the contingency measures set forth in Subparagraph 4.3.5 are met.

4.1.3.3 If a disinfection method other than chlorine is primarily used at a Plant, the Water Producer operating that Plant shall not be required to sample for chlorine. If the means of disinfection become inoperable and chlorine is utilized as the back-up means of disinfection, the Water Producer shall be permitted to continue to Deliver for so long as the contingency measures set forth in Subparagraph 4.3.5 are met.

4.1.3.4 Nothing in this Paragraph 4.0 shall preclude a Water Producer from conducting routine sampling at a frequency greater than that set forth in Table 1 of Subparagraph 4.1.1. A Water Producer may conduct additional routine sampling pursuant to this Exchange Agreement and the analytical results of that additional sampling shall be reported to the Community pursuant to Subparagraph 4.5. The Water Producer's Authorized Representative shall notify the Authorized Representative of the Community that additional sampling is being conducted solely for operational purposes before such sampling is conducted. The record of such operational sampling shall be retained by the Water Producer for sixty (60) days but shall not be included in the evaluation of whether or not a Plant has experienced an Exceedance.

4.1.4 Delivery from a Plant that has not previously treated wastewater for at least six (6) months shall not commence until the Water Producer establishes that the Plant is producing Reclaimed Water meeting the A+ Reclaimed Water Quality Standards for at least seven (7) consecutive days. Delivery from a Plant that has been treating wastewater for six (6) months or more, but that has not previously Delivered, may commence immediately if the Reclaimed Water produced from that Plant then meets the

A+ Reclaimed Water Quality Standards and all standards set forth in the applicable State and Federal permits for that Plant.

4.1.5 If a Plant that has Delivered ceases treatment operations for a period greater than twenty-four (24) hours and was meeting all requirements set forth in this Paragraph 4.0 at the time it ceased treatment operations, the Water Producer shall take samples for B.O.D., pH, the Nitrogen Species and, as applicable, chlorine, within twenty-four (24) hours of resuming Delivery from that Plant. If there is an Exceedance, the Water Producer shall immediately notify the Authorized Representative of the Community of the Exceedance and conduct verification sampling pursuant to Subparagraph 4.2.

4.1.6 If a Plant that has Delivered ceases treatment operations for a period greater than twenty-four (24) hours and was not meeting all requirements set forth in this Paragraph 4.0 at the time it ceased treatment operations, the Water Producer shall not resume Deliveries from that Plant until Attainment is re-established pursuant to Subparagraph 4.4.

4.1.7 If a routine sample for a Parameter is not taken from a Plant as specified herein, the applicable Water Producer shall immediately notify the Authorized Representative of the Community of this issue at such time that the Water Producer reasonably becomes aware of such failure and the Water Producer shall be deemed to have an Exceedance. In such event, the applicable provisions of Subparagraphs 4.1.7.1 through 4.1.7.6 shall apply.

4.1.7.1 If a turbidity meter is not operable or fails to take a reading for a period of eight (8) hours, the Plant shall be deemed to have had an Exceedance and the

applicable Water Producer shall conduct verification sampling pursuant to Subparagraph 4.2.2.1.

4.1.7.2 If a Water Producer fails to take a routine sample for B.O.D. from a Plant as specified herein, that Plant shall be deemed to be in Non-Attainment as of the last date the missed sample could have been taken pursuant to Table 1 of Subparagraph 4.1.1 if either: (1) the analytical results of the next sample taken establish a B.O.D. level greater than or equal to 10 mg/l; or (2) the next sample to have been taken was also missed.

4.1.7.3 If a Water Producer fails to take a routine sample for pH from a Plant as specified herein, that Plant shall be deemed to be in Non-Attainment as of the last date the missed sample could have been taken pursuant to Table 1 of Subparagraph 4.1.1 if either: (1) the analytical result of the next sample taken establish a pH level less than six (6) or greater than nine (9) Standard Units; or (2) the next sample to have been taken was also missed.

4.1.7.4 If a Water Producer fails to take a routine sample for fecal coliform from a Plant as specified herein, the Plant shall, subject to Subparagraph 4.3.3, be deemed to be in Non-Attainment for the single sample maximum for fecal coliform, as of the last date the missed sample could have been taken pursuant to Table 1 of Subparagraph 4.1.1, if either: (1) the analytical results of the next sample taken from that Plant establish a fecal coliform level greater than or equal to 23 CFU/100 ml; or (2) the next sample to have been taken was also missed. When determining compliance with the seven (7) sample median A+ Reclaimed Water Quality Standard for fecal coliform where a Water

Producer has failed to take a routine sample for fecal coliform the missed sample shall be deemed to have a measurement greater than 2.2 CFU/100 ml.

4.1.7.5 If a Water Producer fails to take a routine sample for Total Nitrogen from a Plant as specified herein, the Plant shall be deemed to be in Non-Attainment as of the last date the missed sample could have been taken pursuant to Table 1 of Subparagraph 4.1.1 if: (1) the analytical results of the next sample taken establish a Total Nitrogen level greater than or equal to 10.0 mg/l; or (2) the analytical results of the monthly sample taken immediately prior to the missed sample established a Total Nitrogen level greater than 8.0 mg/l; or (3) the analytical results of the monthly sample taken immediately prior to the missed sample established a Total Nitrogen level less than or equal to 8.0 mg/l but the Water Producer fails to take a "make-up" sample within fifteen (15) days of the last date the missed sample could have been taken pursuant to Table 1 of Subparagraph 4.1.1; or (4) the Water Producer fails to take the next routine sample or Verification Sample, whichever would be required earlier.

4.1.7.6 If a Water Producer fails to take a routine sample for chlorine from a Plant as specified herein, that Plant shall, subject to Subparagraph 4.3.5, be deemed to be in Non-Attainment as of the last date the missed sample could have been taken pursuant to Table 1 of Subparagraph 4.1.1 if either: (1) the analytical results of the next sample taken establish a chlorine level greater than or equal to 0.05 mg/l; or (2) the next sample to have been taken was also missed.

4.2 Verification Sampling.

4.2.1 In the event that an Exceedance is the result of the failure to conduct monitoring required pursuant to Subparagraph 4.1, the provisions of Subparagraph 4.1.7

shall apply. If, however, an Exceedance is established through monitoring conducted pursuant to Subparagraph 4.1 demonstrating that the Reclaimed Water produced by a Plant has failed to satisfy the applicable A+ Reclaimed Water Quality Standards for one or more Parameters, then:

4.2.1.1 The Water Producer shall conduct verification sampling as soon as reasonably possible and, except for verification sampling for fecal coliform, in no event later than twenty-four (24) hours after learning of the Exceedance. A verification sample for fecal coliform shall be taken no later than eight (8) hours after learning of the Exceedance; and

4.2.1.2 The Water Producer responsible for taking the sample shall immediately notify the Authorized Representative of the Community of that fact, identifying the time, place, and nature of the Exceedance.

4.2.1.2.1 Notification shall be by telephone if during normal business hours, by facsimile if not during normal business hours, or by other effective methods to provide actual notice. Notice shall be provided in a manner to allow the Authorized Representative of the Community to participate in, or to observe the taking of a verification sample.

4.2.2 The verification sample shall be analyzed to determine whether it meets the A+ Reclaimed Water Quality Standards for the Parameter(s) in question and Attainment shall be determined by the analytical results of the verification sample(s). The Water Producer shall ensure that it receives the results of the laboratory analysis of the verification sample(s) for B.O.D., Nitrogen Species and, as applicable, chlorine within seven (7) days from the time that the samples were taken and within five (5) days

from the time that any other A+ Reclaimed Water Quality Standard parameter was taken. However, if the fifth (5th) or seventh (7th) day falls on a weekend or holiday, results must be received by the next business day. The Water Producer shall notify the Authorized Representative of the Community of the analytical results of the verification sample as soon as reasonably possible, and in no event later than twenty-four (24) hours after receiving the results of the verification sample from the laboratory. Notification shall be by telephone if during normal business hours, by facsimile if not during normal business hours, or other effective methods to provide actual notice.

4.2.2.1 Verification sampling for turbidity shall be conducted by taking three (3) grab samples at eight (8) hour intervals for the twenty-four (24) hour period following a Water Producer's learning of an Exceedance for turbidity. Subject to the provision of Subparagraph 4.3.3, a Plant shall be deemed to be in Non-Attainment if either the average of the analytical results for the three (3) grab samples establish a turbidity level greater than or equal to two (2) NTU or the analytical results for any one of the grab samples taken establish a turbidity level greater than or equal to 5 NTU.

4.2.2.2 The verification sample used to establish compliance with the single sample maximum A+ Reclaimed Water Quality Standard for fecal coliform shall be collected in the same manner and from the same location as, and analyzed pursuant to the same method as, that utilized for the routine sample taken pursuant to Subparagraph 4.1 that revealed an Exceedance. There is no verification sample permitted for establishing compliance with the seven (7) sample median A+ Reclaimed Water Quality Standard for fecal coliform. If the analytical results of either the verification sample taken pursuant to this Subparagraph 4.2.2.2 to determine compliance with the single sample A+ Reclaimed

Water Quality Standard for fecal coliform or the routine samples taken pursuant to Subparagraph 4.1 to determine compliance with the seven (7) sample median A+ Reclaimed Water Quality Standard for fecal coliform do not meet the A+ Reclaimed Water Quality Standards for fecal coliform, the Plant, subject to Subparagraph 4.3.3, shall be deemed to be in Non-Attainment.

4.2.2.3 A verification sample for Total Nitrogen, chlorine (as applicable), B.O.D. or pH shall be collected in the same manner and from the same location, and analyzed pursuant to the same method, as that utilized for the routine sample taken pursuant to Subparagraph 4.1 that revealed an Exceedance.

4.2.3 If verification sampling reveals Attainment, no additional action shall be required and the Water Producer shall continue to Deliver. If verification sampling was not conducted, or if conducted reveals Non-Attainment for any Parameter, or if the laboratory does not report the analytical results of the verification sampling within the time frame established in Subparagraph 4.2.2 above, the Plant shall be in Non-Attainment and the Water Producer shall immediately undertake the specific contingency measures described in Subparagraph 4.3.

4.2.4 Non-Attainment shall not be deemed to have occurred if the laboratory acknowledges in writing, that it made an error in its analysis and sets forth the basis of that error. In such case, the Water Producer shall immediately:

4.2.4.1 Notify the Authorized Representative of the Community of these issues;

4.2.4.2 Provide such acknowledgment to the appropriate Authorized Representatives; and

4.2.4.3 Repeat the verification sampling process in accordance with this Subparagraph 4.2.

4.2.5 Additionally, Non-Attainment shall not be deemed to have occurred if the Water Producer demonstrates to the satisfaction of the Authorized Representative of the Community that the apparent failure to meet all A+ Reclaimed Water Quality Standards criteria resulted from error(s) in sampling, analysis or statistical evaluation and repeats the verification sampling process in accordance with this Subparagraph 4.2.

4.2.6 If the results of the repeat verification sampling described in Subparagraphs 4.2.4 or 4.2.5 establish Non-Attainment, the Water Producer shall, regardless of whether analytical results establishing Non-Attainment resulted from error(s) in sampling, analysis or statistical evaluation, undertake the specific contingency measures described in Subparagraph 4.3.

4.2.7 If a Plant is found to be in Non-Attainment after undertaking the verification activities described in this Subparagraph 4.2, such Plant shall be deemed to have been in Non-Attainment from the date upon which the routine sample was taken pursuant to Subparagraph 4.1.

4.3 Contingency Measures.

4.3.1 The Water Producers, the Community, and the United States recognize that there may be circumstances not expressly covered in this Paragraph 4.0 where permitting the Water Producer to continue to Deliver may be beneficial notwithstanding either the Non-Attainment status of a Plant or a failure to meet some other requirement set forth in this Exchange Agreement. The Water Producer and the Community agree to consult with one another as soon as practicable through their Authorized Representatives

after a verification sample is taken for the purpose of determining whether circumstances exist whereby continued Delivery on a case-by-case basis is in the best interest of the Water Producer and the Community, notwithstanding either the Non-Attainment status of a Plant or a failure to meet some other requirement set forth in this Exchange Agreement. Nothing in this Subparagraph 4.3.1 shall be deemed to require the Community to allow a Water Producer to continue Deliveries from a Plant that is in Non-Attainment status. The election to permit continued Delivery from that Plant under these circumstances shall be at the sole discretion of the Community. Any such agreement to allow continued Deliveries pursuant to this Subparagraph 4.3.1 shall be in writing and signed by the Authorized Representatives of the Water Producer and the Community. This case-by-case consideration to permit continued Deliveries from a Plant in Non-Attainment may include, but is not limited to, an evaluation of:

4.3.1.1 The length of time needed to address the cause of Non-Attainment or the failure to meet some other requirement set forth in this Exchange Agreement;

4.3.1.2 The availability of additional water for blending before end use and/or the ability to reduce the amount of Reclaimed Water Delivered;

4.3.1.3 The extent of deviation from A+ Reclaimed Water Quality Standards and the potential for impact upon human health, the environment and suitability for end use given the amount of blending with other water before end use;

4.3.1.4 The potential safeguards available by increasing monitoring frequency during Non-Attainment;

4.3.1.5 The potential to divert the Exchange Reclaimed Water to other end uses within the Community;

4.3.1.6 State and EPA standards applicable for the parameter(s) of concern; and

4.3.1.7 The Community's need for Exchange Reclaimed Water.

4.3.2 Each Plant shall be designed and constructed so as to be capable of diverting, curtailing, or stopping Delivery at any time or times that the Plant is in a Non-Attainment status. If a Plant is in Non-Attainment, the Water Producer shall, subject to Subparagraph 4.3.1, undertake the contingency measures specified in Subparagraphs 4.3.2.1, 4.3.2.2, and 4.3.3 through 4.3.5.

4.3.2.1 Upon receiving the notification provided pursuant to Subparagraph 4.2 that a Chandler or a Mesa Plant that is Delivering is in a Non-Attainment status, the Authorized Representative of the Community shall notify the Authorized Representative of the Water Producer in writing within twenty-four (24) hours whether it will continue to accept Delivery from that Plant prior to its re-establishing Attainment for that Plant pursuant to Subparagraph 4.4. If the Authorized Representative of the Community fails to notify the Authorized Representative of its determination under this Subparagraph 4.3.2.1 within twenty-four (24) hours, the Community shall be deemed to have refused to accept continued Delivery from that Plant during the period of Non-Attainment.

4.3.2.2 The Water Producer shall be permitted to continue to Deliver if the Community's Authorized Representative notifies the Water Producer's Authorized Representative in writing that the Community will accept such Delivery.

4.3.2.3 Unless the Authorized Representative of the Community notifies the Authorized Representative of the Water Producer that it will accept continued Deliveries from a Plant while in a Non-Attainment status, the Water Producer shall as quickly as practicable, and in no event longer than four (4) hours, cease Delivery from that Plant

until Attainment is re-established for that Plant or the Authorized Representative of the Community notifies the Authorized Representative of the Water Producer that it will accept Delivery from that Plant while in a Non-Attainment status. The Water Producer may, at its discretion, substitute Delivery of Reclaimed Water produced from another Plant, but not from the Lone Butte Plant, that is in Attainment.

4.3.3 If sampling pursuant to Subparagraph 4.2 establishes that the A+ Reclaimed Water Quality Standards are not met for either turbidity or fecal coliform, the Plant shall be in Attainment if:

4.3.3.1 The Water Producer samples for Escherichia coli (E.Coli) every day during the Exceedance at the same location as samples for fecal coliform are taken;

4.3.3.2 No sample reveals the presence of E.Coli in the Exchange Reclaimed Water greater than 235 colony forming units per 100 milliliters of Reclaimed Water; and

4.3.3.3 The Water Producer has failed to satisfy the A+ Reclaimed Water Quality Standards for turbidity or fecal coliform for no more than five (5) consecutive days or thirty (30) days per Year, as determined by verification sampling conducted pursuant to Subparagraph 4.2 of this Exchange Agreement.

4.3.4 If neither the primary nor backup turbidimeters at a Plant can measure turbidity on a continuous basis, the Plant, if otherwise in Attainment, shall remain in Attainment for turbidity if (1) the Water Producer establishes through taking grab samples at eight (8) hour intervals that the single sample maximum and the twenty-four (24) hour average A+ Reclaimed Water Quality Standards for turbidity for that Plant are satisfied and (2) the turbidimeters at a Plant that is Delivering have not been out of service for more than five (5) consecutive days or more than thirty (30) days during the

Year. During the period that the turbidimeters are not functioning properly, Attainment for the twenty-four (24) hour turbidity standard shall be determined by calculating the twenty-four (24) hour rolling average of the grab samples.

4.3.5 If chlorine levels are above the A+ Reclaimed Water Quality Standards for chlorine because (1) a primary, non-chlorination, disinfection process at a Plant is down for maintenance or repair and chlorination is the back-up means of disinfection; or (2) chlorination is the primary means of disinfection at a Plant and the de-chlorination process is down for maintenance or repair, the Plant shall be in Attainment if all other A+ Reclaimed Water Quality Standards are met, and a disinfection process utilizing chlorine, without any de-chlorination, is used for no more than ten (10) consecutive days or more than a total of thirty (30) days per Year.

4.3.6 In addition to the other notice provisions provided in this Subparagraph 4.3 the Water Producer shall submit an exception report regarding any period of Non-Attainment to the Authorized Representative of the Community within thirty (30) days after re-establishing Attainment. The exception report shall include:

4.3.6.1 A description of the nature and cause(s) of the Non-Attainment event necessitating the implementation of a specific contingency measure;

4.3.6.2 The starting and ending dates of the Non-Attainment event; and,

4.3.6.3 A description of the specific contingency measures and any other action taken to: (1) mitigate the effects of the Non-Attainment event, and (2) minimize the likelihood of recurrence.

4.4 <u>Re-establishing Attainment</u>.

4.4.1 For all Parameters other than turbidity, the Water Producer shall be deemed to have re-established Attainment for a Plant when the analytical results from two (2) consecutive samples, taken no less than twelve (12) hours and no more than thirty-six (36) hours apart, meet the A+ Reclaimed Water Quality Standard for the Parameter(s) of concern. The Water Producer shall be deemed to have re-established Attainment with the A+ Reclaimed Water Quality Standard for turbidity for a Plant when the twenty-four (24) hour average and single sample maximum standards for turbidity have been met for a twenty-four (24) hour period following the determination of Non-Attainment for turbidity. The Water Producer shall provide the analytical results of the sampling re-establishing Attainment to the Authorized Representative of the Community. If the Water Producer ceased Delivery from a Plant during Non-Attainment, the Water Producer shall notify the Authorized Representative of the Community after Attainment has been re-established for a Plant and specify when the Water Producer will be ready to resume Delivery and the anticipated daily flow rate of that Delivery. Upon receipt of the foregoing notice, the Community shall utilize its best efforts to take those actions necessary to permit the resumption of Delivery from that Plant in accordance with the notice provided by the appropriate Water Producer including, but not limited to, the Community's arranging for sufficient water for blending pursuant to Subparagraphs 5.12 and 6.13. Except for circumstances identified in Subparagraph 6.6.2, Mesa shall not be required to wait more than twenty-four (24) hours from the time it provides its notice of re-establishment of Attainment for such Plant and readiness to resume Delivery before Mesa may resume Delivery. Except for circumstances identified in Subparagraph 5.6.2, Chandler shall not be required to wait more than twenty-four (24) hours from the time it

provides its notice of re-establishment of Attainment for that Plant and readiness to resume Delivery from that Plant before Chandler may resume Delivery.

4.5 Record Keeping and Reporting.

4.5.1 The Water Producers shall each maintain accurate records of monitoring that reflect the quality and quantity of the Reclaimed Water they Deliver. Copies of all such records and any compilations thereof shall be retained in accordance with any permits associated with a Delivery or, if not otherwise required, for at least three (3) years.

4.5.2 On a monthly basis, unless the Authorized Representatives of the Community and the Water Producer otherwise agree, the Water Producer shall provide the Authorized Representative of the Community with copies of all water quality, field monitoring and sampling records including QA/QC data, QA/QC verification, and chain of custody documentation conducted or prepared pursuant to this Subparagraph 4.5. The Water Producers shall also provide to the Authorized Representative of the Community all summary reports regarding the quality of the Reclaimed Water being Delivered from each Plant that are submitted to a State or Federal regulatory agency pursuant to any Aquifer Protection Permit or other permit associated with the Delivery at the same time that these summary reports are submitted to that State or Federal regulatory agency.

4.5.3 During the first three (3) full months following a Water Producer's initial Delivery of Reclaimed Water, the Water Producer shall send, on a monthly basis, copies of all summary report support records regarding Reclaimed Water quality, field monitoring and sampling including QA/QC data, and QA/QC verification, and chain of custody documentation conducted or prepared pursuant to any Aquifer Protection Permit

or other permit associated with the Reclaimed Water being Delivered from a Plant to Community's Authorized Representative. Thirty (30) to ninety (90) days prior to initiating Delivery the Water Producer shall send copies of the pre-treatment programs adopted by each Water Producer to the Community. At the time the Water Producer sends its annual pre-treatment program report to EPA or any similar State authority, the Water Producer shall send the same to the Community. Similarly, at the time that any Water Producer makes any changes, modifications, amendments or revisions to its pre-treatment program(s), it shall send copies of the same to the Community. Commencing with the fourth full month after a Water Producer first Delivers, it shall no longer be required to send any summary report support records relating to any Aquifer Protection Permit or other permit regarding the Delivery to the Authorized Representative of the Community unless the Authorized Representative of the Community specifically request that some or all of such summary report support records continue to be sent.

4.5.4 The Community shall retain the right to view all Reclaimed Water quality documents maintained by the Water Producer pursuant to this Exchange Agreement or any State or Federal permit relating to the quality of the Reclaimed Water being Delivered pursuant to this Exchange Agreement upon providing one (1) business day notice to the Water Producer.

4.5.5 The Water Producers shall notify the Authorized Representative of the Community of any significant non-compliance by industrial users with the Water Producer's pre-treatment program within twenty-four (24) hours after learning of such significant non-compliance. For the purposes of this Subparagraph 4.5.5, such significant non-compliance means:

4.5.5.1 Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of all of the measurements taken during a six-month period exceed (by any magnitude) the daily maximum limit or the average limit for the same pollutant parameter;

4.5.5.2 TRC violations, defined here as those in which thirty-three percent (33%) or more of all of the measurements for each pollutant parameter taken during a six (6) month period equal or exceed the product of the daily maximum limit or the average limit multiplied by the applicable TRC (TRC = 1.4 for BOD, TSS, fats, oil, and grease, and 1.2 for all other pollutants except pH) unless the Water Producer's pre-treatment program permits higher BOD or TSS levels;

4.5.5.3 Any other violation of a pre-treatment effluent limit (daily maximum or longer-term average) that the Water Producer determines has caused, alone or in combination with other discharges, interferences or pass through (including endangering the health of Plant personnel or the general public);

4.5.5.4 Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the Water Producer's exercise of its emergency authority to halt or prevent such a discharge to a Plant;

4.5.5.5 Failure to meet, within ninety (90) days after the scheduled date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance;

4.5.5.6 Failure to provide, within thirty (30) days after the due date, required reports such as baseline monitoring reports, ninety (90) day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;

4.5.5.7 Failure to accurately report non-compliance; or

4.5.5.8 Any other violation or group of violations that the Water Producer determines will adversely affect the operation or implementation of the local pre-treatment program.

4.6 Tour of Discharging Plants and Joint Monitoring.

4.6.1 The Authorized Representative of the Community with his or her technical assistants shall have the right, upon providing one (1) business day notice to the Water Producer, to tour those Plants Delivering at the time of the notice or at the time of the tour and to observe all monitoring and measuring devices and records required or used pursuant to this Exchange Agreement. Upon such request, the Water Producer shall provide the Authorized Representative of the Community with split samples taken for monitoring purposes. The Authorized Representative of the Community shall, upon giving four (4) hours notice to the Water Producer during normal working hours, each be entitled to independently take samples of Exchange Reclaimed Water and Chandler Contributed Reclaimed Water provided that a split sample is provided to the Water Producer. If analysis of one split sample indicates no Exceedance or Attainment while an analysis of the other split sample reveals either an Exceedance or Non-Attainment, the Authorized Representative of the Water Producer shall cooperate with the Authorized Representative of the Community to resolve the discrepancy.

4.7 Relative Obligations.

4.7.1 The notice, reporting and approval provisions relating to Mesa Reclaimed Water shall apply only to Mesa and the Community and the notice, reporting

and approval provisions relating to Chandler Reclaimed Water shall apply only to Chandler and the Community.

5.0 Delivery and Acceptance of Chandler Reclaimed Water/Scheduling and Delivery of Community CAP Exchange Water

5.1 Exchange of Water and Term of Agreement.

5.1.1 Chandler shall be required to Deliver, and the Community shall be required to accept Delivery of, Chandler Reclaimed Water in accordance with the terms and conditions of this Exchange Agreement.

5.1.2 In each Year after the Year in which Chandler has initiated Delivery of Chandler Reclaimed Water in accordance with Subparagraph 5.2, Chandler shall make available for Delivery, and the Community shall accept Delivery of, four thousand five hundred (4,500) acre-feet of Chandler Contributed Reclaimed Water in accordance with the terms and conditions of this Exchange Agreement. In addition, in each Year after Chandler initiates Delivery of Chandler Reclaimed Water in accordance with Subparagraph 5.2, Chandler shall make available for Delivery, and the Community shall accept Delivery of, up to eleven thousand two hundred (11,200) acre-feet of Chandler Exchange Reclaimed Water in accordance with the terms and conditions of this Exchange Agreement. In exchange for the Chandler Exchange Reclaimed Water, the Community shall make available for delivery to Chandler, up to eight thousand nine hundred seventy (8,970) acre-feet of Community CAP Exchange Water in accordance with the terms and conditions of this Exchange Agreement.

5.1.3 Chandler shall be entitled to eight-tenths (0.8) acre-foot of Community CAP Exchange Water for every one (1.0) acre-foot of Chandler Exchange Reclaimed

Water that it schedules for Delivery in accordance with Subparagraph 5.5, up to the limits set forth in Subparagraph 5.1.2.

5.1.4 If, at any time, Chandler has made Chandler Exchange Reclaimed Water available for Delivery and the Community is required to accept such Delivery in accordance with the terms and conditions of this Exchange Agreement, but does not do so, Chandler shall be entitled to receive credit in accordance with Subparagraph 5.6.3.

5.1.5 The exchange between the Community and Chandler shall begin after all required conditions described in Subparagraph 5.10 have occurred and in accordance with Subparagraphs 5.2 and 5.3. It shall continue thereafter for so long as the Community's CAP Water Delivery Contract, and any extension or amendment thereof, is in effect and the Community is eligible to receive sufficient quantities of Community CAP Exchange Water to satisfy its obligations under this Exchange Agreement and the Settlement Agreement remains in effect as among the Community, the United States on behalf of the Community and Chandler. Chandler's obligation to Deliver Chandler Contributed Reclaimed Water shall be independent of Chandler's obligation to Deliver Chandler Exchange Reclaimed Water, and shall continue for so long as the Settlement Agreement remains in effect as among the Community, the United States on behalf of the Community and Chandler.

5.1.6 Unless otherwise mutually agreed to in writing by Authorized Representatives of the Community and Chandler, Chandler Reclaimed Water shall be Delivered at the Chandler Point of Delivery as described at Subparagraph 5.18.

5.1.7 Nothing in this Exchange Agreement shall be construed as a limitation on Chandler's and the Community's ability to discuss, and engage in, separate agreements

for the exchange or sale of Reclaimed Water and CAP Water; provided that such arrangements shall not be considered to be a part of, or actions flowing from, this Exchange Agreement.

5.2 Initial Delivery.

5.2.1 If Chandler, at the time all required conditions described in Subparagraph 5.10 have occurred, is not selling or exchanging water to or with the Community under the Chandler Delivery Agreement, the Authorized Representative of Chandler shall, not later than thirty (30) calendar days thereafter, notify the Authorized Representative of the Community of the date upon which Chandler will be ready to begin initial Deliveries. Unless otherwise mutually agreed to in writing by the Authorized Representatives of the Community and Chandler, Delivery shall not begin sooner than thirty (30) calendar days after such notice has been given, nor shall it begin later than ninety (90) calendar days after all required conditions described in Subparagraph 5.10 have occurred. Under these circumstances, Chandler shall make its initial Deliveries in accordance with Subparagraph 5.2.2.

5.2.2 If Chandler, at the time all of the required conditions described in Subparagraph 5.10 have occurred, is not selling or exchanging water to or with the Community pursuant to the Chandler Delivery Agreement, the Authorized Representatives of Chandler and the Community shall meet within thirty (30) calendar days after Chandler provides its notice of readiness to begin initial Deliveries, as provided in Subparagraph 5.2.1, to schedule the initial Delivery of Chandler Reclaimed Water. During the partial Year that Chandler initially makes Chandler Reclaimed Water available for Delivery pursuant to this Paragraph 5.2, Chandler shall make "x/12 x 4,500"

acre-feet of Chandler Contributed Reclaimed Water available for Delivery, where "x" is the number of full months remaining in the Year after initial Deliveries begin. In addition, for that first partial year the Authorized Representative of the Community and Chandler may agree to the Delivery of Chandler Exchange Reclaimed Water in exchange for Community CAP Exchange Water. Any such agreement shall be in writing and in accordance with the provisions otherwise applicable to this Exchange Agreement except that Chandler Exchange Reclaimed Water Delivered during such first partial year shall be treated as Chandler Exchange Reclaimed Water Delivered during the first full Year of Deliveries for purposes of when Chandler will actually receive Community CAP Exchange Water attributable to its Delivery during the first partial Year.

5.2.3 If Chandler, at the time all required conditions described in Subparagraph 5.10 have been occurred, is selling or exchanging water to or with the Community pursuant to the Chandler Delivery Agreement, Chandler and the Community shall continue to operate under the terms and conditions of the Chandler Delivery Agreement for the balance of that current Year and Chandler shall not be required during that partial Year to make Chandler Reclaimed Water available for Delivery. In the immediately ensuing Year Chandler shall make its initial Deliveries by making available for Delivery: (1) four thousand five hundred (4,500) acre-feet of Chandler Contributed Reclaimed Water; and (2) Chandler Exchange Reclaimed Water in an amount equal to not less than five hundred (500) acre-feet but not more than one thousand five hundred (1,500) acre-feet. Delivery of additional Chandler Exchange Reclaimed Water may be agreed upon by the Authorized Representatives. In subsequent Years, the quantity of Chandler Exchange Reclaimed Water to be made available for Delivery shall be increased in accordance with

Subparagraph 5.3.2. If, after using its best efforts, the Community is unable to order sufficient quantities of Community CAP Exchange Water to satisfy the requirements of Subparagraph 5.5.3.3 in the first full Year that Chandler makes Chandler Exchange Reclaimed Water available for Delivery, the shortage shall be reconciled in accordance with Subparagraph 5.9.

5.3 Chandler Reclaimed Water to be Made Available for Delivery in all Years After Initial Delivery.

5.3.1 In each Year following the Year in which Chandler initially Delivers in accordance with Subparagraph 5.2 Chandler shall make available for Delivery, and the Community shall accept Delivery of, four thousand five hundred (4,500) acre-feet of Chandler Contributed Reclaimed Water.

5.3.2 The period described in this Subparagraph 5.3.2 shall be known as the Chandler Ramp Up Period. During this period, unless otherwise agreed to in writing by the Authorized Representatives of the Community and Chandler, and except as provided in Subparagraph 5.3.2.1, Chandler shall, in each Year following the Year in which Chandler initially Delivers Chandler Reclaimed Water in accordance with Subparagraph 5.2, increase the quantity of Chandler Exchange Reclaimed Water that it makes available for Delivery by no less than five hundred (500) acre-feet and no more than one thousand five hundred (1,500) until such time that Chandler is annually making eleven thousand two hundred (11,200) acre-feet of Chandler Exchange Reclaimed Water available for Delivery pursuant to this Exchange Agreement.

5.3.2.1 During the Chandler Ramp Up Period, Chandler may make less Chandler Exchange Reclaimed Water available for Delivery than is otherwise required by Subparagraph 5.3.2, if:

5.3.2.1.1 The Community reduces the quantity of Community CAP Exchange Water available to Chandler pursuant to Subparagraph 5.11, but only to the extent necessary to maintain the exchange ratio of eight-tenths (0.8) acre-foot of Community CAP Exchange Water for each one (1.0) acre-foot of Chandler Exchange Reclaimed Water; or

5.3.2.1.2 The average annual increase in Deliveries of Chandler Exchange Reclaimed Water after the initial Delivery is greater than five hundred (500) acre-feet and the quantity of Chandler Exchange Reclaimed Water scheduled for Delivery in that Year is not less than the quantity Delivered in the immediately preceding Year, but only to the extent that such reduced increase would not result in the average increase of water Delivered for all Years after the initial Delivery to fall below five hundred (500) acre-feet; or

5.3.2.1.3 Insufficient Effluent is produced within Chandler for Chandler to meet such increased Delivery obligations, but only to the extent that such insufficiency prevents Chandler from increasing its Deliveries pursuant to Subparagraph 5.3.2.

5.3.3 After the Chandler Ramp Up Period, unless otherwise agreed to in writing by the Authorized Representatives of the Community and Chandler and subject to the provisions of Subparagraph 5.3.3.1, Chandler shall make eleven thousand two hundred (11,200) AFY of Chandler Exchange Reclaimed Water available for Delivery.

5.3.3.1 Chandler may make less Chandler Exchange Reclaimed Water available for Delivery than is otherwise required by Subparagraph 5.3.3, if:

5.3.3.1.1 The Community reduces the quantity of Community CAP Exchange Water available to Chandler pursuant to Subparagraph 5.11, but only to the extent

necessary to maintain the exchange ratio of eight-tenths (0.8) acre-foot of Community CAP Exchange Water for each one (1.0) acre-foot of Chandler Exchange Reclaimed Water; or

5.3.3.1.2 Insufficient Effluent is produced within Chandler for Chandler to meet such Delivery obligation, but only to the extent that such insufficiency prevents Chandler from making available for Delivery the quantity that would otherwise be required by Subparagraph 5.3.3.

5.4 Meetings.

5.4.1 On or before August 1 of the first full Year during which Chandler is obligated to Deliver under this Exchange Agreement and in each Year thereafter the Authorized Representatives of the Community and Chandler shall meet to discuss the following:

5.4.1.1 Operational adjustments necessary to ensure that Chandler Delivers, and the Community accepts Delivery of, the quantity of Chandler Reclaimed Water that Chandler is obligated to Deliver in the then current Year;

5.4.1.2 Anticipated dry-up schedules and any other planned OM&R activities for the balance of the then current Year and for the following Year that may limit their ability to perform under this Exchange Agreement. Chandler and the Community shall use their best efforts to coordinate such activities to minimize the disruption to the exchange. If these efforts to coordinate fail and the Community's Water Delivery System will be under repair when Chandler is otherwise able to Deliver, the Authorized Representative of the Community may accept Delivery by such other means as are available;

5.4.1.3 Whether the quantity of Community CAP Exchange Water to be made available to Chandler during the following Year may be reduced in accordance with Subparagraph 5.11;

5.4.1.4 Whether the Community anticipates that it will be unable to schedule sufficient quantities of blending water to satisfy the requirements of Subparagraph 5.12;

5.4.1.5 The amount of Chandler Reclaimed Water that will be made available for Delivery during the following Year, which amount shall be consistent with the amounts described at Subparagraphs 5.3; and

5.4.1.6 The forecast of the quantity of Chandler Reclaimed Water anticipated to be made available for Delivery for the succeeding two Years.

5.4.2 In addition to the scheduling meetings required by Subparagraphs 5.4.1 and 5.5.2, the Authorized Representatives of the Community and Chandler shall consult with one another on a quarterly basis during the first two (2) Years following Chandler's initial Delivery, with the first such consultation to occur no less than fifteen (15) calendar days after the date of such initial Delivery, and thereafter as they deem necessary to identify and resolve operational issues. The Authorized Representatives of the Community and Chandler shall also consult with one another during any operational emergency as soon as reasonably practicable after learning of such emergency.

5.5 Delivery Schedules.

5.5.1 On or before September 1 of each year, and after the meeting required by Subparagraph 5.4.1, the Authorized Representative of Chandler shall provide the Authorized Representative of the Community with a proposed schedule for Delivery setting forth Chandler's intended Delivery of Chandler Reclaimed Water for the

following Year, on a month-by-month basis. Unless otherwise agreed to in writing by the Authorized Representatives of Chandler and the Community, Deliveries are to be made on a continuous flow basis taking into account the existence of Diurnal Flow. The ratio of Chandler Contributed Reclaimed Water Delivered to Chandler Exchange Reclaimed Water Delivered shall be deemed to remain constant for all days that Deliveries are made.

5.5.2 The Authorized Representatives of the Community and Chandler shall meet within fourteen (14) calendar days after the proposed schedule for Delivery has been provided and shall, at that meeting discuss and agree upon the final schedule. The final schedule for the immediately ensuing Year shall be in such form as is agreed upon by the Authorized Representatives of the Community and Chandler and shall identify:

5.5.2.1 The quantities of Chandler Exchange Reclaimed Water and Chandler Contributed Reclaimed Water scheduled to be made available for Delivery for that Year, pursuant to Subparagraph 5.3, adjusted in accordance with the reconciliation provisions of Subparagraph 5.9, and divided equally for each calendar quarter of that Year; and

5.5.2.2 The average daily quantity of Chandler Reclaimed Water scheduled to be made available for Delivery for each calendar quarter of a Year which shall be calculated by dividing the quantity of Chandler Reclaimed Water to be made available for Delivery during that calendar quarter by the number of days that Chandler Reclaimed Water is scheduled to be Delivered during that calendar quarter.

5.5.3 At the same meeting required by Subparagraph 5.5.2, the Authorized Representatives of the Community and Chandler shall prepare:

5.5.3.1 A schedule for delivery of Community CAP Exchange Water to Chandler, on both a Yearly and month-by-month basis, for the immediately ensuing Year to be

submitted by the Community to Chandler, the Secretary, and the CAP Operating Agency in the notice required pursuant to Subparagraph 5.7; and

5.5.3.2 A preliminary schedule for delivery of Community CAP Exchange Water to Chandler, on a Yearly basis, for the two years following the immediately ensuing year to be submitted by the Community to Chandler, the Secretary and the CAP Operating Agency in the notice required pursuant to Subparagraph 5.7.

5.5.3.3 The schedule for the delivery of Community CAP Exchange Water to Chandler in the immediately ensuing Year shall reflect a Yearly delivery to Chandler of eight-tenths (0.8) acre-foot of Community CAP Exchange Water for each one (1.0) acre-foot of Chandler Exchange Reclaimed Water scheduled to be Delivered to the Community for that Year pursuant to Subparagraph 5.5.2.1. The preliminary schedule for the delivery of Community CAP Exchange Water to Chandler for the two years following the immediately ensuing year shall reflect a Yearly delivery to Chandler of eight-tenths (0.8) acre-foot of Community CAP Exchange Water for each one (1.0) acre-foot of Chandler Exchange Reclaimed Water anticipated to be scheduled for Delivery to the Community in those Years pursuant to Subparagraph 5.3. The quantity of Community CAP Exchange Water to be scheduled for delivery to Chandler shall be determined prior to applying the reconciliation provisions of Subparagraph 5.9.

5.5.3.4 The month-by-month schedule for the delivery of Community CAP Exchange Water to Chandler is not required to maintain a ratio of eight-tenths (0.8) acre-foot of Community CAP Exchange Water for each one (1.0) acre-foot of Chandler Exchange Reclaimed Water scheduled to be or actually Delivered in any month, provided that the ratio of eight-tenths (0.8) acre-foot of Community CAP Exchange Water to one

(1.0) acre-foot of Chandler Exchange Reclaimed Water scheduled for Delivery is maintained for the Year excluding Deliveries made pursuant to the reconciliation provisions described at Subparagraph 5.9.

5.5.4 In addition to modifying schedules for the Delivery of Chandler Reclaimed Water for the reasons described at Subparagraphs 5.6.5 and 5.6.6, Authorized Representatives of the Community and Chandler may, for any reason and at any time, agree to amend or modify the final schedules for the Delivery of Chandler Reclaimed Water during any Year.

5.6 Delivery of and Duty to Accept Chandler Reclaimed Water and Notice Requirements.

5.6.1 Except as provided at Subparagraph 4.3.2 and 5.6.9, all Chandler Reclaimed Water made available for Delivery shall be from a Plant that is in Attainment. Subject to the provisions of this Subparagraph 5.6.1, Chandler shall make Chandler Reclaimed Water available for Delivery in accordance with the schedule developed pursuant to Subparagraph 5.5. However, Chandler shall be excused from Delivering in accordance with the schedule developed pursuant to Subparagraph 5.5 under the conditions described in Subparagraphs 5.6.1.1 through 5.6.1.4, but shall Deliver as much of the Chandler Reclaimed Water scheduled for Delivery as reasonably possible in light of such conditions.

5.6.1.1 The Chandler Plant or Plants producing Reclaimed Water available for Delivery is, or are, in Non-Attainment or is, or are, in Exceedance.

5.6.1.2 During emergencies or Force Majeure Events, as defined in Subparagraph 5.16, which prevent Chandler from making such Deliveries.

5.6.1.3 During periods when a Chandler Plant or off-Reservation pipeline located within Chandler, necessary to enable Chandler to make a Delivery, is down for repair provided such repair was not due to Chandler's failure to maintain these facilities.

5.6.1.4 During periods when the Community does not accept Delivery pursuant to Subparagraph 5.6.2.

5.6.2 Subject to the provisions of this Subparagraph 5.6.2, the Community shall accept Delivery of Chandler Reclaimed Water made available for Delivery in accordance with the schedule developed pursuant to Subparagraph 5.5. However, the Community shall be excused from accepting Delivery in accordance with the schedule developed pursuant to Subparagraph 5.5 under the conditions described in Subparagraphs 5.6.2.1 through 5.6.2.6, but shall accept Delivery of as much of the Chandler Reclaimed Water scheduled for Delivery as reasonably possible in light of such conditions.

5.6.2.1 During scheduled periods of canal dry-up or other OM&R activities scheduled in accordance with Subparagraph 5.13.

5.6.2.2 During emergencies or Force Majeure Events, as defined in Subparagraph 5.16, which prevent the Community from accepting such Deliveries. Emergencies relating to stormwater runoff are limited to 50-year or greater flood events requiring the Community to evacuate water from its canal.

5.6.2.3 During periods when the Community's Water Delivery System, including the Chandler Pipeline, necessary to enable the Community to accept Delivery, is down for repair for a reasonable time provided such repair was not due to the Community's failure to maintain these facilities.

5.6.2.4 During periods when the Chandler Reclaimed Water to be Delivered is produced by a Plant that is in Non-Attainment, except as provided at Subparagraphs 4.3.2 and 5.6.9.

5.6.2.5 When Chandler is not in compliance with the water quality provision set forth in applicable permits or laws regarding the treatment of waste water.

5.6.2.6 When sufficient quantities of water are not available for blending pursuant to the requirements of Subparagraph 5.12.

5.6.3 Where the Community is unable to or does not accept Delivery, or where Chandler is unable to or does not Deliver, the following shall apply:

5.6.3.1 If the Community does not accept Delivery of Chandler Reclaimed Water for reasons other than as described in Subparagraph 5.6.2, Chandler shall, except for Chandler Reclaimed Water rescheduled for Delivery in accordance with Subparagraph 5.6.7, receive credit for having Delivered such quantities of Chandler Reclaimed Water as were scheduled for delivery during that period of time;

5.6.3.2 If the Community fails to accept Delivery of Chandler Reclaimed Water in the quantities scheduled pursuant to Subparagraph 5.5 due to the reasons set forth in Subparagraph 5.6.2, the resulting shortage in Delivery shall be resolved by either amending the schedule(s) for Delivery in accordance with Subparagraph 5.6.6 or reconciling in accordance with Subparagraph 5.9.

5.6.3.3 If Chandler fails to Deliver Reclaimed Water in the quantities scheduled pursuant to Subparagraph 5.5 due to the reasons set forth in Subparagraph 5.6.1, the resulting shortage in Deliveries shall be resolved by either amending the schedule(s) for

Delivery in accordance with Subparagraph 5.6.5 or reconciling in accordance with Subparagraph 5.9.

5.6.4 The amount of Chandler Reclaimed Water actually Delivered on a given day of any quarter shall vary by no more than ten percent (10%) from the average daily quantity to be Delivered as set forth in the schedule developed in accordance with Subparagraph 5.5 or amended schedule developed in accordance with Subparagraphs 5.6.5, 5.6.6, or 5.6.7.

5.6.5 In the event that Chandler needs to alter a scheduled Delivery due to the circumstances set forth in Subparagraphs 5.6.1.1 through 5.6.1.4, notice of such need shall be provided as soon as practicable by telephone, if during normal business hours, or by facsimile if not during normal business hours, or by other effective methods to provide actual notice, and shall be followed-up on the next business day in writing. The written notice shall contain an explanation of the need to reduce or discontinue acceptance of Deliveries by the duration and amount specified. Chandler shall then provide the Authorized Representative of the Community with a revised schedule of Delivery pursuant to Subparagraph 5.5.4. The Community and Chandler shall meet in a timely manner to review the proposed schedule and to agree upon any adjustments to be made thereto.

5.6.6 In the event that the Community needs Chandler to alter a scheduled Delivery due to circumstances identified in Subparagraphs 5.6.2.1 through 5.6.2.6, notice of such need shall be provided as soon as practicable by telephone, if during normal business hours, or by facsimile if not during normal business hours, or by other effective methods to provide actual notice, and shall be followed-up on the next business day in

writing. The written notice shall contain an explanation of the need to reduce or discontinue acceptance of Deliveries by the duration and amount specified. Chandler shall then provide the Authorized Representative of the Community with a revised schedule of pursuant to Subparagraph 5.5.4. The Community and Chandler shall meet in a timely manner to review the proposed schedule and to agree upon any adjustments to be made thereto.

5.6.7 If, for any reason, Chandler is unable to Deliver or the Community is unable to accept Delivery of Chandler Reclaimed Water in accordance with the schedule developed pursuant to Subparagraph 5.5, then the Authorized Representative of Chandler or the Community may, upon two weeks notice, require a meeting between their Authorized Representatives, at which time they shall use their best efforts to amend the schedules pursuant to Subparagraph 5.5.4 such that the total quantities of Chandler Reclaimed Water scheduled in the then current Year can be Delivered and accepted.

5.6.8 If, notwithstanding Subparagraphs 5.6.5 through 5.6.7, either Chandler fails to Deliver, or the Community fails to accept Delivery in the annual quantities scheduled pursuant to Subparagraph 5.5 due to any of the reasons set forth in Subparagraphs 5.6.1.1 through 5.6.1.4 or 5.6.2.1 through 5.6.2.6 respectively, the resulting shortages in Deliveries actually made shall be resolved pursuant to the reconciliation provision set forth in Subparagraph 5.9.

5.6.9 If, notwithstanding a Chandler Plant's Non-Attainment status, the Community requests Delivery or otherwise agrees to permit the continued Delivery of Chandler Reclaimed Water from that Chandler Plant, and if that Delivery will not cause Chandler to violate the terms of any permit, law or regulation, or otherwise negates the

indemnification or waiver set forth at Subparagraphs 7.3.4 and 7.3.5, Chandler shall Deliver the Chandler Reclaimed Water and shall be credited with having Delivered Chandler Reclaimed Water in the same manner it would have if the Chandler Plant producing Reclaimed Water for that Delivery had been in Attainment.

5.7 Scheduling Chandler's Diversion of Community CAP Exchange Water.

5.7.1 On or before October 1, in each Year after Chandler initiates Delivery of Chandler Reclaimed Water in accordance with Subparagraph 5.2, and if practicable on or before October 1 of the Year prior to the Year in which all required conditions set forth in Subparagraph 5.10 are expected to become satisfied, the Community shall submit, in writing, to the CAP Operating Agency, the Secretary, and Chandler's Authorized Representative, a notice, identifying:

5.7.1.1 The total and monthly amounts of Community CAP Exchange Water to be delivered to Chandler during the immediately ensuing Year, which amounts shall be the same as those identified in the schedule developed in accordance with Subparagraph 5.5.3.1; and

5.7.1.2 The amounts of Community CAP Exchange Water projected to be ordered by the Community for Delivery to Chandler during the two Years following the immediately ensuing Year, which amounts shall be the same as those in the preliminary schedule for delivery of Community CAP Exchange Water to Chandler developed in accordance with Subparagraph 5.5.3.2.

5.7.2 The Community CAP Exchange Water to be delivered to Chandler pursuant to the provisions of this Exchange Agreement shall be delivered and measured at a CAP Turnout or such other points as may be agreed upon by Chandler and the CAP

Operating Agency pursuant to subparagraph 4.5(a) of Chandler's CAP M&I Subcontract. The Community shall take such actions as are within its power for the CAP Operating Agency to cause the Community CAP Exchange Water to be so delivered to Chandler.

5.7.3 Subject only to the total amount of Community CAP Exchange Water scheduled to be delivered to Chandler in a Year pursuant to Subparagraph 5.7.1.1, Chandler shall order the actual delivery of the Community CAP Exchange Water to which it is entitled under this Exchange Agreement in accordance with Chandler's CAP Delivery Subcontract. Nothing herein shall preclude Chandler from ordering the delivery of Community CAP Exchange Water during any Year in amounts that deviate from the monthly quantities specified in the schedule for delivery of Community CAP Exchange Water to be delivered to Chandler, provided that the total quantity does not exceed the quantity scheduled for delivery to Chandler in accordance with Subparagraph 5.7.1.1.

5.7.4 Except to the extent that this Paragraph 5.0 conflicts with the terms of Chandler's CAP Delivery Subcontract, deliveries, and use, of Community CAP Exchange Water delivered to Chandler by the CAP Operating Agency shall be subject to the Conditions relating to Delivery and Use in Article 4.3 of Chandler's CAP Delivery subcontract. Except as otherwise provided in this Paragraph 5.0, the following subarticles and articles of Chandler's CAP Delivery Subcontract shall apply to Chandler and Chandler's use of Community CAP Exchange Water under this Exchange Agreement: Subarticles 4.5(c), and 4.5(d); Articles 4.9, 4.10, 5.3, 5.4, 6.4, 6.6, 6.9, 6.10, 6.11, and 6.13.

5.7.5 Transportation and other loss charges associated with the delivery of Community CAP Exchange Water to Chandler, if any, shall be assessed against

Chandler, and not against the Community, from the CAP Turnout described at Subparagraph 5.7.2 to the point designated by Chandler to receive such Community CAP Exchange Water.

5.7.6 Chandler's failure to order the total amount of Community CAP Exchange Water shall not affect Chandler's obligation to make Chandler Reclaimed Water available for Delivery to the Community or the Community's obligation to accept such Delivery in accordance with the schedule developed pursuant to Subparagraph 5.5.

5.8 Water Exchange Weekly, Monthly and Annual Reports.

5.8.1 Commencing on Wednesday of the first full calendar week after commencement of initial Deliveries pursuant to Subparagraph 5.2, and on Wednesday of each week thereafter, the Authorized Representative of the Community shall report, in writing, to the Authorized Representative of Chandler the amount of Chandler Reclaimed Water Delivered during the prior week. If Chandler disagrees with the quantities reported as having been Delivered pursuant to this Subparagraph 5.8.1, the Authorized Representative of Chandler shall notify the Authorized Representative of the Community by Friday of the week following the week in which the report was received of any disputes with the report submitted by the Community. If such a challenge is made, the Authorized Representatives shall meet within fourteen (14) calendar days after such challenge is made to attempt to informally resolve the dispute. If the dispute is not resolved thereby, the dispute shall be resolved pursuant to Subparagraph 7.2.

5.8.2 No later than the 15th of each month the Authorized Representative of the Community shall report, in writing, to the Authorized Representative of Chandler the quantity of Chandler Reclaimed Water Delivered during the previous month. If Chandler

disagrees with the quantities reported as having been Delivered on a monthly basis, the Authorized Representative of Chandler shall have forty-five (45) calendar days from the date that the Community report was received to submit, in writing, a challenge to the same. Challenges to a monthly report shall be limited to (A) unresolved challenges made pursuant to Subparagraph 5.8.1, or (B) any information contained in any monthly report that was not contained in a weekly report for which the challenge period has not yet expired. If such a challenge is made, the Authorized Representatives shall meet within fourteen (14) calendar days after such challenge is made to attempt to informally resolve the dispute. If the dispute is not resolved thereby, the dispute shall be resolved pursuant to Subparagraph 7.2.

5.8.3 No later than February 15th of each Year the Authorized Representative of the Community shall report, in writing, to the Authorized Representative of Chandler the amount of Chandler Reclaimed Water Delivered during the previous Year. If Chandler disagrees with the quantities reported as having been Delivered on an annual basis, the Authorized Representative of Chandler shall have forty-five (45) calendar days from the date that the report was received to submit, in writing, a challenge to the same. Challenges to an annual report shall be limited to (A) unresolved challenges made pursuant to Subparagraph 5.8.2, or (B) any information contained in an annual report that was not contained in a monthly report for which the challenge period has not yet expired. If such a challenge is made, the Authorized Representatives shall meet within fourteen (14) calendar days after such challenge is made to attempt to informally resolve the dispute. If the dispute is not resolved thereby, the dispute shall be resolved pursuant to Subparagraph 7.2.

5.8.4 The Authorized Representative of Chandler shall report, in writing, to the Authorized Representative of the Community any amount of Chandler Reclaimed Water made available for Delivery but not accepted by the Community for reasons other than those set forth in Subparagraph 5.6.2 on the same schedule as the Authorized Representative of the Community reports to Chandler in accordance with Subparagraph 5.8.1, 5.8.2, and 5.8.3. If the Community disagrees with either the quantities reported as having been made available for Delivery or that it believes that the Community's failure to accept such Delivery was excused pursuant to Subparagraphs 5.6.2.1 through 5.6.2.6, the Authorized Representative of the Community shall challenge Chandler's report within the timelines described in Subparagraphs 5.8.1, 5.8.2, and 5.8.3 and be subject to the same dispute resolutions procedures described therein.

5.8.5 Unless otherwise agreed upon in writing by the Authorized Representatives of the Community and Chandler, Chandler shall not be credited for:

5.8.5.1 Having made Chandler Reclaimed Water available for Delivery when the Community was excused from accepting Delivery in accordance with Subparagraphs 5.6.2.1 through 5.6.2.6 and did not accept Delivery; or

5.8.5.2 Having made more than ten percent (10%) over the quantity of Chandler Reclaimed Water available for Delivery than was scheduled for Delivery during the applicable reporting period.

5.8.6 Chandler shall be credited with having made available for Delivery in any Year such quantities of Chandler Reclaimed Water reported by the Authorized Representative of the Community pursuant to Subparagraph 5.8.3 and any amounts reported as having been made available for Delivery in that Year, but not accepted by the

Community, pursuant to Subparagraph 5.8.4, after resolving disputes pursuant to this Subparagraph 5.8.

5.8.7 Nothing in this Subparagraph 5.8 shall affect Chandler's and the Community's respective obligations to use best efforts to reschedule Deliveries in accordance with Subparagraph 5.6.7.

5.9 Accounting and Reconciliation.

5.9.1 If Chandler is credited with making either more or less Chandler Reclaimed Water available for Delivery than was scheduled pursuant to Subparagraph 5.2 and Chandler and/or the Community establishes or has established an account or accounts in accordance with Subparagraph 5.17, Chandler and the Community shall decide whether to debit or credit such account(s) before making any adjustments to future Deliveries in accordance with Subparagraphs 5.9.2. and 5.9.3.

5.9.2 If Chandler is credited with having made available for Delivery during the previous Year no more than five hundred (500) acre-feet less Chandler Reclaimed Water than was scheduled for Delivery after application of any credits available pursuant Subparagraph 5.9.1, Chandler shall, at no charge to the Community, Deliver such additional quantities of Chandler Reclaimed Water on a continuous flow basis, subject to capacity limitations in delivery facilities, as are necessary to make up the difference between the amount of Chandler Reclaimed Water that was Scheduled for Delivery during the preceding Year and the amount of Chandler Reclaimed Water that was Delivered or made available for Delivery during that Year. If such shortage is greater than five hundred (500) acre-feet, Chandler shall Deliver in accordance with an agreed upon schedule, not less than an additional five hundred (500) AFY of Chandler

Contributed Reclaimed Water at no charge to the Community until the shortage is made up, except that Chandler shall not be required to deliver more Reclaimed Water than is necessary to make up the shortage.

5.9.3 If the amount of Chandler Exchange Reclaimed Water that Chandler is credited with having made available for Delivery during the previous Year is greater than the amount to which the Community was entitled under the terms of this Paragraph 5.0, after application of any credits available pursuant Subparagraph 5.9.1, Chandler may reduce, on a continuous flow basis, the amount of Chandler Contributed Reclaimed Water available for Delivery to the Community during the following year by an amount equal to the amount of excess Chandler Exchange Reclaimed Water Delivered during the previous Year.

5.9.4 The quantity of Community CAP Exchange Water scheduled to be delivered to Chandler pursuant to Subparagraph 5.5.2 shall be calculated prior to making the adjustments in the quantities of Chandler Reclaimed Water to be made available for Delivery pursuant to Subparagraphs 5.9.1, 5.9.2, and 5.9.3.

5.10 Conditions Required Prior to Initiation of Delivery.

5.10.1 Delivery shall not commence under this Paragraph 5.0 until the occurrence of the Enforceability Date and completion of all of the events described at Subparagraphs 5.10.1.1 through 5.10.1.4.

5.10.1.1 Chandler and the Community have made or caused to be made the infrastructure improvements that are needed to implement Chandler's Delivery obligations under this Exchange Agreement.

5.10.1.1.1 The infrastructure improvements required of Chandler are (1) Chandler's upgrading its Plant(s) from which Chandler Reclaimed Water will be made available for Delivery as necessary to meet the A+ Reclaimed Water Quality Standards set forth in Subparagraph 4.1, and (2) Chandler's either paying for the construction of the Chandler Pipeline pursuant to Construction Agreement, or an alternative conveyance system pursuant to Subparagraph 5.18.2. The infrastructure improvements required of the Community include (1) the Community's installation, at its expense, of the measuring device described in Subparagraph 5.15.1, (2) construction of the Chandler Pipeline as required by the Construction Agreement, and (3) the construction of such facilities as are required for blending required by Subparagraph 5.12.

5.10.1.1.2 If the Chandler Pipeline is constructed in accordance with the Construction Agreement, all improvements referenced in Subparagraph 5.10.1 shall be made within six (6) months after the Enforceability Date.

5.10.1.1.3 If the Chandler Pipeline is not constructed in accordance with the Construction Agreement all improvements referenced in Subparagraph 5.10.1 shall be made within five (5) years after the Enforceability Date.

5.10.1.2 Chandler's CAP Delivery Subcontract and Subcontract Among the United States, Central Arizona Water Conservation District and the City of Chandler Providing for Water Services, dated December 21, 1993 have been amended as provided in Exhibit 29.15.A and 29.15.B1 to the Settlement Agreement.

5.10.1.3 Satisfaction of such environmental requirements that are applicable to the implementation of this Exchange Agreement.

5.10.1.4 Funds shall have been made available for the Secretary to pay, in accordance with section 205(a)(6)of the Act, CAP Fixed OM&R Charges for Delivery of Community CAP Water.

5.11 Delivery of Community CAP Exchange Water During Times of Shortage.

5.11.1 If there is no shortage of CAP water as defined in Subparagraph 8.16.1 of the Settlement Agreement such that the quantity of Community CAP Indian Priority Water is reduced, the Community shall not reduce the amount of Community CAP Exchange Water available to Chandler pursuant to this Paragraph 5.0.

5.11.2 If the CAP Operating Agency reduces deliveries of CAP Indian Priority Water to the Community as a result of a time of shortage of CAP Water as defined at Subparagraph 8.16.1 of the Settlement Agreement, the Authorized Representative of the Community shall, within thirty (30) calendar days after receipt of written notice of the same from the Secretary or the CAP Operating Agency, provide written notice to the Authorized Representative of Chandler whether or not the Community intends to reduce the amount of Community CAP Exchange Water available to Chandler pursuant to this Paragraph 5.0 and, if so, the percentage amount of such reduction. The quantity of Community CAP Exchange Water made available to Chandler shall be reduced by not more than the same percentage by which water available for delivery as CAP M&I Priority Water is reduced in that Year in accordance with Subparagraph 8.16.2 of the Settlement Agreement. Unless the Authorized Representative of Chandler agrees otherwise in writing, the Community shall not voluntarily reduce its allotment of Community CAP Water during a time of shortage if such voluntary reduction will reduce

the amount of CAP Exchange Water that would otherwise be available to Chandler for that Year.]

5.11.3 If the Community reduces the amount of Community CAP Exchange Water available to Chandler in accordance with this Subparagraph 5.11, Chandler shall, unless otherwise agreed upon by the Community in writing, reduce the amount of Chandler Exchange Reclaimed Water to be made available for Delivery to the extent necessary to maintain the ratio of eight-tenths (0.8) acre-foot of Community CAP Exchange Water to be exchanged for each one (1) acre-foot of Chandler Reclaimed Water prior to applying the reconciliation provisions of Subparagraph 5.9.

5.12 Blending Water.

5.12.1 It is the Community's responsibility to provide sufficient water, from any source of Water described in Subparagraph 4.1 of the Settlement Agreement, other than Reclaimed Water, to blend with Chandler Exchange Reclaimed Water such that the Chandler Exchange Reclaimed Water comprises no more than fifty percent (50%) of the total water in the Community's Water Delivery System at the confluence of the Chandler Pipeline and the Community's Water Delivery System or at such other location as may be agreed upon by the Authorized Representatives of the Community and Chandler pursuant to Subparagraph 5.18.

5.12.2 If the Community fails to order or provide sufficient blending water from any source of Water described in Subparagraph 4.1 of the Settlement Agreement, other than Reclaimed Water, necessary to achieve the fifty percent (50%) blend set forth in Subparagraph 5.12.1, and such water is available for such blending purposes, Chandler shall not be required to curtail or stop Delivering Chandler Exchange Reclaimed Water

and Chandler shall continue to be credited for having made Chandler Exchange Reclaimed Water available for Delivery. This Subparagraph 5.12.2 shall not affect Chandler's and the Community's respective obligation to use best efforts to reschedule Deliveries in accordance with Subparagraph 5.6.7.

5.12.3 Delivery of Chandler Contributed Reclaimed Water is not subject to any blending requirement. Nothing in this Subparagraph 5.12, however, prohibits the Community from blending other water with Chandler Contributed Reclaimed Water provided that such blending will not result in the Community's failure to provide water to blend with Chandler Exchange Reclaimed Water.

5.12.4 Unless otherwise agreed to in writing by the Authorized Representatives of the Community and Chandler, if sufficient water from any source of water described in the Settlement Water Budget other than Reclaimed Water is not available for blending with Chandler Exchange Reclaimed Water and such lack of availability was due solely to factors outside of the control of the Community or due to a change in Chandler's annual Delivery schedule, Chandler shall cease further Deliveries within thirty (30) calendar days of its receipt of notice of a lack of availability of water for blending. If Chandler is required to cease further Delivery pursuant to this Subparagraph 5.12.4, and the Community later notifies Chandler that adequate quantities of water are available for blending purposes, Chandler may, but shall not be required to, Deliver additional quantities of Chandler Exchange Reclaimed Water such that the amount of Chandler Exchange Reclaimed Water it would have Delivered, but for a shortage of water available for blending, is ultimately delivered to the Community during that Year. The Community shall not be required to accept increased Deliveries to make up for a

reduction in the quantity of Reclaimed Water Delivered due to a lack of water for blending, but shall use all reasonable efforts to do so subject to water delivery system capacity and receipt of at least twenty-four (24) hours prior notice.

5.13 Community Dry-ups and other Community and Chandler OM&R Activities.

5.13.1 In the event that notice of specific dates of dry-up can not be provided at the meetings required by Subparagraphs 5.4.1 and 5.5.1, the Community shall provide estimated dates for scheduled dry-ups for the ensuing Year and shall give notice of the specific dates of such scheduled dry-ups at least forty-five (45) calendar days prior to initiating the same. Such scheduled dry-ups shall not last more than thirty (30) calendar days. The Community and Chandler shall use their best efforts to coordinate any scheduled dry-ups or other OM&R activities of their respective systems or any portion thereof to meet the Delivery and acceptance requirements of this Exchange Agreement, and if necessary seek to reschedule Deliveries in accordance with 5.6.5, 5.6.6, and 5.6.7.

5.14 Transportation Losses of Chandler Reclaimed Water.

5.14.1 Chandler shall be responsible for transportation losses of Chandler Reclaimed Water occurring before such water reaches the Chandler Point of Delivery. The Community shall be responsible for transportation losses of Chandler Reclaimed Water occurring after such water passes the Chandler Point of Delivery.

5.15 Measuring Devices.

5.15.1 The Community shall install, calibrate, and maintain, at its expense, a measuring device at the Chandler Point of Delivery to measure the quantity of Reclaimed Water Delivered.

5.15.2 Chandler may install flow meter(s) at the Plant(s) to measure Reclaimed Water conveyed to the Chandler Point of Delivery.

5.15.3 The measuring devices required by Subparagraph 5.15.1 shall be of a type which is acceptable to Chandler and the Community and which is a measurement device whose accuracy is commensurate with industry standards for measuring devices used for similar purposes.

5.15.4 There shall be a rebuttable presumption that the flow measurement meter maintained by the Community pursuant to this Subparagraph 5.15 is accurate and such presumption shall be overcome only by clear and convincing evidence to the contrary.

5.15.5 In addition to the information provided in the monthly report required pursuant to Subparagraph 5.8.2, the Community shall provide Chandler a report reflecting meter maintenance, calibration, repair, and replacement occurring during the month for which the above referenced monthly report is submitted.

5.15.6 At least annually for three (3) years after the installation of the device required pursuant to this Subparagraph 5.15, the Community shall provide a registered professional engineer to inspect, and, if necessary, correct the accuracy of the measuring and recording devices required by this Subparagraph 5.15 and the procedures used by the Community for measurement of water. After the third anniversary of the installation of the devices, inspections shall occur at least every three (3) years. Within thirty (30) calendar days of such inspections the Community shall provide to Chandler a certified copy of the report by the registered professional engineer that sets forth the findings of the inspection and a verification that the measuring and recording devices and procedures satisfy industry standards. At any time, Chandler may require, upon seven (7) calendar

days notice, an inspection by a registered professional engineer of the measuring devices required by this Subparagraph 5.15. If the results of the inspection show that the device's measurement accuracy is within industry standards, then Chandler shall pay all costs incurred for the inspection. Otherwise, the Community shall bear such costs. In case of discrepancies, Chandler and the Community shall confer to attempt to resolve such discrepancies as may exist or arise.

5.16 Emergencies and Force Majeure Event.

5.16.1 When Chandler or the Community is unable to Deliver, or to accept Delivery of, Chandler Reclaimed Water due to Emergency or Force Majeure Event, the Community's and Chandler's obligations under this Exchange Agreement shall be suspended during the period of such emergency or Force Majeure Event. After the period has ended, Chandler and the Community shall use their best efforts to amend the schedule developed pursuant to Subparagraph 5.5 such that the total quantities of Chandler Reclaimed Water scheduled in the then current Year can be Delivered and accepted.

5.17 Chandler and Community Advance Credits.

5.17.1 The Authorized Representatives of Chandler and the Community may agree to establish a schedule and a mechanism to allow Chandler to make "advance Deliveries" of Chandler Exchange Reclaimed Water such that Chandler is able to establish and maintain a credit balance of not more than one thousand two hundred (1,200) acre-feet at any time. The Authorized Representatives of the Community and Chandler may agree to establish a schedule and a mechanism to allow the Community to make "advance deliveries" of Community CAP Exchange Water such that the

Community is able to establish and maintain a credit balance of not more than one thousand (1,000) acre-feet at any time. The limitations described herein may be amended upon mutual agreement of the Authorized Representatives of the Community and Chandler.

5.18. Chandler Point of Delivery.

5.18.1 Unless mutually agreed to in writing by the Authorized Representatives of the Community and Chandler, Chandler Reclaimed Water shall be Delivered at the Chandler Point of Delivery.

5.18.2 In the event that the Chandler Pipeline is not constructed, then the Authorized Representatives of the Community and Chandler shall agree upon an alternative method to Deliver Chandler Reclaimed Water to achieve the purposes of this Exchange Agreement. If the Authorized Representatives of the Community and Chandler cannot agree upon an acceptable alternative within one (1) year after the Enforceability Date, then the dispute resolution provisions of Subparagraph 7.2 shall apply.

5.19 Payment for Delivery and Transportation of Community CAP Exchange Water.

5.19.1 Chandler shall pay only the charges for the delivery of Community CAP Water as provided herein and shall not pay any other charges or payments for Community CAP Water.

5.19.2 Chandler shall be responsible for providing interconnection capacity to permit Delivery of Community CAP Exchange Water to Chandler and shall pay any transportation charges, including those imposed pursuant to the "Water Transportation Agreement Between the Salt River Valley Water User's Association and the City of

Chandler" dated September 10, 1991, as amended, for the Delivery of Community CAP Exchange Water to Chandler from the point at which the Community CAP Exchange Water is diverted from the CAP System.

5.19.3 Whenever funds are available from the Lower Colorado River Basin Development Fund in accordance with section 205(a)(6)of the Act, in such other fund as Congress may authorize, or through annual appropriations, to be used by the United States to pay CAP Fixed OM&R Charges for Delivery of Community CAP Water, the United States shall pay the CAP Operating Agency the CAP Fixed OM&R Charges associated with Delivery of Community CAP Exchange Water to Chandler in advance of Delivery as if the Community CAP Exchange Water had been delivered to the Community. Such payments shall be in accordance with Paragraph 4 (f) of the CAP Repayment Stipulation. If funds are so available to be used by the United States to pay CAP Fixed OM&R Charges for Delivery of Community CAP Water and the United States fails to pay the CAP Fixed OM&R Charges associated with the Delivery of Community CAP Exchange Water to Chandler in advance of Delivery, Chandler may, at its option, either discontinue Delivery of Chandler Exchange Reclaimed Water to the Community or pay such CAP Fixed OM&R Charges itself and shall retain the right to seek recovery under any cause of action which it may have against the United States. If, for a period of three (3) years, Chandler chooses to not Deliver as provided in this Subparagraph 5.19.3, the Community may, at its option, terminate this agreement as to Chandler and all relative obligations hereunder.

5.19.4 If the United States does not have funds available to pay CAP Fixed OM&R Charges for Delivery of CAP Community Water as described in Subparagraph

5.19.3, herein, Chandler shall pay the CAP Operating Agency the CAP Fixed OM&R Charges associated with Delivery of Community CAP Exchange Water to Chandler in advance of Delivery.

5.19.5 Chandler shall pay the CAP Operating Agency the CAP Pumping Energy Charges associated with the delivery of Community CAP Exchange Water to Chandler in advance of such delivery.

5.19.6 In accordance with Subparagraph 8.20 of the Settlement Agreement, no CAP water service capital charges shall be due or payable for Community CAP Water delivered pursuant to this Exchange Agreement, and Chandler shall not be obligated to pay any CAP water service capital charges, or any other capital charges associated with the Community CAP Exchange Water delivered to Chandler pursuant to this Exchange Agreement.

5.19.7 In no event shall the Community be liable for any payment of any kind, in any capacity, to or on behalf of Chandler in regard to any Community CAP Exchange Water delivered to, on behalf of, or by Chandler.

5.20 Duty to Repair Water Delivery System.

5.20.1 If a Chandler Plant, off-Reservation pipeline or other off-Reservation facility located within Chandler is damaged, fails, or is blocked in such a manner that it impairs or prevents Chandler from meeting its responsibilities under this Exchange Agreement, Chandler shall take prompt action to repair such damage, failure or blockage including, as needed, the installation of temporary structures. Permanent repairs designed to prevent future failures or blockages shall be made as soon as practicable to replace any

temporary repairs. Except for damages caused by the Community, all such repairs and/or replacement costs shall be borne by Chandler.

5.20.2 If any on-Reservation pipeline, including the Chandler Pipeline or other on-Reservation facility is damaged, fails, or is blocked in such a manner that it impairs or prevents the Community from meeting its responsibilities under this Exchange Agreement, the Community shall take prompt action to repair such damage, failure or blockage including, as needed, the installation of temporary structures in order to allow the Deliveries contemplated by this Exchange Agreement to resume. Permanent repairs designed to prevent future failures or blockages shall be made as soon as practicable to replace any temporary repairs. Except for damages caused by Chandler, all such repair and/or replacement costs shall be borne by the Community.

5.21 Amendment of Exchange Agreement as between Chandler and the Community.

5.21.1 The provisions of this Exchange Agreement relating to Chandler and the Community may be amended by written agreement between Chandler and the Community without court approval or the need for consent or approval of any other Party to this Exchange Agreement or parties to the Settlement Agreement unless such approval is required by law; provided, however, that no such amendment may violate any provisions of the Act or Settlement Agreement, or adversely affect the rights under the Settlement Agreement of any party to the Settlement Agreement or adversely affect the rights under this Exchange Agreement of any Party hereto who is not a signatory to such amendment.

6.0 Exchange of Mesa Reclaimed Water for Community CAP Exchange Water

6.1 Exchange of Water and Term of Agreement.

6.1.1 Mesa and the Community shall exchange Mesa Reclaimed Water and Community CAP Exchange Water at the ratio of one (1) acre-foot of Mesa Reclaimed Water for each eight-tenths (0.8) acre-foot of Community CAP Exchange Water in accordance with this Exchange Agreement. Subject to the terms of this Exchange Agreement, (1) Mesa shall make up to twenty-nine thousand four hundred (29,400) AFY of Mesa Reclaimed Water available for Delivery and the Community shall accept such Deliveries of up to twenty-nine thousand four hundred (29,400) AFY of Mesa Reclaimed Water, and (2) the Community shall, in accordance with Subparagraph 6.7, schedule for delivery to Mesa up to twenty-three thousand five hundred thirty (23,530) AFY of Community CAP Exchange Water. Except as otherwise provided in Subparagraph 4.3, at no time shall Mesa Deliver Reclaimed Water from a Plant that is not in Attainment.

6.1.2 The exchange between Mesa and the Community shall begin after all preconditions described in Subparagraph 6.11 have been met and in accordance with Subparagraphs 6.2 and 6.3. It shall continue thereafter for so long as (1) the Community's CAP Water Delivery Contract, and any extension or amendment thereof, is in effect and the Community is eligible to receive sufficient quantities of Community CAP Exchange Water to satisfy its obligations under this Exchange Agreement and (2) the terms and conditions of the Settlement Agreement remain in effect as among the United States, the Community, and Mesa.

6.1.3 Provisions of the Mesa Delivery Agreement shall apply to the extent that outstanding unfulfilled obligations remain in regard to: (1) The Community's obligation to make CAP water available in exchange for any deliveries of reclaimed water made or scheduled to be made pursuant to that agreement; (2) Mesa's obligation to make Mesa

reclaimed water available for delivery in exchange for any CAP water delivered or scheduled for delivery to Mesa pursuant to that agreement; (3) The adjustments in deliveries that would otherwise be required in accordance with Subparagraph 4.10 of the Mesa Delivery Agreement, and (4) The indemnification and waiver provisions pursuant to Subparagraph 4.23 of the Mesa Delivery Agreement relating to activities undertaken by Mesa or the Community during the term of the Mesa Delivery Agreement.

6.1.4 Mesa and the Community shall maintain in good working order the infrastructure necessary for each to meet their obligations under this Exchange Agreement.

6.2 Scheduling Initial Water Exchange.

6.2.1 If exchange of water was initiated under the Mesa Delivery Agreement prior to the time that all preconditions listed in Subparagraph 6.11 were met, then the initial exchange of water between Mesa and the Community under this Exchange Agreement shall commence pursuant to Subparagraphs 6.2.1.1 and 6.2.1.2.

6.2.1.1 If all preconditions listed in Subparagraph 6.11 were met before August 1 of any Year, then Mesa and the Community shall, using the schedule developed under the Mesa Delivery Agreement, exchange Mesa Reclaimed Water and Community CAP Exchange Water for the balance of the then current Year. In this case such Year shall constitute the Year of the initial water exchange under this Exchange Agreement.

6.2.1.2 If all preconditions listed in Subparagraph 6.11 were met after August 1 of any Year, then Mesa and the Community shall, using the schedule developed under the Mesa Delivery Agreement for the then current Year and the following Year, exchange Mesa Reclaimed Water and Community CAP Exchange Water. In this case, the Year

after the Year in which all preconditions listed in Subparagraph 6.11 were met shall constitute the Year of the initial water exchange under this Exchange Agreement.

6.2.1.3 If exchange of water was not initiated in accordance with the Mesa Delivery Agreement prior to the time that all preconditions listed in Subparagraph 6.11 were met, then the Authorized Representative of Mesa shall, not more than thirty (30) days after all such preconditions have been met, notify the Authorized Representative of the Community of the date that Mesa will be capable of making Mesa Reclaimed Water available for Delivery. Not later than fifteen (15) days after Mesa provides such notice, the Authorized Representatives of the Community and Mesa shall meet to schedule the initial water Deliveries. Mesa and the Community shall make their best efforts to schedule water exchanges during the then current Year and the following Year to the extent Community CAP Exchange Water can be scheduled for delivery. In this case, the first Year in which Mesa Delivers shall constitute the Year of the initial water exchange. Unless the Authorized Representatives of the Community and Mesa agree, such initial Deliveries shall not exceed "x/12 x 7,000" acre-feet of Mesa Reclaimed Water, where "x" is the number of full months remaining in the Year after initial Deliveries begin.

6.2.1.4 Mesa shall provide the notice required by Subparagraph 6.2.1.3 at least thirty (30) days prior to the date that Mesa intends to first Deliver.

6.2.2 After all preconditions listed in Subparagraph 6.11 have been met, no provisions of the Mesa Delivery Agreement shall remain in effect and all provisions of this Exchange Agreement shall apply except as provided in Subparagraph 6.1.3.

6.3 <u>Mesa Reclaimed Water to be Made Available for Delivery and Community CAP Exchange Water to be made available in all Years After Initial Water Exchange.</u>

6.3.1 Subject to Subparagraph 6.8.1, if the Community and Mesa exchanged water under the Mesa Delivery Agreement, Mesa shall, in the Year following the Year in which the initial water Deliveries are made pursuant to Subparagraph 6.2.1, make available for Delivery, at flow rates between ten (10) and fifteen (15) cfs taking into account Diurnal Flow, either seven thousand (7,000) acre-feet or the quantity of Reclaimed Water scheduled for delivery in the Year of the initial water exchange, whichever is greater, at the measuring device described at Subparagraph 6.16.1.

6.3.2 Subject to Subparagraph 6.8.1, if the Community and Mesa did not exchange water under the Mesa Delivery Agreement, Mesa shall, in the Year following the Year in which initial water Deliveries are made pursuant to Subparagraph 6.2.1.3, make seven thousand (7,000) acre-feet of Mesa Reclaimed Water available for Delivery at flow rates between ten (10) and fifteen (15) cfs, taking into account Diurnal Flow, at the measuring device described at Subparagraph 6.16.1.

6.3.3 Subject to the provisions of Subparagraphs 6.3.3.1, 6.8.1 and 6.10, Mesa shall, in each Year after the Year in which the initial Delivery occurs, increase the quantity of Mesa Reclaimed Water to be made available for Delivery such that an additional one thousand (1,000) to one thousand five hundred (1,500) AFY is made available for Delivery and so scheduled in accordance with Subparagraph 6.5.1.1 at a continuous flow rate until twenty-nine thousand four hundred (29,400) AFY is made available for Delivery. This period shall be known as the "Mesa ramp up period" and shall last no longer than twenty-three (23) Years.

6.3.3.1 During the Mesa ramp up period, Mesa shall not be required to increase the quantity of Mesa Reclaimed Water that it makes available for Delivery by the amount required by Subparagraph 6.3.3, if:

6.3.3.1.1 The Community reduces the quantity of Community CAP Exchange Water available to Mesa pursuant to Subparagraph 6.12, but only to the extent that such reduction would result in the Community's not making eight-tenths (0.8) acre-foot of Community CAP Exchange Water available to Mesa for each additional one (1) acre-foot of Mesa Reclaimed Water made available for Delivery in accordance with Subparagraph 6.5.1.1; or

6.3.3.1.2 The average increase in flow of Mesa Reclaimed Water made available for Delivery for all years after the initial Delivery is greater than one thousand (1,000) acre-feet and the quantity of Mesa Reclaimed Water made available for Delivery in accordance with Subparagraph 6.5.1.1 in that Year is not less than the quantity made available for Delivery in the immediately preceding Year, but only to the extent that such reduced increase would not result in the average increase of water made available for Delivery for all Years after the initial Delivery falling below one thousand (1,000) acre-feet; or

6.3.3.1.3 Insufficient Effluent is produced within Mesa for Mesa to meet such increased Delivery obligations, but only to the extent that such insufficiency prevents Mesa from increasing its Deliveries pursuant to Subparagraph 6.3.3; or

6.3.3.1.4 The Community is unable to schedule sufficient water to meet the blending requirements of Subparagraph 6.13.

6.3.3.2 If agreed to in writing in any Year by the Authorized Representatives of the Community and Mesa, Mesa may schedule more or less Mesa Reclaimed Water than would otherwise be required by Subparagraph 6.3.3.

6.3.4 After the Mesa ramp up period, subject to the provisions of Subparagraphs 6.3.4.1, 6.8.1, and 6.10, Mesa shall make twenty-nine thousand four hundred (29,400) AFY of Mesa Reclaimed Water available for Delivery in accordance with Subparagraph 6.5.1.1.

6.3.4.1 Mesa may make less Mesa Reclaimed Water available for Delivery than is required by Subparagraph 6.3.4, if:

6.3.4.1.1 The Community reduces the quantity of Community CAP Exchange Water available to Mesa pursuant to Subparagraph 6.12, but only to the extent that such reduction would result in the Community's not making eight-tenths (0.8) acre-foot of Community CAP Exchange Water available to Mesa for each one (1) acre-foot of Mesa Reclaimed Water made available for Delivery in accordance with Subparagraph 6.5.1.1; or

6.3.4.1.2 Insufficient Effluent is produced within Mesa for Mesa to meet such Delivery obligation, but only to the extent that such insufficiency prevents Mesa from making available for Delivery the quantity that would otherwise be required by Subparagraph 6.3.4; or

6.3.4.1.3 The Community is unable to schedule sufficient water to meet the blending requirements of Subparagraph 6.13

6.3.4.1.4 The Authorized Representatives of the Community and Mesa agree in writing to schedule less Mesa Reclaimed Water for Delivery than would otherwise be required by Subparagraph 6.3.4.

6.4 Scheduling Water Exchanges in all Years After Initial Water Exchange.

6.4.1 Beginning in the Year following the Year in which the initial water exchange occurs in accordance with Subparagraph 6.2, the Authorized Representatives of the Community and Mesa shall meet no later than September 1 of each Year. At that meeting:

6.4.1.1 The Authorized Representatives of the Community and Mesa shall review the status of Mesa Reclaimed Water Delivered and the status of Community CAP Exchange Water delivered to Mesa under this Agreement. To the extent possible and necessary, the Authorized Representatives shall use their best efforts to amend the schedules in accordance with Subparagraph 6.5.2, such that the total quantities of Mesa Reclaimed Water that Mesa and the Community are obligated to Deliver and accept during the then current Year can be Delivered and accepted.

6.4.1.2 The Community and Mesa shall advise each other of their planned OM&R activities for the balance of the current Year and for the following Year that may limit their ability to perform under this Agreement;

6.4.1.3 The Community shall advise Mesa if, and to what extent, the Community will limit the quantity of Community CAP Exchange Water to be made available to Mesa in accordance with Subparagraph 6.12 and whether the Community anticipates that it will be unable to schedule sufficient quantities of blending water to satisfy the requirements of Subparagraph 6.13;

6.4.1.4 Mesa shall provide the Community with a written estimate of the amount of Mesa Reclaimed Water that will be made available for Delivery on a monthly basis, including estimated monthly production from each Mesa Plant during the upcoming Year, which amount shall be consistent with the amounts described at Subparagraph 6.3.

6.4.1.5 Mesa shall provide the Community with a forecast of Mesa Reclaimed Water to be made available for Delivery for the succeeding two Years; and

6.4.1.6 The Authorized Representatives of the Community and Mesa shall develop, for the upcoming Year, a written schedule for Deliveries, for Community CAP Water to be made available to Mesa, and for OM&R activities as provided in Subparagraph 6.5.

6.5 Written Schedule for Deliveries, Community CAP Exchange Water, and OM&R Activities.

6.5.1 The written schedule for Deliveries and for Community CAP Exchange Water for the upcoming Year shall be in such form as is agreed upon by the Authorized Representatives of the Community and Mesa, and shall include the amounts of:

6.5.1.1 Mesa Reclaimed Water to be made available for Delivery on a monthly basis, with the quantities and timing for Delivery being consistent with the quantities and timing described in Subparagraph 6.3;

6.5.1.2 Community CAP Exchange Water to be scheduled for delivery to Mesa in accordance with Subparagraph 6.7. The quantity of Community CAP Exchange Water scheduled to be delivered to Mesa shall be determined without regard to the adjustments in the quantities of Mesa Reclaimed Water to be made available for Delivery pursuant to Subparagraph 6.10.1.

6.5.1.3 Water anticipated to be necessary to meet the adjustment provisions of Subparagraph 6.10.

6.5.2 Mesa and the Community may amend the schedules developed pursuant to Subparagraph 6.5.1 such that the total quantities of Mesa Reclaimed Water scheduled to be made available for Delivery pursuant to Subparagraph 6.5.1.1 can be Delivered and accepted in the then current Year.

6.5.3 The written schedule for OM&R activities for the upcoming Year shall be in such form as is agreed upon by the Authorized Representatives of the Community and Mesa, and shall specify the estimated dates of OM&R activities.

6.6 Delivery and Acceptance of Mesa Reclaimed Water.

6.6.1 Mesa is required to make Mesa Reclaimed Water available for Delivery in accordance with the schedules developed pursuant to Subparagraph 6.5 from any Mesa Plant that is in Attainment, or from any Mesa Plant from which the Community elects to accept Delivery of Mesa Reclaimed Water in accordance with Subparagraph 4.3.2.1.1 except when Delivery is precluded (1) during Force Majeure Events as described in Subparagraph 6.17 that prevent the Community or Mesa from complying with the schedule developed in accordance with Subparagraph 6.5, or (2) when the Community is excused from accepting Delivery pursuant to Subparagraph 6.6.2 and does not accept Delivery, or (3) when, but only to the extent that, insufficient Effluent is produced within Mesa for Mesa to meet such Delivery obligations;

6.6.2 The Community is required to accept Delivery of Mesa Reclaimed Water made available for Delivery in accordance with the schedule developed pursuant to Subparagraph 6.5 from any Mesa Plant in Attainment in accordance with the terms and

conditions of this Exchange Agreement, except (1) during Force Majeure Events as described in Subparagraph 6.17, that prevent the Community or Mesa from complying with the schedule developed in accordance with Subparagraph 6.5, (2) when Mesa is not in compliance with all applicable permits or laws in regard to treatment of waste water to be made available for Delivery, (3) when sufficient quantities of water are not available for blending purposes to satisfy the requirements of Subparagraph 6.13; and (4) during OM&R activities scheduled in accordance with Subparagraph 6.14.1 and 6.5.3.

6.6.3 If the Community does not accept Delivery of Mesa Reclaimed Water for reasons other than as described in Subparagraph 6.6.2, Mesa shall receive credit for having made available for Delivery such quantities of Mesa Reclaimed Water as were scheduled for Delivery during that period of time. However, to the extent that Mesa has other Reclaimed Water available for Delivery, after meeting pre-existing obligations for delivery or use of such water, and has adequate existing capacity in the Mesa Pipeline, Mesa and the Community shall use their best efforts to amend the schedules in accordance with Subparagraph 6.5.2, such that Mesa Delivers the total quantities of Mesa Reclaimed Water scheduled for Delivery in the then current Year but Mesa shall not receive additional credit for the Delivery of such water.

6.6.4 Mesa and the Community recognize that the Delivery of Mesa Reclaimed Water will not always be accomplished precisely in accordance with the quantities scheduled for monthly Delivery pursuant to Subparagraph 6.5, and have therefore provided flexibility in such Delivery of other water at Subparagraph 6.8.

6.6.5 If Mesa or the Community is unable, or fails, to meet its obligations to Deliver or accept Delivery of Mesa Reclaimed Water in accordance with the schedule

developed pursuant to Subparagraph 6.5, then the Authorized Representative of Mesa or the Community may require a meeting between the Authorized Representatives at a mutually agreed upon time. In no event shall the meeting occur later than thirty (30) days after notice of the required meeting is first given. At that meeting, the Authorized Representatives shall use their best efforts to amend the schedules in accordance with Subparagraph 6.5.2, such that the total quantities of Mesa Reclaimed Water that Mesa and the Community are obligated to Deliver and accept during the then current Year can be Delivered and accepted.

6.7 Mesa's Diversion of Community CAP Exchange Water.

6.7.1 Beginning in the first Year that the written schedule for deliveries is developed in accordance with Subparagraph 6.5, the Community shall include in its written schedule to be submitted to the Secretary on or before October 1 of each Year, in accordance with Community's CAP Water Delivery Contract, the amount of Community CAP Exchange Water that the Community desires to be delivered to Mesa on a monthly basis during the following Year, which amount shall be the amount scheduled in accordance with Subparagraph 6.5.1.2, along with the amount of Community CAP Exchange Water projected to be scheduled by the Community for delivery to Mesa during the succeeding two Years.

6.7.2 For scheduling purposes, the Secretary shall treat that quantity of Community CAP Exchange Water that is included in the written schedule for delivery to Mesa in the same manner as he or she treats Community CAP Indian Priority Water scheduled for delivery to the Community.

6.7.3 The Secretary or the Operating Agency shall deliver Community CAP Exchange Water to Mesa as further provided herein; however, neither the Secretary nor the Operating Agency shall be obligated to make such deliveries if, in the judgment of the Secretary nor the Operating Agency, delivery or schedule of deliveries to Mesa would limit deliveries of CAP water to any CAP Contractor, including the Community, or CAP Subcontractor to a degree greater than would direct deliveries to the Community. The Secretary or the Operating Agency shall deliver the Community CAP Exchange Water to Mesa in accordance with water delivery schedules provided by the Community to the Secretary. The Operating Agency shall inform the Community of the amount of Community CAP Exchange Water delivered to Mesa in the previous year. The water ordering procedures contained in Article 4.4 of Mesa's CAP M&I Water Service Subcontract (or in a corresponding provision of any replacement subcontract) shall apply to Mesa's ordering of Community CAP Exchange Water under this Exchange Agreement. In no event shall the Secretary or the Operating Agency be required to deliver to Mesa under this Exchange Agreement in any one month a total amount of Community CAP Exchange Water greater than eleven percent (11%) of Mesa's annual maximum entitlement under this Exchange Agreement; provided, however, that the Secretary or the Operating Agency may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of CAP water to all CAP Contractors and CAP Subcontractors, as determined by the Secretary and the Operating Agency if Mesa agrees to accept such increased deliveries.

6.7.4 Mesa may use or deliver Community CAP Exchange Water for use outside the boundaries of the City of Mesa, but may not use, lease, transfer the use of, or

otherwise cause the Community CAP Exchange Water to be delivered for use outside of the boundaries of the CAP service area.

6.7.5 Mesa shall have the right to use Community CAP Exchange Water for any purpose that is consistent with Arizona law and not expressly prohibited by this Exchange Agreement, including groundwater recharge as that term is defined in Contract No. 14-06-W-245 between the United States and CAWCD dated December 15, 1972, as amended on December 1, 1988, hereinafter referred to as the "Repayment Contract." Except to the extent that this Exchange Agreement conflicts with the terms of Mesa's M&I Water Service Subcontract, deliveries of Community CAP Exchange Water to Mesa and its use by Mesa shall be subject to the Conditions Relating to Delivery and Use in Article 4.3 of Mesa's CAP M&I Water Service Subcontract. During the term of this Exchange Agreement, the following subarticles or articles of Mesa's CAP M&I Water Service Subcontract shall apply to Mesa and to Mesa's use of water under this Exchange Agreement: Subarticles 4.5(c), 4.5(d), and 5.2(f); Articles 4.9, 4.10, 5.3, 5.4, 5.5, 6.4, 6.6, 6.9, 6.10, 6.11, and 6.13.

6.7.6 Neither the Secretary, nor the Community warrant the quality of CAP water that they deliver or make available for delivery and neither is under any obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

6.7.7 The Community CAP Exchange Water to be delivered to Mesa pursuant to the provisions of this Exchange Agreement shall be delivered and measured at CAP Turnouts or such other points as may be agreed upon by Mesa and the Operating Agency pursuant to subparagraph 4.5(a) of Mesa's CAP M&I Subcontract.

6.8 Accounting.

6.8.1 Subject to the provisions of Subparagraphs 6.8.1.1 and 6.8.1.2, Mesa shall receive credit for all Mesa Reclaimed Water that Mesa makes available for Delivery in accordance with Subparagraph 6.6.1 and which the Community either accepts or is required to accept in accordance with Subparagraph 6.6.2.

6.8.1.1 Unless otherwise agreed to in writing by the Authorized Representative of the Community, Mesa shall not be credited for having made available for Delivery in any calendar month more than ten percent (10%) over the amount of Mesa Reclaimed Water that Mesa was obligated to make available for Delivery in that calendar month in accordance with Subparagraph 6.6.1;

6.8.1.2 Unless otherwise agreed to in writing by the Authorized Representative of the Community, Mesa shall not be credited for having made available for Delivery in any Year more than one thousand five hundred (1,500) acre-feet over the amount of Mesa Reclaimed Water that Mesa was obligated to make available for Delivery in that Year in accordance with Subparagraph 6.6.1.

6.9 Water Exchange Monthly and Annual Reports.

6.9.1 No later than the 15th of each month the Authorized Representative of the Community shall report, in writing, to the Authorized Representative of Mesa the quantity of Mesa Reclaimed Water Delivered during the previous month. If Mesa disagrees with the quantities reported as having been Delivered on a monthly basis, the Authorized Representative of Mesa shall have forty-five (45) calendar days from the date that the Community report was received to submit, in writing, a challenge to the same. If such a challenge is made, the Authorized Representatives shall meet within fourteen (14) calendar days after such challenge is made to attempt to informally resolve the dispute. If

the dispute is not resolved thereby, the dispute shall be resolved pursuant to Subparagraph 7.2.

6.9.2 No later than February 15th of each Year the Authorized Representative of the Community shall report, in writing, to the Authorized Representative of Mesa the amount of Mesa Reclaimed Water Delivered during the previous Year. If Mesa disagrees with the quantities reported as having been Delivered on an annual basis, the Authorized Representative of Mesa shall have forty-five (45) calendar days from the date that the report was received to submit, in writing, a challenge to the same. Challenges to an annual report shall be limited to (A) unresolved challenges made pursuant to Subparagraph 6.9.1, or (B) any information contained in an annual report that was not contained in a monthly report for which the challenge period has not yet expired. If such a challenge is made, the Authorized Representatives shall meet within fourteen (14) calendar days after such challenge is made to attempt to informally resolve the dispute. If the dispute is not resolved thereby, the dispute shall be resolved pursuant to Subparagraph 7.2.

6.9.3 On the same schedule as the Authorized Representative of the Community reports to Mesa in accordance with Subparagraph 6.9.1 and 6.9.2, the Authorized Representative of Mesa shall report, in writing, to the Authorized Representative of the Community any amount of Mesa Reclaimed Water made available for Delivery but not accepted by the Community for reasons other than those set forth in Subparagraph 6.6.2. If the Community disagrees with either the quantities reported as having been made available for Delivery or believes that the Community's failure to accept such Delivery was excused pursuant to Subparagraph 6.6.2, the Authorized Representative of the

Community shall challenge Mesa's report within the timelines described in Subparagraphs 6.9.1 and 6.9.2 and be subject to the same dispute resolutions procedures described therein.

6.9.4 Failure to submit a timely challenge to any report in accordance with Subparagraphs 6.9.2 and 6.9.3 shall constitute a waiver of the right to challenge the same and unchallenged reports shall be deemed accurate and valid.

6.9.5 Unless otherwise agreed upon in writing by the Authorized Representatives of the Community and Mesa, Mesa shall not be credited for:

6.9.5.1 Having made Mesa Reclaimed Water available for Delivery when the Community was excused from accepting Delivery in accordance with Subparagraph 6.6.2 and did not accept Delivery; or

6.9.5.2 Having made more than ten percent (10%) over the quantity of Mesa Reclaimed Water available for Delivery than was scheduled for Delivery during the applicable reporting period.

6.9.6 Mesa shall be credited with having made available for Delivery in any Year such quantities of Mesa Reclaimed Water reported by the Authorized Representative of the Community pursuant to Subparagraph 6.9.2 and any amounts reported as having been made available for Delivery in that Year, but not accepted by the Community, pursuant to Subparagraph 6.9.3, after resolving disputes pursuant to this Subparagraph 6.9.

6.9.7 Nothing in this Subparagraph 6.9 shall affect Mesa's and the Community's respective obligations to use best efforts to reschedule Deliveries in accordance with Subparagraph 6.6.5.

6.10. Adjustment for Deliveries.

6.10.1. If the amount of Mesa Reclaimed Water that Mesa is credited with having made available for Delivery in any Year is different from the amount that Mesa is obligated to have made available for Delivery, Mesa shall, in the next Year:

6.10.1.1. If Mesa is credited with having made available for Delivery less Reclaimed Water than Mesa is obligated to have made available for Delivery, cause such additional quantities of Mesa Reclaimed Water to be made available for Delivery during the following Year, pursuant to a schedule to be developed by Mesa and the Community in accordance with Subparagraph 6.5, to make up the difference; or

6.10.1.2. If Mesa is credited with having made available for Delivery more Reclaimed Water than Mesa is obligated to have made available for Delivery, cause such lesser quantities of Mesa Reclaimed Water to be made available for Delivery during the following Year, pursuant to a schedule to be developed by Mesa and the Community in accordance with Subparagraph 6.5, to make up the difference; or

6.10.1.3. If Mesa is credited with making either more or less Reclaimed Water available for Delivery than Mesa was obligated to make available for Delivery and has established an account in accordance with Subparagraph 6.18, debit or credit such account, as is appropriate, up to a maximum of one thousand five hundred (1,500) acre-feet and, if necessary, make such additional adjustments as are necessary in accordance with Subparagraphs 6.10.1.1 and 6.10.1.2, above.

6.11. Preconditions to Commencement of Delivery.

6.11.1. Delivery under this Paragraph 6.0 shall not commence until the occurrence of the Enforceability Date and completion of all of the following:

6.11.1.1. The Community shall have constructed or caused to be constructed the infrastructure improvements, including but not limited to such facilities as are required for blending pursuant to Subparagraph 6.13, that are needed to accept Mesa's Delivery;

6.11.1.2. Mesa shall have constructed or caused to be constructed the Mesa Pipeline or such alternative structure as may be required for Mesa to Deliver in accordance with the requirements of Subparagraph 6.6.1;

6.11.1.3. The Community shall have installed or caused to be installed the measuring device described in Subparagraph 6.16.1;

6.11.1.4. Mesa's CAP Delivery Subcontract and Subcontract Among the United States, Central Arizona Water Conservation District and the City of Mesa Providing for Water Services, dated December 21, 1993, have been amended to delete the provisions that require that any CAP water received by Mesa from any Indian Tribe in exchange for effluent shall diminish Mesa's entitlement to CAP water under Mesa's CAP Delivery Subcontracts and such contracts have been amended to conform to the shortage sharing provisions of subparagraph 8.16 of the Settlement Agreement.

6.11.1.5. The CAP Capital Repayment costs attributable to Community CAP Water shall have been made non-reimbursable.

6.11.1.6. Funds shall have been made available for the Secretary to pay, in accordance with section 205(a)(6) of the Act, CAP Fixed OM&R Charges for Delivery of Community CAP Water.

6.11.1.7. All environmental requirements pursuant to federal and state law necessary to implement the provisions of this Exchange Agreement shall have been met.

6.11.2. All infrastructure improvements required by Subparagraphs 6.11.1.1, 6.11.1.2, and 6.11.1.3 shall be made within five (5) years after the Enforceability Date.

6.12. Shortage of Community CAP Indian Priority Water.

6.12.1. If there is no shortage of CAP water as defined in Subparagraph 8.16.1 of the Settlement Agreement such that the quantity of Community CAP Indian Priority Water is reduced, the Community shall not reduce the amount of Community CAP Exchange Water available to Mesa pursuant to this Exchange Agreement.

6.12.2. If there is a shortage of CAP water as defined in Subparagraph 8.16.1 of the Settlement Agreement, such that the quantity of Community CAP Indian Priority Water is reduced, then the Authorized Representative of the Community shall, within sixty (60) days after receipt of written notice of the same from the Secretary or the Operating Agency, provide written notice to the Authorized Representative of Mesa as to whether or not the Community intends to reduce the amount of Community CAP Water it will make available to Mesa pursuant to this Paragraph 6.0 and, if so, the percentage amount of such reduction. The Community may reduce the amount of Community CAP Water available to Mesa, but not by more than the percentage by which water available for delivery as CAP M&I Priority Water is reduced in that Year in accordance with Subparagraph 8.16.2 of the Settlement Agreement.

6.13. Blending Water.

6.13.1. The Community shall provide sufficient water from any source of water described in Subparagraph 4.1 of the Settlement Agreement, other than effluent, to blend with Delivered Mesa Reclaimed Water so that such Mesa Reclaimed Water comprises no more than fifty percent (50%), by volume, of all water in the Community's Water

Delivery System at the confluence of the Mesa Pipeline and the Community's Water Delivery System or at such other location as may be agreed upon by the Authorized Representatives of the Community and Mesa.

6.13.2. If the Community is unable to schedule such blending water, due solely to factors outside of the control of the Community, it shall be excused from its obligation to accept Delivery of Mesa Reclaimed Water, but only to the extent that such inability would result in Mesa Reclaimed Water comprising more than fifty percent (50%), by volume, of all water in the Community's Water Delivery System at the confluence of the Mesa Pipeline and the Community's Water Delivery System or at such other location as may be agreed upon by the Authorized Representatives of the Community and Mesa.

6.13.3. If such blending water is available and the Community fails to order or provide the same to achieve the fifty percent (50%) blend referenced in this Subparagraph 6.13 Mesa shall continue to be credited with having made such quantities of Mesa Reclaimed Water available for Delivery as are scheduled for Delivery. Mesa shall, if requested by the Community, continue Delivery.

6.14. Community and Mesa OM&R Activities.

6.14.1. In the event that notice of specific dates of OM&R activities cannot be provided at the meeting required by Subparagraph 6.4.1 the Community shall provide estimated dates for scheduled OM&R activities for the ensuing Year and shall give notice of the specific dates of such scheduled OM&R activities at least forty-five (45) days prior to initiating the same. Unless otherwise agreed to in writing by the Authorized Representatives of the Community and Mesa, such scheduled OM&R activities shall not last more than thirty (30) days in any Year. The Community and Mesa shall make their

best efforts to coordinate any scheduled OM&R activities of their respective systems or any portion thereof to meet their Delivery and acceptance obligations.

6.14.2. Mesa and the Community shall notify each other as soon as practicable of any events or circumstances not scheduled in accordance with Subparagraph 6.14.1 that may limit their ability to Deliver or accept Delivery of Mesa Reclaimed Water.

6.14.2.1. The Community and Mesa shall make their best efforts to coordinate any events or circumstances not scheduled in accordance with Subparagraph 6.14.1 that may limit their ability to Deliver or accept Delivery of Mesa Reclaimed Water in accordance with this Exchange Agreement. If such events or circumstances occur, Mesa and the Community shall use their best efforts to amend the schedules in accordance with Subparagraph 6.5.2, such that the total quantities of Mesa Reclaimed Water that Mesa and the Community are obligated to Deliver and accept in the then current Year can be Delivered and accepted.

6.15. Transportation Losses.

6.15.1. Mesa shall be responsible for transportation losses of Mesa Reclaimed Water occurring before such water reaches the Mesa Point of Delivery. The Community shall be responsible for transportation losses of Mesa Reclaimed Water occurring after such water passes the Mesa Point of Delivery.

6.16. Measuring Devices.

6.16.1. The Community shall install, calibrate, and maintain, at its expense, a measuring device at the Mesa Point of Delivery to measure Deliveries.

6.16.2. Mesa may install flow meter(s) at the Plant(s) to measure Deliveries.

6.16.3. The measuring devices installed pursuant to Subparagraphs 6.16.1 and 6.16.2 shall be of a type which is acceptable to Mesa and the Community and whose accuracy is commensurate with industry standards for measuring devices used for similar purposes.

6.16.4. At least annually for the first three (3) years after the installation of the measuring device required pursuant to Subparagraph 6.16.1, the Community shall provide a registered professional engineer to inspect, and, if necessary, correct the accuracy thereof and the procedures used by the Community for measurement of water. After the third anniversary of the installation of the device, inspections shall occur at least every third year. Within thirty (30) days of such inspections the Community shall provide Mesa with a certified copy of the report by the registered professional engineer that sets forth the findings of the inspection and a verification that the measuring and recording devices and procedures satisfy industry standards. At any time Mesa may require, upon seven (7) days notice, an inspection by a registered professional engineer of the measuring device provided for by Subparagraph 6.16.1. If the results of the inspection show that the device's measurement accuracy is within industry standards, then Mesa shall pay all costs incurred for the inspection. Otherwise, the Community shall bear such costs.

6.17. Force Majeure Event.

6.17.1. When Mesa or the Community is unable to Deliver or accept Delivery of Mesa Reclaimed Water due to Force Majeure Events, the parties' obligations to Deliver and accept Delivery under this Paragraph 6.0 shall be suspended during the period of such Force Majeure Events. After the period has ended, Mesa and the Community shall

use their best efforts to amend the schedules in accordance with Subparagraph 6.5.2, such that the total quantities of Mesa Reclaimed Water that Mesa and Community are obligated to Deliver and accept in the then current Year can be Delivered and accepted.

6.18. Mesa Advance Credits.

6.18.1. If Mesa requests and the Community agrees, Mesa shall establish an account to allow Mesa to make "advance Deliveries" such that Mesa is able to establish and maintain a credit balance of not more than one thousand five hundred (1,500) acre-feet at all times.

6.19. Payment for delivery of Community CAP Water.

6.19.1. Whenever funds are available from the Lower Colorado River Basin Development Fund in accordance with section 205(a)(6) of the Act, in such other fund as Congress may authorize, or through annual appropriations, to be used by the United States to pay CAP Fixed OM&R Charges for delivery of Community CAP Water, the United States shall pay the CAP Operating Agency the CAP Fixed OM&R Charges associated with delivery of Community CAP Exchange Water to Mesa in advance of delivery as if the Community CAP Exchange Water had been delivered to the Community. Such payments shall be in accordance with Paragraph 4 (f) of the CAP Repayment Stipulation. If funds are so available to be used by the United States to pay CAP Fixed OM&R Charges for delivery of Community CAP Water and the United States fails to pay the CAP Fixed OM&R Charges associated with the delivery of Community CAP Exchange Water to Mesa in advance of delivery, Mesa may, at its option, either discontinue Delivery or pay such CAP Fixed OM&R Charges itself and shall retain the right to seek recovery under any cause of action which it may have against

the United States. If, for a period of three (3) years, Mesa chooses to not Deliver as provided in this Subparagraph 6.19.1, the Community may, at its option, terminate this agreement as to Mesa and all relative obligations hereunder.

6.19.2. If the United States does not have funds available to pay CAP Fixed OM&R Charges for delivery of CAP Community Water as described in Subparagraph 6.19.1, herein, Mesa shall pay the CAP Operating Agency the CAP Fixed OM&R Charges associated with delivery of Community CAP Exchange Water to Mesa in advance of delivery.

6.19.3. Mesa shall pay the CAP Operating Agency the CAP Pumping Energy Charges associated with the delivery of Community CAP Exchange Water to Mesa in advance of such delivery.

6.19.4. In accordance with Subparagraph 8.20 of the Settlement Agreement, no CAP water service capital charges shall be due or payable for Community CAP Water delivered pursuant to this Exchange Agreement, and Mesa shall not be obligated to pay any CAP water service capital charges, or any other capital charges associated with the Community CAP Exchange Water delivered to Mesa pursuant to this Exchange Agreement.

6.19.5. In no event shall the Community be liable for any payment of any kind, in any capacity, to or on behalf of Mesa in regard to any Community CAP Exchange Water delivered to, on behalf of, or by Mesa.

6.20. Amendment of Exchange Agreement as between Mesa and the Community.

6.20.1. The provisions of this Exchange Agreement relating to Mesa and the Community may be amended by written agreement between Mesa and the Community

without court approval or the need for consent or approval of any other Party to this Exchange Agreement or parties to the Settlement Agreement unless such approval is required by law; provided, however, that no such amendment may violate any provisions of the Act or Settlement Agreement, or adversely affect the rights under the Settlement Agreement of any party to the Settlement Agreement or adversely affect the rights under this Exchange Agreement of any Party hereto who is not a signatory to such amendment.

6.21. Mesa Point of Delivery.

6.21.1. Unless mutually agreed to in writing by Mesa's and the Community's Authorized Representatives, Mesa Reclaimed Water shall be Delivered at the Mesa Point of Delivery.

7.0 General Provisions

7.1 Nothing in this Exchange Agreement shall be construed to establish, or to imply the existence of, any obligations owed by Chandler to Mesa or by Mesa to Chandler. Paragraphs 5.0 and 6.0 were negotiated wholly independently of one another and no similarities or distinctions between those two paragraphs are intended to, and shall not, be used to interpret the Parties' intent.

7.2 Should any dispute arise as to any issue in relation to the interpretation or enforcement of this Exchange Agreement as between Chandler and the Community or as between Mesa and the Community, the affected Parties shall seek mediation in an attempt to resolve such dispute prior to initiating court action.

7.3 Chandler and Community – Indemnity and Waiver.

7.3.1 Chandler shall indemnify, defend and hold harmless the Community, and any and all of its Council, agents and employees from and against any and all claims,

demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses, and liabilities for injury or death of any person or persons, or for damage or damages to property occasioned by or arising from any act, omission, professional error, fault, mistake or negligence of Chandler, and its employees, agents or representatives in conjunction with or incident to its performance under this Exchange Agreement or occasioned by or arising from Chandler's breach of its duties set forth under this Exchange Agreement.

7.3.2 The Community shall indemnify, defend and hold harmless Chandler and any and all of its Council members, agents and employees from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses and liabilities for injury or death of any person or persons, or for damage or damages to property occasioned by or arising from any act, omission, professional error, fault, mistake or negligence of Community, and its employees, agents or representatives in conjunction with or incident to its performance under this Exchange Agreement or occasioned by or arising from Community's breach of its duties set forth under this Exchange Agreement.

7.3.3 Chandler shall indemnify, defend and hold harmless the Community, and any and all of its Council, agents and employees from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses, and liabilities for injury or death of any person or persons, or for damage or damages to property occasioned by or arising from: (1) the Delivery of any Chandler Reclaimed Water which is produced by a Plant in Non-Attainment and which has not been accepted by the Community (pursuant to either Subparagraphs 4.3.2.2 or

5.6.9) and (2) the delivery of all Community CAP Exchange Water to Chandler pursuant to this Exchange Agreement.

7.3.4 The Community shall indemnify, defend, and hold harmless Chandler and any and all of its Council members, agents and employees from and against any and all claims, demands, expenses and liabilities for injury or death of any person or persons, or for damage or damages, to property occasioned by or arising from the Delivery of any Chandler Reclaimed Water produced by a Plant in Attainment and not in Exceedance and which is Delivered in accordance with this Exchange Agreement, or produced by a Plant in Non-Attainment and Delivered in accordance with this Exchange Agreement, except that such indemnification shall not apply to any actions that may be taken pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. section 9601, *et seq*.

7.3.5 In addition to the provisions of Paragraph 25.0 of the Settlement Agreement, the Community hereby waives and releases any and all claims and damages asserted against Chandler, and any and all of its council members, agents and employees under Federal, State, Tribal or other law arising out of the Delivery of Chandler Reclaimed Water from a Plant in Attainment and not in Exceedance or that otherwise meets the provisions of Paragraph 4.0.

7.3.6 In addition to the provisions of Paragraph 25.0 of the Settlement Agreement, Chandler hereby waives and releases any and all claims and damages asserted against the Community, and any and all of its council members, agents and employees under Federal, State, Tribal or other law as a result of the delivery of Community CAP Water to Chandler in accordance with this Exchange Agreement.

7.4 Mesa and Community – Indemnity and Waiver.

7.4.1 Mesa shall indemnify, defend and hold harmless the Community, and any and all of its Council, agents and employees from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses, and liabilities for injury or death of any person or persons, or for damage or damages to property occasioned by or arising from any act, omission, professional error, fault, mistake or negligence of Mesa, and its employees, agents or representatives in conjunction with or incident to its performance under this Exchange Agreement or occasioned by or arising from Mesa's breach of its duties set forth under this Exchange Agreement.

7.4.2 The Community shall indemnify, defend and hold harmless Mesa and any and all of its Council members, agents and employees from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses and liabilities for injury or death of any person or persons, or for damage or damages to property occasioned by or arising from any act, omission, professional error, fault, mistake or negligence of Community, and its employees, agents or representatives in conjunction with or incident to its performance under this Exchange Agreement or occasioned by or arising from the Community's breach of its duties set forth under this Exchange Agreement.

7.4.3 The Community shall indemnify, defend and hold harmless the United States from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses and liabilities for injury or death of any person or persons, or for damage or damages to property occasioned by or arising

from any act, omission, professional error, fault, mistake or negligence of Community, and its employees, agents or representatives in conjunction with or incident to its performance under this Exchange Agreement or occasioned by or arising from the Community's breach of its duties set forth under this Exchange Agreement, including the Community's decision or determination to accept Delivery of Reclaimed Water that does not meet the A+ Reclaimed Water Quality Standards. Except as prohibited by Federal law, the Community shall have the exclusive and independent right to accept the Delivery of water that does not meet A+ Reclaimed Water Quality Standards.

7.4.4 Mesa shall indemnify, defend and hold harmless the Community, and any and all of its Council, agents and employees from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses, and liabilities for injury or death of any person or persons, or for damage or damages to property occasioned by or arising from: (1) the Delivery of any Mesa Reclaimed Water which is produced by a Plant in Non-Attainment and which the Community did not accept for Delivery and (2) the delivery of all Community CAP Exchange Water to Mesa pursuant to this Exchange Agreement.

7.4.5 The Community shall indemnify, defend, and hold harmless Mesa and any and all of its Council members, agents and employees from and against any and all claims, demands, expenses and liabilities for injury or death of any person or persons, or for damage or damages, to property occasioned by or arising from the Delivery of any Mesa Reclaimed Water produced by a Plant in Attainment or otherwise in accordance with Paragraph 4.0, and Delivered in accordance with this Exchange Agreement, except that such indemnification shall not apply to any actions that may be taken pursuant to the

Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. section 9601, *et seq.*

7.4.6 In addition to the provisions of Paragraph 25.0 of the Settlement Agreement, the Community hereby waives and releases any and all claims and damages asserted against Mesa, and any and all of its council members, agents and employees under Federal, State, Tribal or other law arising out of the Delivery of Mesa Reclaimed Water from a Plant in Attainment or that otherwise meets the provisions of Paragraph 4.0 and which the Community either accepts, or is required to accept, for Delivery.

7.4.7 In addition to the provisions of Paragraph 25.0 of the Settlement Agreement, Mesa hereby waives and releases any and all claims and damages asserted against the Community, and any and all of its council members, agents and employees under Federal, State, Tribal law other law arising out of the Delivery of Community CAP Exchange Water delivered to Mesa in accordance with this Exchange Agreement.

7.4.8 In addition to the provisions of Paragraph 25.0 of the Settlement Agreement, the Community hereby waives and releases any and all claims and damages asserted against the United States in any and all of its capacities arising out of the Delivery of Reclaimed Water that the Community accepts under the terms and conditions of this Agreement.

7.5 Waiver of Sovereign Immunity.

7.5.1 The United States' waiver of its sovereign immunity contained in the Act applies to any claim or claims which Chandler, Mesa or the Community may have against it, which relate to the interpretation or enforcement of this Exchange Agreement. The Community's limited waiver of its sovereign immunity contained in the Act applies

to any claim or claims which Chandler or Mesa may have against it, which relate to the interpretation or enforcement of this Exchange Agreement.

7.6 Authorized Representatives and Notice.

7.6.1 Within thirty (30) calendar days after the date this Enforceability Date, Chandler, Mesa, and the Community shall each appoint an Authorized Representative and an alternate Authorized Representative to administer the provisions of this Exchange Agreement for which the Authorized Representative has responsibility, and notify each other of those appointments. The alternate Authorized Representative shall act only when the Authorized Representative is absent or otherwise unable to perform his or her duties under this Exchange Agreement. All decisions and agreements required to be made or entered into by the Authorized Representative shall be binding on a Party only if it is in writing and signed by the Party's Authorized Representative. Each Party shall notify the other Parties to this Exchange Agreement of any change in the identity of its Authorized Representative or alternate Authorized Representative. The Authorized Representatives shall also provide to each other a point of contact that can be reached in case of emergency or during times outside of normal business hours. Each Party shall notify the other Parties of any change in contact person information.

7.7 Notice.

7.7.1 Any notice or report required or provided for in this Exchange Agreement shall be made or sent to the contact person(s) identified below, or addressed to such other address as the Parties shall have designated by written notice given to the other Parties.

COMMUNITY:

For issues relating to
Reclaimed Water Quality

Gila River Indian Community
Department of Environmental Quality
P. O. Box 97
Sacaton, Arizona 85247
Phone: 520-562-2234
Fax: 520-562-2245

For issues other than
Reclaimed Water Quality

Gila River Indian Community
Office of Water Rights
5002 Maricopa Road, Box 5090
Chandler, Arizona 85226
Phone: 520-796-1344
Fax: 520-796-1347

CITY OF CHANDLER:

Public Works Director
City of Chandler
P. O. Box 4008, MS 403
Chandler, Arizona 85224-4008
Phone: (480) 782-3400
Fax: (480) 782-3415

CITY OF MESA:

For issues relating to
Reclaimed Water Quality

Utilities Manager
City of Mesa
P. O. Box 1466
Mesa, Arizona 85211-1466
Phone: 480-644-2741
Fax: 480-644-2768

For issues other than
Reclaimed Water Quality

City Manager
City of Mesa
P. O. Box 1466
Mesa, Arizona 85211-1466
Phone: 480-644-3333

UNITED STATES:

Secretary of the Interior
Department of the Interior
Washington, D.C.

Area Director
Phoenix Area Office
Bureau of Indian Affairs
P. O. Box 10
Phoenix, Arizona 85001

Bureau of Reclamation
Lower Colorado Region
P. O. Box 427
Boulder City, Nevada 89005

7.8 Other Important Provisions.

7.8.1 Failure by any Party to enforce any provision of this Exchange Agreement shall not serve to waive the right of that Party to enforce that or any other provision in the future and in accordance with the terms and conditions of this Exchange Agreement.

7.8.2 No remedy identified in this Exchange Agreement shall be deemed to be an exclusive remedy or to otherwise in any way limit the remedies available to any Party either under this Exchange Agreement or at law or in equity.

7.8.3 The terms of this Exchange Agreement relating to Chandler and the Community shall remain in effect notwithstanding any failure of or dispute regarding the Exchange Agreement between Mesa and the Community.

7.8.4 The terms of this Exchange Agreement relating to Mesa and the Community shall remain in effect notwithstanding any failure of or dispute regarding the Exchange Agreement between Chandler and the Community.

7.8.5 Nothing in this Exchange Agreement is intended to extend, amend or alter the obligations of Chandler and the Community with respect to the separate agreement between Chandler and the Community regarding the use, operation, or discharge of the Lone Butte Wastewater Treatment Facility. Water made available to the Community pursuant to that agreement shall not be considered Reclaimed Water for purposes of this Exchange Agreement.

7.8.6 The Community shall be solely responsible for ensuring that Reclaimed Water Delivered pursuant to this Exchange Agreement is properly used in accordance with all applicable laws and that all permits necessary for such use have been obtained.

7.8.7 If a Party, at any time, is unable to perform any of its obligations under this Exchange Agreement because such performance would cause that Party to violate any federal or state law, performance of that obligation shall be excused and the Parties, in good faith, shall attempt to negotiate such amendments to this Exchange Agreement as are necessary to ensure the Parties' full compliance with applicable law while preserving, to the extent possible, the benefits each Party obtains under this Exchange Agreement.

7.8.8 The Community represents and warrants that: (1) it is a federally-recognized Indian tribe, and (2) its execution, delivery and performance of this Agreement is duly authorized and lawful under applicable tribal laws.

7.8.9 The Community agrees:

7.8.9.1 To observe and perform all obligations imposed on the Community by the Community's CAP Water Delivery Contract which are not assumed by Chandler or Mesa so that Chandler's and Mesa's rights and duties under this Exchange Agreement are not in any way impaired;

7.8.9.2 Not to execute or amend any other exchange or lease of the Community's CAP Water that would impair Chandler's and Mesa's rights and duties hereunder;

7.8.9.3 Not to alter or modify the terms of the Community's CAP Water Delivery Contract in such a way as to impair Chandler's and Mesa's rights hereunder or exercise any right or action permitted by the Community's CAP Water Delivery Contract so as to interfere with or change the rights and obligations of Chandler or Mesa, hereunder; and

7.8.9.4 Not to terminate or cancel the Community's CAP Water Delivery Contract or transfer, convey or permit a transfer or conveyance of the Contract so as to cause a termination of, interference with, or modification of the rights and obligations of the Community under the Community's CAP Water Delivery Contract.

7.8.9.5 Not to assert in any proceeding that a discharge from a Mesa Plant into the East Maricopa Floodway is a failure of the Maricopa County Flood Control District to comply with any term or condition of the Grant of Easement for Right-of-Way, executed April 12, 1979 (Pinal Co. Recorder No.620679), Grant of Easement for Right-of-Way, executed April 12, 1979 (Pinal Co. Recorder No. 620680), or Assignment of Queen Creek Floodway Right-of-Way, executed May 8, 1979 (Pinal Co. Recorder No. 620678).

7.8.10 Chandler represents and warrants that its execution, delivery and performance of this Exchange Agreement has been duly authorized and entered into in compliance with the Chandler City Code.

7.8.11 Mesa represents and warrants that its execution, delivery and performance of this Exchange Agreement has been duly authorized and entered into in compliance with the Mesa City Code.

7.8.12 This Exchange Agreement shall be governed by and construed under applicable federal and State law. This Agreement shall be deemed made and entered into in Maricopa County.

7.8.13 This Exchange Agreement is the result of arms-length negotiations between the Parties of roughly equivalent bargaining power and expresses the complete, actual and intended agreement of the Parties. This Exchange Agreement shall not be

construed for or against either Party as a result of its participation, or the participation of its counsel, in the preparation and drafting of the Exchange Agreement.

7.8.14 The Parties agree that in the event of litigation between the Parties to enforce this Exchange Agreement, after a final non-appealable judgment by a court of competent jurisdiction, the prevailing Party shall be entitled to recover reasonable costs and attorney's fees; provided however, that this Subparagraph 7.8.14 shall not apply to the United States.

7.8.15 Time is of the essence with respect to the performance of all terms, covenants, and provisions of this Exchange Agreement.

7.8.16 Nothing in this Exchange Agreement shall constitute a relinquishment to Chandler, to Mesa or to any other entity of any right, entitlement, or ownership interest in the Community's CAP Water Delivery Contract.

7.8.17 Except as noted in Subparagraphs 5.21.1 and 6.20.1, no modification of or amendment to this Exchange Agreement shall be effective unless it is in writing, and signed by all Parties.

7.8.18 The expenditure or advance of any money or the performance of any obligation by the United States, in any of its capacities, under this Exchange Agreement shall be contingent upon: (1) the appropriation of funds or, (2) in the case of the payment of Fixed OM&R Charges, funds are available in accordance with Subparagraphs 6.19 and 5.19 of this Exchange Agreement. No liability shall accrue to the United States, in any of its capacities, in the event funds are not appropriated or so otherwise available.

7.8.19 This Exchange Agreement may be executed in duplicate originals, each of which shall constitute an original agreement.

7.8.20 This Exchange Agreement shall become enforceable upon the latter of the following date: (1) the date of its execution by all Parties; and (2) the Enforceability Date.

7.8.21 Each of the terms and conditions of this Exchange Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

7.8.22 There shall be no third party beneficiaries of this Exchange Agreement.

7.8.23 The Community's waivers of claims contained in this Exchange Agreement, are in addition to any waivers contained in the Settlement Agreement. The waivers of claims by Chandler and Mesa contained in this Agreement, are in addition to any waivers contained in the Settlement Agreement.

7.8.24 Subparagraph 7.1 of the Construction Agreement provides that the obligations and duties set forth in Subparagraphs 4.2, 4.3, 5.1, 7.3, 7.4, 7.5, 7.6 and 7.7 of that agreement shall survive the expiration of that Agreement to the extent not inconsistent with the Settlement Agreement. The Community and Chandler agree that:

7.8.24.1 Subparagraphs 4.3, 5.1, 7.3, and 7.6 of the Construction Agreement are expressly incorporated into this Exchange Agreement.

7.8.25 The provisions of Subparagraph 7.5 of the Construction Agreement shall be superseded by the provisions of Subparagraphs 7.2 and 7.5 of the Exchange Agreement, and those provisions shall apply to any obligations and duties which have survived the expiration of the Construction Agreement.

7.8.26 The Secretary, acting through the Regional Director for the Bureau of Reclamation shall be the authorized representative of the United States for purposes of any future amendments to this Agreement.

8.0 Except as required by Subparagraph 4.1.2, the Community shall not impose any additional requirements regarding the treatment or Delivery of Reclaimed Water pursuant to this Agreement, other than those requirements set forth in this Exchange Agreement.

GILA RIVER INDIAN COMMUNITY

By: _____
Dated:_____

Governor

Attest: _____

Approved as
To Form:_____
General Counsel

CITY OF CHANDLER

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF MESA

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

THE UNITED STATES OF AMERICA

By: _____
Dated:_____
Secretary of the Interior

Exhibit 19.1

Buckeye Irrigation Company Agreement

RECORDER'S CERTIFICATE.

STATE OF ARIZONA,)
)ss.
County of Pinal.)

I, SOPHIE M. SMITH County Recorder, in and for the County of PINAL, State of Arizona, do hereby certify that the within and following is a Photostatic Copy of

ARTICLES OF AGREEMENT

as the same appears of record in my office in BOOK No. 7 of CONTRACTS AND AGREEMENTS at page 570 thereof, or under file No. File of ;

that I have compared the same with the original record and that the same is a true transcript and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office, this 14th day of March, 1957, at Florence, the County seat.

SOPHIE M. SMITH
County Recorder,

By Carolyn Arlegza
Chief Deputy Recorder.

oOo oOo oOo

OFFICE OF INDIAN AFFAIRS

RECEIVED
FEB 8 - 1946
5683

ARTICLES OF AGREEMENT

1. THIS AGREEMENT, made and entered into this 29th day of May, Nineteen hundred ~~Forty-five-(1945),~~ 1947 pursuant to authority of the Acts of Congress approved May 18, 1916 (39 Stat. 123-130), June 7, 1924 (43 Stat. 475) and March 7, 1928 (45 Stat. 200) and Acts amendatory thereof or supplementary thereto, particularly the Act of July 3, 1945 (Public No.123-79th Cong., 1st Sess. at page 14), by and between the United States of America, acting herein by the Secretary of the Interior, hereinafter referred to as the United States, and Buckeye Irrigation Company, an Arizona corporation, hereinafter referred to as the Company

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, the United States has constructed and now owns the Florence-Casa Grande Irrigation Project, originally comprising approximately 62,000 acres of land, 35,000 acres of which were in the Gila River Indian Reservation, Arizona and the remaining 27,000 acres were and now are owned by non-Indians located upstream and just east of said reservation; and

3. WHEREAS, the United States owns and holds in trust all the water rights for said Florence-Casa Grande Project; and

4. WHEREAS, the United States has constructed and now owns and operates the San Carlos Federal Irrigation Project, Arizona; and

5. WHEREAS, said San Carlos Project now embraces 100,546 acres of land, 50,000 acres of which are within the San Carlos Irrigation and Drainage District, a public corporation, and 50,546 acres are located within the Gila River Indian Reservation; and

6. WHEREAS, all but approximately 1,545 acres of said Florence-Casa Grande Project lands were merged with and are included in the San Carlos Federal Irrigation Project; and

7. WHEREAS, the United States owns and holds in trust all the water rights for the San Carlos Project lands including the water rights for the Florence-Casa Grande Project lands which have been merged with the San Carlos Project as aforesaid; and

8. WHEREAS, said water rights are all defined and described in detail in a decree of the United States District Court for Arizona, entered June 29, 1935, in the

case of United States of America vs. Gila Valley Irrigation District, et al., the original of which is on file in the office of the Clerk of said Court and a copy thereof is also on file in the San Carlos Project office at Coolidge, Arizona; and,

9. WHEREAS, the United States rights to use the waters of the Gila River for the irrigation of lands in said projects are (1) direct diversion rights, the earliest of which has an immemorial date of priority, (2) storage rights with a priority of not later than June 7, 1924, and (3) underground rights including the right to pump from the subsurface flow of the Gila River at any and all points between the San Carlos Project Ashurst-Hayden Diversion Dam and the western boundary of the said San Carlos Irrigation Project; and

10. WHEREAS, the United States also owns the right to divert and use water from the Gila River for the irrigation of 2992.5 acres of Indian land at the "Gila Crossing District" on the Gila River Reservation all of which have been irrigated and are now under Government owned canals which now divert water from the Gila River at points, about 13 and 17 miles respectively, east of and upstream from the place where the Salt River empties into the Gila River, all as provided for in said Federal Court Decree; and

11. WHEREAS, the United States also owns and hold in trust for Indians of the Gila Reservation 4465.505 acres of land comprising the "Lone Butte" farm containing 1989.62 acres, the "Broadacres Ranch" containing 1739.57 acres, the "Collier" lease farm containing 486.02 acres and the "Cheatham" lease farm containing 250.295 acres, which have been and now are being irrigated with water pumped from wells and "Tempe Drain" water, the right to the use of which it also owns; and

12. WHEREAS, the Company is willing to waive any claim of past, present or future damages on account of past, present or future irrigation of the areas last aforesaid; and

13. WHEREAS, the United States has constructed and owns and operates the Coolidge Dam and San Carlos Reservoir, the construction of which was sufficiently complete to allow the storage of water therein beginning November 15, 1928; and

14. WHEREAS, the Buckeye Irrigation Company owns and operates a diversion dam and canals near Buckeye, Arizona, which said irrigation facilities together with wells and pumps are and have been used by the Company to furnish irrigation water for landowners in the Buckeye Water Conservation and Drainage District; and

15. WHEREAS, each landowner in said District who owns or claims to own a water right also owns one share of Company stock for each acre of land; and

16. WHEREAS, said Buckeye Company diverts and uses water from the Gila River below the mouth of the Salt River; and

17. WHEREAS, the Company has pumped water from lands in said District to provide a substitute water supply for water losses which it claims to have suffered by reason of the construction of reservoirs on the Salt and Verde Rivers and by reason of increased pumping within the project of the Salt River Valley Water Users' Association and the Roosevelt Irrigation District, and other irrigation developments on the Agua Fria and elsewhere above the Company diversion structures; and

18. WHEREAS, the Company representing all the landowners in said Buckeye Water Conservation and Drainage District filed a suit in the Superior Court of Maricopa County, Arizona, against the Salt River Valley Water Users' Association, a corporatio and others in September, 1929, alleging among other things that the construction of reservoirs and other irrigation structures on the Salt River together with large sca

pumping by the Association and the Roosevelt Irrigation District, also a defendant in said suit, had interfered with and diminished the supply of water theretofore available at the Company's diversion dam; and

19. WHEREAS, the Company also alleged that the construction of the Coolidge Dam and Reservoir by the United States and its use of stored water on the San Carlos Irrigation Project together with an alleged increased use of San Pedro water by said project had also interfered with and diminished the water supply of the Company and in an effort to curtail said alleged increased uses, the Company named as defendants the San Carlos Irrigation and Drainage District, the San Carlos Project Engineer, the Superintendant of the Gila River Indian Reservation and numerous individual Indians of that Reservation; but the Company did not and does not now assert any claim to water rights adverse to the Indians of the San Carlos Reservation all of whose points of diversion are above Coolidge Dam; and

20. WHEREAS, the United States Attorney for Arizona appeared specially on behalf of the Project Engineer, the Superintendant and the individual Pima Indians for the purpose of questioning the jurisdiction of the Court and made formal suggestions to the Court that the suit was in effect one against the United States, since it owned all project water rights and the Coolidge Dam and the project diversion dams and all the other project works, and that therefore the Court had no jurisdiction over the subject matter of said suit; and

21. WHEREAS, thereafter the Company indicated its willingness to confer with all parties concerned for the purpose of working out a satisfactory settlement of the entire controversy and to that end suggested that the Secretary of the Interior could facilitate a settlement of all the matters by appointing a disinterested person to act as mediator; and

22. WHEREAS, the Secretary of the Interior thereafter appointed the Honorable Clifford H. Stone of Denver, Colorado, as Mediator who conducted mediation proceedings over a period of several years and worked with the various parties in an effort to assist the Company in reaching a mutually satisfactory settlement of its grievances with each of the other projects which the Company claimed had interfered with its water supply; and

23. WHEREAS, the Company has made satisfactory settlements with all of said other projects and companies; and

24. WHEREAS, although the United States has contended that its water rights were superior to those of the Company and its landowners, the San Carlos Irrigation Project representatives have conceded that future construction of additional works contemplated by the United States to make a more effective use of its irrigation system and water physically available for the San Carlos Irrigation Project might diminish the amount of water in the Gila River at a point 100 feet above the mouth of the Salt River and thereby invade the rights of the Company; and

25. WHEREAS, the Company by reason of the diminishing of its water supply as set forth in paragraphs 17, 18 and 19 hereof has been compelled to borrow money with which to drill wells and install pumps to furnish a substitute water supply to partially offset said losses and provide against the aforesaid future increased uses by the San Carlos Project; and

26. WHEREAS, the United States, in order to reconcile its differences with the Company and settle all past disputes and avoid future controversy with the Company over the right of the United States to control and use the waters of the Gila River and its

tributaries above the mouth of the Salt River, is willing to pay the Company for a release of its past, present and future claims against the United States on account of the San Carlos Federal Irrigation Project as now constituted or as it may hereafter be improved by the construction of new dams, (such as the "Buttes") reservoirs or other facilities to make Gila River water more completely available to said project and the other lands hereinbefore mentioned, located at Gila Crossing, also the Florence-Casa Grande Project lands not included in said San Carlos Project; and

27. WHEREAS, in view of the satisfactory arrangements the Company has made with the Salt River Valley Water Users' Association and other users on the Salt River and its tributaries the Company is willing to dismiss its suit with prejudice as to the San Carlos Irrigation and Drainage District, San Carlos Project officials, Superintendent A. E. Robinson and all of the Pima and/or Maricopa Indians and waive all claims to the use of water from the Gila River at and above Gila Crossing in the future upon receipt of the sum of money hereinafter provided for and upon the terms and conditions set forth in this agreement.

28. NOW, THEREFORE, in order to adjust and settle the existing controversy, promote the welfare of the San Carlos Federal Irrigation Project, avoid future controversies, and in consideration of the premises and the covenants hereinafter contained and the payment by the United States to the Company the sum of One Hundred Four Thousand Four Hundred Dollars ($104,400.00) as hereinafter provided it is mutually understood and agreed as follows:

29. The United States shall pay the Company for and on behalf of its stockholders the sum of One Hundred Four Thousand, Four Hundred Dollars ($104,400.00) in accordance with Government fiscal regulations upon the occurrence of the following events:

(1) The approval of this agreement by appropriate and satisfactory resolutions duly and regularly adopted by:

a. The stockholders of the Buckeye Irrigation Company, a corporation,

b. The Buckeye Water Conservation and Drainage District,

c. The San Carlos Irrigation and Drainage District and

d. The Gila River Pima-Maricopa Indian Community Council.

(2) The filing of a motion to dismiss by the Buckeye Irrigation Company with the Clerk of the Superior Court of Maricopa County, Arizona, and the entry of a due and regular court order based thereon, dismissing with prejudice both as to the Company and the landowners within the Buckeye Water Conservation and Drainage District, the Company's suit against the San Carlos Irrigation and Drainage District, Project Engineer C. J. Moody, and Superintendent A. E. Robinson in their official and individual capacities and each of the Pima and/or other Indians named in said suit.

(3) Availability of the funds appropriated by Congress in the aforesaid Act of July 3, 1945.

(4) The due and regular execution of this agreement by the parties hereto.

30. The Company acknowledges the receipt of said sum of $104,400.00 and hereby fully and in all respects releases the United States, the San Carlos Irrigation and Drainage District, and the Pima Indians from all damages or claims of damage by reason of past, present or future operation and use of Coolidge Dam and the storage of Gila River water in the San Carlos Reservoir, for the past, present or future diversions of water at Ashurst-Hayden and Sacaton Diversion Dams, also on account of the construction of any new storage and/or diversion dams on the Gila or its tributaries above the

Sacaton Bridge and Diversion Dam and/or the storage of water therein or diversions therefrom, and for past, present or future diversions at Gila Crossing for the irrigation of the hereinbefore mentioned 2992.5 acres of Indian lands, PROVIDED, that the construction of new reservoirs or other storage works that may be built by the United States or its assigns to store and divert additional quantities of Gila River waters together with existing reservoirs and other works shall not be used for the purpose of irrigating more than 100,546 acres of San Carlos Irrigation Project lands plus 1545 acres of Florence-Casa Grande Project lands not in the /San Carlos Project and said 2992.5 acres of non-project Indian lands under the Gila Crossing irrigation system.

31. Subject to the foregoing limitation the United States and/or its assigns may build for the San Carlos Irrigation Project such other storage and diversion dams on the Gila River or any of its tributaries at any point or points it may choose upstream from Sacaton Bridge and Diversion Dam. It is further agreed that subject to the same limitation the United States may drill such new wells and install pumps therein as it may deem necessary to more fully utilize its water rights enumerated in paragraph 9 hereof.

32. It is mutually understood that the acreage limitations enumerated in paragraph 30 hereof shall not be construed as applying to or in any way limiting the acreage which the United States may irrigate through the use of any or all of said storage and/or diversion dams to the extent that it may use them to store, release and/or divert water that may be brought into the channel of the Gila River from some other stream or streams not tributary thereto.

33. The Company hereby releases the United States and the Pima Indians from all damages or claims of damage by reason of past, present or future irrigation of the hereinbefore described "Lone Butte" farm, the "Broadacres Ranch", the "Collier" lease farm and the "Cheatham" lease farm, and hereby agrees that this agreement shall be construed as including the consent of the Company for the Indians of the Gila Reservation, or the United States for them, to continue the irrigation of the aforesaid farms with water obtained in the manner aforesaid or by the drilling of new wells from time to time for the purpose of obtaining an adequate water supply to irrigate all or any of said four farm areas, and that irrespective of whether said lands shall be farmed and irrigated by the Indians or their lessees, the motion to dismiss and order of dismissal provided for in 29(2) hereof shall be deemed to bind the Company as to the farm areas and the irrigation thereof as described herein and in paragraphs 11 and 12.

34. It is mutually understood and agreed that this agreement shall not be construed as affecting or in any way limiting rights of the Maricopa Indians to the use of water from Salt River, which rights were determined, defined and described in the decree of the Federal Court for the District of Arizona in the case of United States of America vs. N. W. Haggard et al., neither shall it be construed as in any way affecting or limiting the rights of the United States or its Indian wards to use water from the Salt River and tributaries for the irrigation of Indian lands on the Salt River and Fort McDowell Indian Reservations.

35. The Company hereby agrees that its release to the United States, as set forth in paragraphs 30 and 31 hereof, shall be construed as a waiver of any and all claims against the Indians of the San Carlos Indian Reservation and the Company does hereby disclaim any right or rights to the use of the Gila River water or its tributaries as against the Indians of said reservation.

36. No Member of, or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom, but this restriction shall not be construed to extend to this contract if made with a corporation for its general benefit.

37. It is intended that the terms and provisions of this contract shall be binding upon and shall inure to the benefit of the United States and its assigns, the San Carlos Irrigation and Drainage District, its successors or assigns, also the Gila River Pima-Maricopa Indian Community, and the Company, its successors and assigns and its stockholders and all landowners within the Buckeye Water Conservation and Drainage District and their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed or caused this agreement to be executed in duplicate original the day and year first above written.

UNITED STATES OF AMERICA

By Oscar L Chapman
Acting Secretary of the Interior

W.O.
WHF

(CORPORATE SEAL)

BUCKEYE IRRIGATION COMPANY,
a corporation

By A. L. Lanford
President

A T Jones
A. T. Jones, Secretary

MAY 29 1947

Approved as to form:

Oscar L Chapman
Acting Secretary of the Interior

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

A. L. Lanford, personally appeared before me, a Notary Public in and for said state and county, this 4th day of December, 1945, known to me to be the President of the Buckeye Irrigation Company, a corporation, and acknowledged to me that he signed and executed the foregoing agreement for and on behalf of said corporation, according to resolutions of its stockholders and Board of Directors attached to said contract, for the purposes and consideration expressed in said agreement.

Subscribed and sworn to before me this 4th day of December, 1945.

Essie F. Martin
Notary Public

(NOTARIAL SEAL)

My Commission Expires:

8/28/49

FILED AND RECORDED at the request of U.S. Indian Irrigation Service on September 29 A. D. 1947, at 9:15 o'clock A.M.

FEE NO. 30303

Esta L. Bayless
County Recorder.

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COMPARED

EXHIBIT 20.1

AGREEMENT AMONG THE GILA RIVER INDIAN COMMUNITY, THE UNITED STATES OF AMERICA, AND THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

This Agreement is entered into as of the date executed below, by and among the Gila River Indian Community, the San Carlos Irrigation and Drainage District and the United States of America.

1.0 RECITALS

1.1 Proceedings to determine the nature and extent of the rights to water of the Community, the District, the United States, and other claimants are pending in the Gila River Adjudication Proceedings and actions regarding the interpretation and enforcement of the Globe Equity Decree are pending before the Globe Equity Enforcement Court.

1.2 Recognizing that final resolution of these proceedings may take many years, entail great expense, prolong uncertainty concerning the availability of water supplies, and seriously impair the long-term economic well-being of all Parties to the Settlement Agreement, the Community, the District and the United States have agreed to settle the disputes that are among them, including their respective water rights claims and concerns and differences involving the management and operation of the San Carlos Irrigation Project.

1.3 In fulfillment of its trust responsibility to Indian tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to settle water rights claims of Indian tribes without lengthy and costly litigation.

1.4 The Act provides for the settlement of water rights claims of the Community and the District, and for agreement among the Community, the District, the United States, and certain other named parties.

1.5 Accordingly, the Parties have agreed to settle permanently water rights and other claims of the Community and the United States on behalf thereof, as provided for in the Settlement Agreement and to resolve permanently any disputes between the Community, the District and the United States over management and operation of the Project, as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Community, the District, and the United States agree as follows:

2.0 DEFINITIONS

Capitalized terms in this Agreement that are not expressly defined herein shall have the same meaning as in the Settlement Agreement or in the Globe Equity Decree; provided, however, that in the event of a conflict, the definition in the Globe Equity Decree shall control. The following terms shall have the following meanings when capitalized in this Agreement:

2.1 "Agreement" shall mean this agreement and the Attachments hereto, which are incorporated herein by this reference.

2.2 "Attachment" shall mean an attachment to this Agreement.

2.3 [Intentionally not used].

2.4 [Intentionally not used].

2.5 "Community Rehabilitation Responsibility Project Joint Delivery Facilities" or "CRR Project Joint Delivery Facilities" shall mean the Pima Canal from the Florence-Casa Grande Canal to the Reservation and laterals 6-37, 6-51, 6-55 and 8 (as they are defined in the Joint Works Feasibility Report), each of which divert water from the Pima Canal between the Florence-Casa Grande Canal and the Reservation boundary, as depicted on Attachment 2.5.

2.6 "Community Rehabilitation Responsibility Project Delivery Facilities" or "CRR Project Delivery Facilities" shall mean: (i) those portions of the SCIP water delivery and distribution system located on the Gila River Indian Reservation, and appurtenances thereto, and (ii) that off-Reservation portion of the Southside Canal extending from the point at which the Southside Canal connects with the Pima Canal to the boundary of the Reservation, all as depicted on Attachment 2.6.

2.7 "Desilting Basin" shall mean a facility to be built at or near the Ashurst-Hayden Dam on the Florence-Casa Grande Canal to remove suspended solids from diverted water.

2.7A "Dispute" shall mean any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, but not including any dispute, claim, question or disagreement arising from or relating to Attachment 6.2 or Attachment 2.14; provided however, that as to the United States, this Subparagraph 2.7A is limited by section 213(a) of the Act and by section 4 of the Act.

2.8 "District" or "SCIDD" or "San Carlos Irrigation and Drainage District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State. The District is the non-Indian component of the Project.

2.9 "District Rehabilitation Responsibility Project Delivery Facilities" or "DRR Project Delivery Facilities" shall mean those portions of the SCIP water delivery and distribution system serving District lands along with the appurtenant water delivery system structures thereto, but not including the Project Joint Delivery Facilities and not including DRR Other Project Delivery Facilities, all as depicted on Attachment 2.9.

2.10 "District Rehabilitation Responsibility Project Joint Delivery Facilities" or "DRR Project Joint Delivery Facilities" shall mean Ashurst-Hayden Diversion Dam, general property (as defined in the Joint Works Feasibility Report), and the Florence-Casa Grande Canal and appurtenances thereto, including the Desilting Basin, all as depicted on Attachment 2.10.

2.11 "District Rehabilitation Responsibility Other Project Delivery Facilities" or "DRR Other Project Delivery Facilities" shall mean the North Side Canal, as depicted on Attachment 2.11.

2.12 "Enforceability Date" shall mean the date on which the authorizations contained in section 207 of the Act become effective.

2.13 "Florence-Casa Grande Canal" shall mean the canal of that name as it exists on the Enforceability Date, as depicted in Attachment 2.13. The term "Florence-Casa Grande Canal" shall include any replacement for the canal depicted on Attachment 2.13.

2.14 "JCB Agreement" shall mean the agreement between the United States, the Community and the District, to be executed simultaneously with this Agreement, whereby the Community and the District agree to manage jointly the maintenance of the Project Joint Delivery Facilities, a copy of which agreement is attached as Attachment 2.14.

2.15 "Joint Control Board" shall mean the board established to provide for the maintenance of the Project Joint Delivery Facilities, including the establishment of budgets and assessments for such purposes.

2.16 "Joint Works Feasibility Report" shall mean that report submitted by the Area Director, Phoenix Area Office, Bureau of Indian Affairs to the Assistant Secretary - Indian Affairs, Department of the Interior, entitled FINAL REPORT, REHABILITATION and BETTERMENT of the SAN CARLOS PROJECT – JOINT WORKS, dated, August 1993.

2.17 "Paragraph" shall mean a paragraph of this Agreement.

2.18 "Part" or "Parts" shall mean any point in the Project Diversion and Delivery Facilities at which water is first diverted for or delivered to either District lands or to Community lands served by the Project, but not to both.

2.19 "Party" shall mean an entity, as defined in this Agreement, represented by a signatory to this Agreement. "Parties" shall mean all of such entities. The United States' participation as a Party shall be in the capacity as described in subparagraph 2.33.

2.20 "Pima Canal" shall mean that portion of the Project Joint Delivery Facilities that begins at the Florence-Casa Grande Canal and ends at the Reservation boundary, as depicted on Attachment 2.20.

2.21 "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" shall mean the project authorized by the Act of June 7, 1924, 43 Stat. 475, as amended and supplemented.

2.22 "Project Delivery and Distribution Facilities" shall mean those diversion works, canals, and laterals constructed, operated and maintained for the delivery and distribution of water to the Project lands of the Community and of the District.

2.23 "Project Joint Delivery Facilities" shall mean: (i) the CRR Project Joint Delivery Facilities, (ii) the DRR Project Joint Delivery Facilities and (iii) the DRR Other Project Delivery Facilities; provided, however, that the DRR Other Project Delivery Facilities shall become DRR Project Delivery Facilities, at the earlier of (a) the date upon which the rehabilitation of the Florence-Casa Grande Canal, or the construction of a replacement therefor, as contemplated by this Agreement, is completed, or (b) the date upon which the rehabilitation of the DRR Other Project Delivery Facilities, as contemplated by this Agreement is complete.

2.24 "Project Natural Flow" shall mean all Gila River water that is not stored or pumped and that is available in priority to the Community and the District for diversion at Ashurst-Hayden Diversion Dam under the Globe Equity Decree.

2.25 "Project Pumped Water" shall mean all water produced by Project Wells.

2.26 "Project Stored Water" shall mean all Gila River water available to the Community and the District under the Globe Equity Decree that is neither Project Pumped Water nor Project Natural Flow Water.

2.27 "Project Water" shall mean all water available to the Community and the District under the Globe Equity Decree.

2.28 "Project Wells" shall mean those wells that provide water for the benefit of Project lands that are operable as of the date on which the operation and maintenance of certain of such wells is transferred to the District pursuant to Subparagraph 9.4. The term shall include any such wells that are relocated or replaced after the date of transfer of the operation and maintenance.

2.29 "Project Joint Works" shall mean Coolidge Dam and Reservoir, Picacho Dam and Reservoir and, for the purpose of the scheduling and delivery of water only, Ashurst-Hayden Diversion Dam. This definition of "Project Joint Works" amends the definition of this term for purposes of the 1938 Order.

2.30 "Settlement Agreement" shall mean that certain amended and restated agreement authorized and approved by the Act and entered into among the Community, the District, the United States, the State of Arizona, and certain other named parties.

2.31 "Subparagraph" shall mean a subparagraph of this Agreement.

2.32 "Third Supplemental Repayment Contract" shall mean that agreement between the District and the United States, in its capacity as owner and operating agent for the Project, a copy of which is attached as Attachment 6.2.

2.33 "United States" or "United States of America" shall mean, the United States of America: (i) acting as trustee for the Community, Members and Allottees; (ii) as the holder of

legal title to (but not the beneficial interest in) the Water Rights as described in articles V and VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of the Project; (iii) as owner and operator of the Project; and, (iv) in no other capacity except where expressly stated otherwise herein.

2.34 "1938 Order" shall mean the Order of the Department of the Interior dated June 15, 1938, entitled "ORDER DEFINING JOINT, DISTRICT AND INDIAN WORKS OF THE SAN CARLOS FEDERAL IRRIGATION PROJECT: TURNING OVER OPERATION AND MAINTENANCE OF DISTRICT WORKS TO THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT".

3.0 ATTACHMENTS

Following is a list that constitutes the attachments to this Agreement:

Attachment	**Description**
2.5	Map Depicting CRR Project Joint Delivery Facilities
2.6	Map Depicting CRR Project Delivery Facilities
2.9	Map Depicting DRR Project Delivery Facilities
2.10	Map Depicting DRR Project Joint Delivery Facilities
2.11	Map Depicting DRR Other Project Delivery Facilities
2.13	Map Depicting Florence-Casa Grande Canal

2.14	JCB Agreement
2.20	Map Depicting Pima Canal
4.1	Joint stipulation and proposed order effectuating the undertakings set forth in Subparagraph 4.1
4.2	Complaint filed June 29, 1988, by the Community and the United States in Globe Equity 59
6.1	Project Composite Cost Allocation
6.2	Third Supplemental Repayment Contract
6.5.1	Funding schedule and conditions for funding of CRR Delivery Facilities and CRR Project Joint Delivery Facilities
6.5.2	Funding schedule and conditions for funding DRR Project Delivery Facilities, the DRR Project Joint Delivery Facilities, and the DRR Other Project Delivery Facilities
6.6.1	Composite Rehabilitation Cost Exceedance Allocation

4.0 WAIVER OF CLAIMS

4.1 Within thirty (30) calendar days following the Enforceability Date, the Community joined by the United States shall file the stipulation and dismissal with prejudice of all claims previously filed or pending in the Globe Equity Enforcement Court by the Community against the District and the District's landowners as set forth in No. 31-59 TUC-SRB aka Globe Equity 59. Such stipulation shall forever waive and release all such claims previously filed or pending in the original Complaint filed June 29, 1988, a copy of which is

attached hereto as Attachment 4.2, and all amended or supplemental complaints thereto. The form of such joint stipulation and dismissal with prejudice is attached as Attachment 4.1.

5.0 PROVISION FOR CO-MINGLED WATER

Prior to the use of any Project facility for delivery of water that is not made available under the Globe Equity Decree, the Community shall implement a water supply management and associated accounting program for such co-mingled water. The program shall ensure that the amounts of water made available to the Community under the Globe Equity Decree are delivered only to Globe Equity Decree lands of the Community.

6.0 FACILITY REHABILITATION

6.1 Costs.

6.1.1 The cost of rehabilitation of the CRR On-Reservation Project Delivery Facilities as set forth in Attachment 6.5.1 shall be paid from the Lower Colorado River Basin Development Fund as set forth in section 403(f)(2)(C) of the Colorado River Basin Project Act of 1968, as amended by the Act.

6.1.2 The cost of rehabilitation of the DRR Project Delivery Facilities as set forth in Attachment 6.5.2 shall be paid from funds made available from the Lower Colorado River Basin Development Fund as set forth in section 403(f)(2)(D)(iv) of the Colorado River Basin Project Act of 1968, as amended by the Act.

6.1.3 The cost of rehabilitation of the Project Joint Delivery Facilities in accordance with the allocation of costs for each project feature of the contemplated rehabilitation as set forth in Attachment 6.1 shall be paid from funds made available from the Lower Colorado River Basin Development Fund as set forth in sections 403(f)(2)(C) and 403(f)(2)(D)(iv) of the Colorado River Basin Project Act of 1968, as amended by the Act, or from appropriations pursuant to section 214(a)(1)(A) of the Act.

6.1.4 The responsibility for "cost overruns" for Project Joint Delivery Facilities shall be as set forth in Subparagraph 6.6.

6.2 **Design and construction responsibility**.

6.2.1 The Community and the United States have amended the contract entered into between the United States and the Community numbered 6-07-03 W0345, dated July 20, 1998, to include the design and construction of all CRR On-Reservation Project Delivery Facilities and the CRR Project Joint Delivery Facilities.

6.2.2 The United States and the District shall execute Attachment 6.2 to allow the District to design and construct the DRR Project Delivery Facilities and the DRR Project Joint Delivery Facilities. At its option, the District may use funding obtained pursuant to this Agreement and the Act to design and construct the DRR Other Project Delivery Facilities in accordance with Attachment 6.2. In the event that

sufficient funds are not available from the funds made available to the District pursuant to this Agreement and the Act for the District to complete both the DRR Project Delivery Facilities and the DRR Project Joint Delivery Facilities, the District shall complete the DRR Project Joint Delivery Facilities with such funds as are available to it pursuant to this Agreement and the Act.

6.2.3 Prior to the initiation of construction on Project Joint Delivery Facilities, the Community and the District shall jointly develop a master work schedule that describes the timeframe for work to be performed on Project Joint Delivery Facilities by each and the total estimated cost of such work. Changes to the schedule affecting Project Joint Delivery Facilities shall be subject to the review and approval procedures described in Subparagraphs 6.3 and 6.4.

6.3 Prior to the initiation of construction on CRR Project Joint Delivery Facilities, the Community shall submit its proposed designs, plans, specifications and cost estimates for such construction, and subsequent changes thereto, to the District for their prompt review and approval. The District shall have thirty (30) days in which to object in writing to the Community's proposed designs, plans, specifications and cost estimates. If the District does not object in writing to the Community's proposed designs, plans, specifications and cost estimates by the end of the ten (10) day period immediately following the expiration of the thirty (30) day review period, then the District shall be deemed to have approved the Community's proposed designs, plans, specifications and cost estimates. If the District determines that any plans or specifications submitted are not adequate or in accordance with

sound engineering practices, the District shall provide the Community with a detailed statement of the nature of the deficiency and what actions are suggested to correct the same prior to the end of the ten (10) day period immediately following expiration of the thirty (30) day review period. Thereafter, the District and the Community shall promptly meet to discuss the District's objections. If the District and the Community are unable to resolve the District's objections, then either the Community or the District may submit the dispute to binding arbitration pursuant to Paragraph 11.0.

6.3.1 The Community shall advertise each construction, equipment or supply contract in accordance with Community procurement policies. Upon receipt of bids, any action proposed by the Community, other than making the award to the lowest responsible bidder, shall be subject to review and concurrence by the District.

6.3.2 The Community shall require construction contractors to furnish performance and payment bonds in accordance with Community procurement policies. Supply and equipment contractors may be required to furnish performance bonds on supply or equipment contracts exceeding one hundred thousand dollars ($100,000) when the contract calls for substantial progress payments before delivery of end items.

6.3.3 Any work undertaken pursuant to this Subparagraph 6.3 shall be open and subject to inspection by the District at all reasonable times during the progress thereof and upon completion. Should it be determined by the District that any such work is not being performed, or has not been

accomplished, in accordance with applicable schedules, plans, and specifications approved by the District, and otherwise in accordance with the terms and conditions of this contract, the Community shall be given written notice thereof within a reasonable time after the inspection and shall provide a detailed statement of the nature of the deficiency and what actions are suggested to correct the same. No work undertaken by the Community shall be deemed to be completed until such work is completed in accordance with designs, plans and specifications approved by the District.

6.4 Prior to the initiation of construction on DRR Project Joint Delivery Facilities the District shall submit its proposed designs, plans, specifications and cost estimates for such construction, and subsequent changes thereto, to the Community for its prompt review and approval. The Community shall have thirty (30) days in which to object in writing to the District's proposed designs, plans, specifications and cost estimates. If the Community determines that any plans or specifications submitted are not adequate or in accordance with sound engineering practices, the Community shall provide the District with a detailed statement of the nature of the deficiency and what actions are suggested to correct the same prior to the end of the ten (10) day period immediately following expiration of the thirty (30) day review period. Thereafter, the District and the Community shall promptly meet to discuss the Community's objections. If the District and the Community are unable to resolve the Community's objections, then either the Community or the District may submit the dispute to binding arbitration pursuant to Paragraph 11.0.

6.4.1 The District shall advertise each construction, equipment or supply contract in accordance with article 27.0 of exhibit 15.0 to Attachment 6.2. Upon receipt of bids, any action proposed by the District, other than making the award to the lowest responsible bidder, shall be subject to review and concurrence by the Community.

6.4.2 The District shall require construction, supply or equipment contractors to furnish performance and payment bonds in accordance with article 28.0 of exhibit 15.0 to Attachment 6.2.

6.4.3 Any work undertaken pursuant to this Subparagraph 6.4 shall be open and subject to inspection by the Community at all reasonable times during the progress thereof and upon completion. Should it be determined by the Community that any such work is not being performed, or has not been accomplished, in accordance with applicable schedules, plans, and specifications approved by the Community, and otherwise in accordance with the terms and conditions of this contract, the District shall be given written notice thereof within a reasonable time after the inspection and shall provide a detailed statement of the nature of the deficiency and what actions are suggested to correct the same. No work undertaken by the District shall be deemed to be completed until such work is completed in accordance with designs, plans and specifications approved by the Community.

6.5 **Funding schedule.** The District and the Community agree that they will each use their best efforts and support in good faith the other's requests for funding to accomplish the rehabilitation activities described in this Agreement. The intended result of that mutual support is that subjugation of additional Globe Equity Decree land by the Community and the rehabilitation of those Project works that are to be operated by the District will be accomplished in a manner that allows, to the greatest extent possible, for proportionally concurrent completion.

6.5.1 The funding schedule and conditions for funding the construction of both the CRR Project Delivery Facilities and the CRR Project Joint Delivery Facilities is set forth in Attachment 6.5.1, with an annual funding level as set forth in such Attachment.

6.5.2 The funding schedule and conditions for funding the construction of the DRR Project Delivery Facilities, the DRR Project Joint Delivery Facilities, and the DRR Other Project Delivery Facilities is set forth in Attachment 6.5.2, with an annual funding level as set forth in such Attachment.

6.5.3 The District and the Community agree to the funding schedules set forth in Attachments 6.5.1 and 6.5.2 and agree to the Secretary's distribution of funds according to those schedules. The District and the Community agree that the total amount authorized by the Act for the work set forth in Attachment 6.5.1 is $147,000,000, which amount shall be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices

applicable to the types of construction involved in the work set forth in Attachment 6.5.1, whether those funds are expended by the Community, or by the District pursuant to an agreement between the Community and the District.

6.6 **Cost overruns**. For purposes of this Subparagraph 6.6, the term "cost overruns" shall mean any exceedance of the 'Total Cost' for any 'Project Feature' as shown on Attachment 6.1, after such costs are escalated in accordance with the Act, that does not result from the negligence of either the Community or the District, whether such Total Cost exceedance results from an exceedance of initial cost estimates or construction contract changes.

6.6.1 The District shall have financial responsibility for all cost overruns up to an amount of two million nine hundred ninety-six thousand dollars ($2,996,000).

6.6.1.1 Cost overruns, up to two million nine hundred ninety-six thousand dollars ($2,996,000) shall be allocated among the various project features based on the same percentage as the cost of the construction and rehabilitation of each feature bears to the total cost of construction and rehabilitation of the DRR Project Joint Delivery Facilities and CRR Project Joint Delivery Facilities.

6.6.2 The financial responsibility for cost overruns in excess of two million nine hundred ninety-six thousand dollars ($2,996,000) calculated as described above shall be allocated between the Community and the

District in accordance with the percentages set forth in Attachment 6.6.1.

6.7 Pursuant to section 203(d)(5) of the Act, the Bureau of Reclamation is hereby designated as the lead agency for oversight of the construction and rehabilitation of the San Carlos Irrigation Project authorized by section 203(d) of the Act.

7.0 MAINTENANCE

7.1 The District shall continue to have the responsibility for, and shall perform, the operation and maintenance for the DRR Project Delivery Facilities (other than the Northside Canal) in accordance with the 1938 Order.

7.2 Within eighteen (18) months after the establishment of the JCB, the Secretary shall, in accordance with subparagraph 6.1 of the JCB Agreement, transfer the maintenance responsibility for the Project Joint Delivery Facilities, including the fish barriers located on the Florence-Casa Grande Canal and the Pima Canal, and the DRR Other Project Delivery Facilities to the Joint Control Board, including any work required for environmental compliance associated with such maintenance; provided, however, that the Joint Control Board and the United States shall immediately upon the Northside Canal becoming DRR Project Delivery Facilities in accordance with Subparagraph 2.23, transfer to the District the operation and maintenance responsibility including responsibility for any work required for environmental compliance associated with such operation and maintenance. The District shall perform such responsibilities for that canal in a manner that is in accordance with the 1938 Order.

7.3 Except as expressly provided in Paragraph 6.0, in accordance with section 203 of the Act, nothing in this Agreement shall affect:

7.3.1 Any responsibility of the United States under the Act of June 7, 1924 (commonly known as the "San Carlos Project Act of 1924") (43 Stat. 475); or

7.3.2 Any other financial responsibility of the Secretary relating to the operation and maintenance of the Project existing on the date of enactment of the Act.

7.4 Except as provided in this Agreement, the 1938 Order shall remain in full force and effect.

7.5 Notwithstanding Subparagraphs 7.1 through 7.4, and in accordance section 203(d)(2)(B)(i), the Secretary, acting through the Bureau of Indian Affairs, shall continue to be responsible for the operation and maintenance of Picacho Dam and Reservoir and Coolidge Dam and Reservoir and for scheduling and delivering water to the Community and the District through the Project Joint Delivery Facilities. The responsibility for scheduling and delivering water to the Community and the District shall include the operation of Ashurst-Hayden Diversion Dam. For purposes of this Agreement, "delivering water" means the operation of canal and lateral gates and structures for the purpose of delivering water from Picacho Dam and Reservoir and Coolidge Dam and Reservoir to the Community and the District as set forth in Subparagraph 9.1.

7.6 In accordance with sections 203(d)(1) and (6) of the Act, the Secretary, acting through the Bureau of Indian Affairs, shall continue to be responsible for determining the cost for all work undertaken pursuant to responsibilities retained by the Bureau of Indian Affairs

pursuant to this Agreement and for the establishment and collection of assessments required to pay for such work in the same manner as provided in applicable law and contracts.

7.7 Maintenance costs for Project Joint Delivery Facilities features shall be shared based upon the quantity of water annually conveyed in each feature for the respective benefits of the Community and the District. Operation and maintenance costs for the fish barriers on the Florence-Casa Grande Canal and the Pima Canal and the maintenance costs for any canal that delivers CAP water into Project Delivery Facilities shall be shared based upon the actual quantity of CAP water delivered to Project facilities for the respective benefits of the Community and the District. At the end of each Year, the JCB shall adjust subsequent assessments as necessary to reconcile the previous Year's assessments based on actual delivery quantities in that Year.

8.0 MEASURING DEVICES

8.1 The Party rehabilitating a specific facility pursuant to Paragraph 6.0 shall install and calibrate a totalizing measuring and recording device at each point of delivery of water into the Project Joint Delivery Facilities and at each Part to measure the flow of water delivered at that location. The measuring and recording devices shall include telemetry equipment that shall have the ability to provide real-time data transmission to the Project, the District and the Community. Once installed and calibrated, such measuring and recording devices shall be operated and maintained by the Joint Control Board in accordance with the JCB Agreement.

8.2 There shall be a rebuttable presumption that the flow measurement and recording devices installed and operated pursuant to this Paragraph 8.0 are accurate and such presumption shall be overcome only by clear and convincing evidence to the contrary.

8.3 For purposes of the accounting procedures described at Subparagraph 9.6, the measuring and recording devices required under Subparagraph 8.1 shall be of a type that is acceptable to the United States, the District and the Community and shall be devices whose accuracy is commensurate with industry standards for measuring and recording devices used for similar purposes.

8.4 At least annually for three (3) years after the installation of the devices required pursuant to Subparagraph 8.1, the Community and the District shall ensure that the Joint Control Board engages an independent, registered professional engineer to inspect, and, if necessary (1) correct the accuracy of the measuring and recording devices required by Subparagraph 8.1 and (2) amend the procedures used for measurement of water. After the third anniversary of installation of the devices, inspections shall occur at least every three (3) years. Within thirty (30) calendar days after such inspections, the Joint Control Board shall provide to the District, the Community and to the United States a certified copy of the report by the independent, registered professional engineer that sets forth the findings of the inspection and a verification that the measuring and recording devices and procedures satisfy industry standards. At any time, the District, the Community or the United States may inspect the measuring and recording devices. The District, the Community or the United States may require, upon seven (7) calendar days notice to the Joint Control Board, an inspection by a registered professional engineer of their choice of the measuring and recording devices required by Subparagraph 8.1. If the results of the inspection show that the accuracy of the

devices is within industry standards, then the requesting party shall pay all costs incurred for the inspection. Otherwise, the Joint Control Board shall bear such costs, as well as the costs of necessary repairs.

8.5 The Secretary, acting through the Bureau of Indian Affairs, shall continue to prepare and publish annual reports describing Project water use, land use, acreage and value of crops grown and related information.

9.0 PROJECT OPERATIONAL RESTRUCTURING

9.1 Until completion of the rehabilitation of the DRR Project Delivery Facilities as provided in Paragraph 6.0, the United States' obligation to deliver water to the Community and the District shall remain unchanged. After completion of the rehabilitation of the DRR Project Delivery Facilities as provided in Paragraph 6.0, the United States shall deliver water to the Community and the District as described below. For purposes of this Paragraph 9.0, completion of the rehabilitation of DRR Project Delivery Facilities shall be considered to have occurred upon the issuance of a Notice of Substantial Completion in accordance with article 39.0 of exhibit 15.0 to Attachment 6.2.

9.1.1 This Agreement shall not affect or diminish the rights of any person or entity to receive water under the Globe Equity Decree. Only the rights to water as between the Community and the District are to be affected by the provisions of this Paragraph 9.0.

9.1.2 After Gila River water is Diverted at Ashurst-Hayden Diversion Dam in accordance with the Globe Equity Decree, the Secretary shall deliver or cause to be delivered both Project Natural Flow Water and Project Stored Water to the applicable Part where it shall be measured.

9.1.3 Losses of water that occur during transport of water through the Project Joint Delivery Facilities, shall be calculated and reported by the United States on a monthly basis, and shared, as between the District and the Community, in proportion to the respective quantities of all waters from all sources that are transported in each separable feature of the Project Joint Delivery Facilities before reaching the Part.

9.1.4 After delivery to the Part, losses of water shall be borne by the entity upon whose behalf the water is delivered.

9.1.5 Project Stored Water shall be divided equally between the Community and the District with each receiving fifty percent (50%) of all such water. Water stored in Picacho Reservoir shall be counted as Project Stored Water.

9.1.5.1 Conserved Water exchanged with the Secretary pursuant to subarticles 16.2.1 and 16.2.2 of Attachment 6.2 shall be accounted for in accordance with Subparagraph 9.3.

9.1.6 Project Natural Flow Water arriving at Ashurst-Hayden Diversion Dam shall be shared between the Community and the District pursuant to the following formulas:

Community share: Project Natural Flow Water arriving at Ashurst-Hayden Diversion Dam plus any water to which the Community is otherwise entitled that is diverted upstream of Ashurst-Hayden Diversion Dam pursuant to an exchange agreement between the Community and one or more other persons or entities, after adjustment for transit losses, times sixty percent (60%), minus the

exchange water diverted upstream of Ashurst-Hayden Diversion Dam after adjustment for transit losses.

District share: Project Natural Flow Water arriving at Ashurst-Hayden Diversion Dam plus any water to which the District is otherwise entitled that is diverted upstream of Ashurst-Hayden Diversion Dam pursuant to an exchange agreement between the District and one or more persons or entities, after adjustment for transit losses, times forty percent (40%), minus the exchange water diverted upstream of Ashurst-Hayden Diversion Dam after adjustment for transit losses.

9.1.7 At the end of each month, an adjustment to the Community and the District entitlements to Project Stored Water shall be made to ensure that the division of water prescribed in Subparagraphs 9.1.5 and 9.1.6 is effectuated.

9.1.8 When ordering the delivery of Project Water for any purpose, the Community and the District shall order the maximum usable Project Natural Flow Water available to that Party under the Globe Equity Decree for that purpose.

9.2 The Community, the United States, and the District shall not object to conversion and/or transfer by the other of Globe Equity Decree land and associated water rights from agricultural use to M&I Use; provided, however, that the quantities of such water so converted and/or transferred shall be determined in accordance with the "without injury" provision contained in the last proviso of Article XI of the Globe Equity Decree. Nothing in

this Subparagraph 9.2 shall affect the security interest of the United States or the repayment obligation of the District under applicable law or contract.

9.3 The Community and the District, with the approval of the United States, may enter into agreements to exchange portions of their Gila River water entitlement with upstream water users, subject to the "without injury" provision contained in the last proviso of Article XI of the Globe Equity Decree. Globe Equity Decree procedures shall be followed for measuring, administering and reporting such quantities of exchanged water being delivered on a daily basis, including assignment to the exchanging parties of related incremental changes in Gila River losses to the extent that the other party is harmed. The Community and the District agree that, unless disallowed by the Globe Equity Enforcement Court, quantities so exchanged shall first be deducted from any Project Stored Water available to the Party participating in the exchange, then from the Project Natural Flow Water available to that Party, and then from other sources of water available to that Party.

9.4 Upon completion of the rehabilitation of DRR Project Delivery Facilities as specified in the second sentence of Subparagraph 9.1, the United States shall transfer to the District the operation, maintenance and replacement responsibilities for all operating Project Wells not located on the Reservation, including all operating and water supply delivery facilities associated with such Project Wells. Those Project Wells located on the Reservation shall remain an asset of the United States and the United States shall retain the responsibility for operation and maintenance of all such Project Wells, including all of the operating and water supply delivery facilities associated with such Project Wells unless or until the Community seeks to take over such responsibility pursuant to applicable federal law.

9.4.1 Withdrawal and use of Underground Water for M&I Use by the District within an Eastern Protection Zone shall be subject to the provisions of

paragraph 5.0 of the Settlement Agreement. The withdrawal and use of Underground Water by the District for M&I Use outside the Eastern Protection Zones shall be governed by the rules and regulations of the Pinal AMA. Notwithstanding provisions contained in paragraph 5.0 of the Settlement Agreement, water pumped for agricultural purposes by the District using Project Wells shall not be considered Underground Water for the purposes of interpreting paragraph 5.0 of the Settlement Agreement.

9.4.2 Pursuant to section 203(d)(1)(B) of the Act, the Secretary shall provide electric power for the Project Wells and irrigation pumps at the Secretary's direct cost of transmission, distribution, and administration using the least expensive source of power available.

9.4.3 The Community or the District, with the approval of the United States, may make such improvements to or increase the number of wells serving Project lands, which approval by the United States shall not be unreasonably withheld. The Community or the District may change the size, location or capacity of Project Wells or other facilities that serve only their lands at their sole discretion and cost.

9.5 Beginning on the Enforceability Date, the District and the Community shall meet no later than September 1 of each Year. At that meeting:

9.5.1 The District and the Community shall review the status of rehabilitation activities and expected deliveries of all water including CAP water, and shall discuss ways to coordinate the use of all water including CAP water to their mutual benefit.

9.5.2 The Community and the District shall advise each other of their anticipated delivery and dry-up schedules and any other planned construction, repair, or maintenance activities for the balance of the current Year and for the following Year that may affect their ability to perform under this Agreement;

9.5.3 If the District or the Community is unable, or fails, to meet its obligations to deliver water in accordance with the schedule developed pursuant to Subparagraph 9.5.2, then the District or the Community may require a meeting between the District and the Community at a mutually agreed upon time. In no event shall the meeting occur later than thirty (30) calendar days after notice of the required meeting is first given. At that meeting, the District and the Community shall seek to resolve any outstanding differences and prepare revised schedules in the manner provided for in Subparagraph 9.5.2. If the District and the Community are unable to reach agreement on the outstanding issues and/or revised schedules within fourteen (14) calendar days following meeting to resolve the concern, any Party may seek resolution of the dispute, which shall be resolved pursuant to Paragraph 11.0.

9.6 **Water delivery accounting procedures**. Beginning on the Enforceability Date, and no later than the fifteenth (15th) of each month thereafter the United States shall report to the Community and the District the amount of water, by source, delivered to the Community and the District at delivery points into the Project Diversion and Delivery Facilities and at the Parts during the previous calendar month. This report shall include water delivered from Project Wells, provided that the District and the Community (if the Community and the District have taken over responsibility for Project Wells in accordance

with this Agreement), have submitted Project Well data to the United states by the tenth (10th) day of each month.

9.7 No later than February 15th of each Year, the United States shall report to the Community and the District the quantities of water, by source, actually delivered to the District and the Community during the previous Year, which amounts shall be the sum of the monthly reports for the previous Year.

9.8 The District or the Community shall have forty-five (45) calendar days from the date that a monthly or annual report is submitted to make a written challenge to the same. If such a challenge is made, the Parties shall meet within fourteen (14) calendar days after such challenge is made to attempt to informally resolve the dispute. If the dispute is not resolved within thirty (30) calendar days after such challenge is made, any Party may submit the dispute to arbitration pursuant to Paragraph 11.

9.9 Failure to submit a timely challenge to any report in accordance with Subparagraph 9.8 shall constitute a waiver of the right to challenge such report and the report shall be deemed accurate and valid.

10.0 MITIGATION

10.1 From and after the Enforceability Date the Community shall provide mitigation water to the District in any Year in which Phelps Dodge: (1) Diverts water from Eagle Creek or the San Francisco River under the Ling Decree; (2) pumps water that must be charged against the Ling Decree pursuant to subparagraph 10.4.4 of the Settlement Agreement; or (3) intercepts water in Chase Creek as provided in Subparagraph 10.1.2; provided, however, that should the Final Effective Date of the Community/Phelps Dodge Agreement (as that term is defined therein) not occur, then the

Community's obligation to provide mitigation water pursuant to this Subparagraph 10.1 shall cease and be of no further effect.

10.1.1 Monthly and annual Diversions of water by Phelps Dodge from Eagle Creek and the San Francisco River under the Ling Decree will be quantified using the report of the Gila Water Commissioner based upon data from the United States Geological Survey.

10.1.2 For purposes of this Agreement, the water deemed to be intercepted from Chase Creek by Phelps Dodge shall be the amounts of water set forth in Table 10.1.2. Such amounts shall be deemed to include all additional amounts of water intercepted from Chase Creek by Phelps Dodge after Phelps Dodge's existing Upper Chase Creek Facility is moved by Phelps Dodge from its location as of the Effective Date to a location in Chase Creek approximately in the NW1/4, NW1/4 of Section 28, Township 3 South, Range 29 East, G&SRB&M.

Table 10.1.2

Month	Amount
January	99 acre-feet
February	84 acre-feet
March	78 acre-feet
April	29 acre-feet
May	38 acre-feet
June	33 acre-feet
July	180 acre-feet
August	208 acre-feet
September	134 acre-feet
October	113 acre-feet
November	79 acre-feet
December	117 acre-feet
Total	1,200 acre-feet

10.1.3 The Community shall provide mitigation water to SCIDD in an amount equal to 30.47% of the sum of the amount of water that Phelps Dodge is deemed to have diverted pursuant to Subparagraph 10.1.1 and is deemed to have intercepted in accordance with Subparagraph 10.1.2. Notwithstanding anything in the Settlement Agreement, the Act or this Agreement, should the Final Effective Date of the Community/Phelps Dodge Agreement (as that term is defined therein) not occur, then the provisions of this Paragraph 10.0 shall lapse and no longer be binding on any party to the Settlement Agreement.

10.2 For mitigation, the Community shall deliver (i) Gila River water, (ii) CAP Water, or (iii) with the District's consent, which consent shall not be unreasonably

withheld, Reservation Groundwater. Gila River Water shall be delivered at Ashurst-Hayden Diversion Dam. CAP Water shall be delivered at the CAP turnout that provides CAP water to the Project in the amounts calculated pursuant to Subparagraph 10.1. At the District's request, the Community shall deliver mitigation water at such other point in the Project Joint Delivery Facilities as the District may designate; provided, however, that in such event, mitigation water deliveries shall be reduced to account for transit losses between the foregoing delivery points and the point at which such deliveries are made.

10.2.1 Subject to the requirements of Subparagraph 10.2, the Community shall have sole discretion as to the source of mitigation water to be delivered.

10.2.2 During any month in which the Community is required to mitigate, the Community shall, when possible, deliver mitigation water at a rate that reasonably approximates the rate at which Gila River water would have been available to SCIDD absent Diversions by Phelps-Dodge, and, in any event, at a rate not less than five (5) CFS until such mitigation obligation is satisfied; provided, however, that in the event of a canal dry-up, emergency maintenance or repair requirement that precludes the District acceptance of the mitigation water, the Community shall deliver any balance of undelivered mitigation water to the District by the last day of the second month following the month in which the mitigation delivery obligation otherwise would have occurred. If the District does not accept delivery of the full amount of the

mitigation water offered by the Community by the end of the second month, the Community shall be fully relieved of its obligation to provide that amount of unaccepted mitigation water.

10.2.3 Table 10.2.3 shows an example of the quantities of mitigation water deliverable on a monthly basis. Assuming that the Gila River Water Commissioner's report for January is available on February 20, the District may order any part or all of the January quantity (335 acre-feet in this example) for delivery on any day or days prior to the end of April.

Table 10.2.3

Month	Imputed Chase Creek Use (AF)	Maximum Ling Decree Use (AF)	Monthly Maximum Use (AF)	30.47% of Monthly Maximum (AF)	Days per Month	AF per Day	Daily cfs
January	99	1,000	1,099	335	31	10.80	5.45
February	84	1,000	1,084	330	28	11.80	5.95
March	78	600	678	207	31	6.66	3.36
April	29	60	89	27	30	0.90	0.46
May	38	60	98	30	31	0.96	0.49
June	33	60	93	28	30	0.94	0.48
July	180	60	240	73	31	2.36	1.19
August	208	60	268	82	31	2.63	1.33
September	134	60	194	59	30	1.97	0.99
October	113	60	173	53	31	1.70	0.86
November	79	600	679	207	30	6.90	3.48
December	117	1,000	1,117	340	31	10.98	5.54
Total	1,200	*4,620					

*Although the sum of the maximum allowable monthly diversions is 4,620 acre-feet, the Ling Decree limits the total annual diversions to 3,000 acre-feet.

11.0 DISPUTE RESOLUTION

11.1 **Purpose**. The Parties intend to resolve Disputes in a manner that will foster a spirit of cooperation and efficiency in the administration and compliance by each Party with the provisions of this Agreement.

11.2 **Negotiation**. In the event of any Dispute, the Parties shall use their best efforts to settle the Dispute through negotiation. To this effect, any Party may provide written notice of a Dispute to the other Parties. Upon receipt of such written notice, the Parties shall then meet within fourteen (14) calendar days, shall negotiate in good faith and shall attempt to reach a just and equitable solution satisfactory to all Parties.

11.3 **Method of Dispute resolution**. If the Parties do not resolve the Dispute within a period of thirty (30) calendar days after such meeting, or if the Parties fail to meet and thirty (30) calendar days pass after the written notice of a claim is received, then any Party may seek resolution of the Dispute through binding arbitration by providing written notice to each other Party. Notice shall be deemed to have been received by a Party at the earlier of (a) actual delivery of the notice to such member, or (b) the first business day that is at least four (4) calendar days after the notice has been deposited in the United States mails, certified or registered, return receipt requested, postage prepaid, and properly addressed to the Party.

11.4 **Arbitration notice**. The notice for arbitration shall specify with particularity the nature of the Dispute, the particular provision of this Agreement at issue and the proposed relief sought by the Party seeking arbitration.

11.5 **Selection of arbitrators**. Within fourteen (14) calendar days after written notice of the arbitration request has been received by each Party, the District shall each select one arbitrator. Within fourteen (14) calendar days after written notice of the arbitration

request has been received by each Party, the Community and the United States (if the United States chooses to participate) shall together select one arbitrator. If the Community and the United States (if the United States chooses to participate) are unable to agree on an arbitrator, either of them may request that an arbitrator be selected by the Chief Judge of the U.S. District Court for the District of Arizona. Within fourteen (14) calendar days of being selected, the two arbitrators selected by the Parties (or appointed by a court) shall together select a third arbitrator. If either the District, or the Community and the United States (if the United States chooses to participate) are unable or unwilling to select an arbitrator within fourteen (14) calendar days after written notice of the arbitration request has been received by the Parties and an arbitrator has not been appointed for them by a court within such time period, then the issue in question will be decided by the one arbitrator who has been selected. If no arbitrators have been selected or appointed within sixty (60) after written notice of the arbitration request has been received by each Party, the arbitration shall be deemed dismissed with prejudice. If the two arbitrators selected by the parties are unable to select the third arbitrator, the two arbitrators shall request that the third arbitrator be selected by the U.S. District Court for the District of Arizona. All arbitrators shall comply with and follow to the extent possible the canons of judicial ethics as stated in Rule 81 of the Arizona Rules of the Supreme Court or any replacement rule therefor. No person may serve as an arbitrator if, because of employment or other relationship with the Parties, the nature of the matter to be arbitrated, or otherwise, such person could not serve as a judge in such matter if such person were a judge.

11.6 **Procedures for arbitration**. Except as provided in this Subparagraph 11.20, arbitration under this Paragraph shall be conducted in accordance with rules of the American

Arbitration Association, to the extent applicable, or such other rules as the Parties involved in the particular arbitration may mutually agree. Agreement by the Community and the United States (if the United States chooses to participate) to employ the rules of the American Arbitration Association for the conduct of the arbitration proceedings hereunder shall in no way be construed as a waiver by the Community or the United States (if the United States chooses to participate) of their respective sovereign immunity.

11.7 **Deadlines**. The Parties agree that time is of the essence in the resolution of Disputes pursuant to this Paragraph 11.0. All deadlines shall be strictly enforced against the parties involved in the particular arbitration.

11.8 **Evidence**. Each party involved in the arbitration may submit evidence in writing to the arbitrators for their consideration within forty-five (45) calendar days after written notice of the arbitration request has been received by each party involved in the arbitration.

11.9 **Hearing**. The arbitrators may, in their sole discretion, determine whether a hearing would assist them in rendering a fair and equitable decision. In any event, such hearing must be held within sixty (60) calendar days after written notice of the arbitration request has been received by each party involved in the arbitration.

11.10 **Arbitrators' decision**. The arbitrators shall render a reasoned decision, by majority vote, no later than ninety (90) calendar days after written notice of the arbitration request has been received by each party involved in the arbitration.

11.11 **Arbitrators' decision final and binding**. The arbitrators' decision shall be final and binding on all Parties (but not the United States, unless the United States chooses to participate in the arbitration) and not subject to appeal. The prevailing party in an arbitration

proceeding may bring an action in any court of competent jurisdiction, but not the courts of the Community, solely and exclusively to enforce the arbitration award and for no other purpose.

11.12 **Arbitration costs**. The costs of the arbitration shall be shared equally by the parties to the arbitration, but the parties shall bear their own costs and attorneys' fees associated with their participation in the arbitration.

11.13 **No modification of Agreement**. Nothing in this Agreement shall be construed so as to permit the arbitrators to modify this Agreement or decide issues not expressly made arbitrable by this Agreement or otherwise affect the Secretary's approval authority as set forth in section 203(d)(2)(B)(ii) of the Act.

11.14 **Applicability of arbitration**. This Paragraph 11.0 will be applicable and enforceable against the Community and the District regardless of whether the United States participates in the arbitration proceedings and no arbitration decision shall be considered invalid solely because the United States failed or refused to participate in such arbitration proceedings that resulted in the arbitration decision.

11.15 **Arbitration effectiveness**. Pursuant to section 3(a)(2) of the Act, if an issue otherwise subject to arbitration under this Agreement cannot be arbitrated or if an arbitration decision will not be effective because the United States cannot or will not participate in the arbitration, then the issue shall be submitted for decision in a federal court of competent jurisdiction, but not a court of the Community.

11.16 **No participation by the United States**. Pursuant to section 3(a)(1) of the Act, no arbitration decision rendered pursuant to this Agreement shall be considered invalid solely because the United States failed or refused to participate in such arbitration proceedings that

resulted in such arbitration decision, so long as the matters in arbitration under this Agreement concern aspects of the water rights of the Community, the San Carlos Irrigation Project, or the Miscellaneous Flow Lands (as defined in subparagraph 2.18A of the UVD agreement, exhibit 26.2 of the Settlement Agreement) and not the water rights of the United States in its own right, any other rights of the United States, or the water rights or any other rights of the United States acting on behalf of or for the benefit of another tribe.

11.17 **Dispute resolution for Attachments 2.14 and 6.2**. Any dispute, claim, question, or disagreement arising from or relating to Attachment 6.2 or 6.14 or the breach thereof shall be resolved pursuant to the dispute resolution provisions set forth therein.

11.18 **Waiver of sovereign immunity**. The sovereign immunity of the Community and the United States is waived as provided in section 213(a) of the Act.

11.19 **No effect on Globe Equity Enforcement Court jurisdiction**. Nothing herein shall be construed to diminish or otherwise affect the jurisdiction of the Globe Equity Enforcement Court, or the rights of the Parties to seek enforcement of any rights that they may have under the Globe Equity Decree that are separate and apart from the contractual rights and obligation created by this Agreement.

11.20 **Arbitration procedures for Secretary**. Pursuant to section 3(b) of the Act, notwithstanding any other provision of this Agreement or its Attachments, if the Secretary is required to enter into arbitration pursuant to the Act or any document ratified by the Act, the Secretary shall follow the procedures for arbitration established by chapter 5 of title 5, United States Code.

12.0 GENERAL PROVISIONS

12.1 **Waiver**. No waiver of any breach of any of the terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Agreement.

12.2 **Severability**. If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that if the severance would deprive any Party of its material benefits under this Agreement, that Party shall be released from this Agreement.

12.3 **Construction and effect**. This Agreement and each of its provisions are to be construed fairly and reasonably. The paragraph and subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

12.4 **Successors and assigns**. Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

12.5 **Benefits of Agreement**. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise herefrom. This shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

12.6 **Third-party beneficiaries**. The Parties do not intend that there be any third party beneficiaries of this Agreement.

12.7 **Good faith negotiations**. This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the approval of this Agreement.

12.8 **Emergencies and *force majeure* event**. When the District or the Community is unable to deliver or accept delivery of water due to emergency or *force majeure* event, the obligations of the Parties to deliver water under this Agreement shall be suspended during the period of such emergency or *force majeure* event. After the period has ended, the District and the Community shall use their best efforts to amend the schedules developed pursuant to Subparagraph 9.5, such that the total quantities of water that the District and Community are obligated to deliver in the then current Year can be delivered.

12.9 **Anti-deficiency**. Pursuant to section 4 of the Act, the United States shall not be liable for failure to carry out any obligation or activity required by the Act, including all titles and all agreements or exhibits ratified or confirmed by the Act, funded by: (1) the Lower Basin Development Fund established by section 403 of the Colorado River Basin Project Act (43 U.S.C. 1543), if there are not enough monies in that fund to fulfill those obligations or carry out those activities; or (2) appropriations, if appropriations are not provided by Congress.

12.10 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

12.11 **Effectiveness and enforceability of agreement**. This Agreement shall be effective and enforceable on the later of: (a) the Enforceability Date; or (b) the date on which the Superior Court of Pinal County has validated, in accordance with A.R.S. § 48-3091, *et seq.*, the results of an election called pursuant to such statute in which a majority of the District landowners have approved the Settlement Agreement.

12.12 **Notices**. Any notice to be given or payment to be made under this Agreement shall be properly given or made when received by the officer designated below, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows,

or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Subparagraph 12.13:

(a) As to the United States:
The Secretary of the Interior
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Regional Director
Western Regional Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Project Manager
San Carlos Irrigation Project
P.O. Box 250
Coolidge, Arizona 85228

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

(b) As to the Community:
Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the District:
San Carlos Irrigation and Drainage District
P. O. Box 218
Coolidge, Arizona 85228
Attn: General Manager and General Counsel

13.0 APPROVAL, CONSENT AND RATIFICATION.

Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year signed below:

GILA RIVER INDIAN COMMUNITY

By: _____
Its:
Dated: _____

Attest: _____

Approved as to Form: _____
Its: _____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By: _____
Its:

Dated: _____

Attest: _____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

This Agreement is approved pursuant to the Act, and, to the extent applicable, 25 U.S.C. §81.

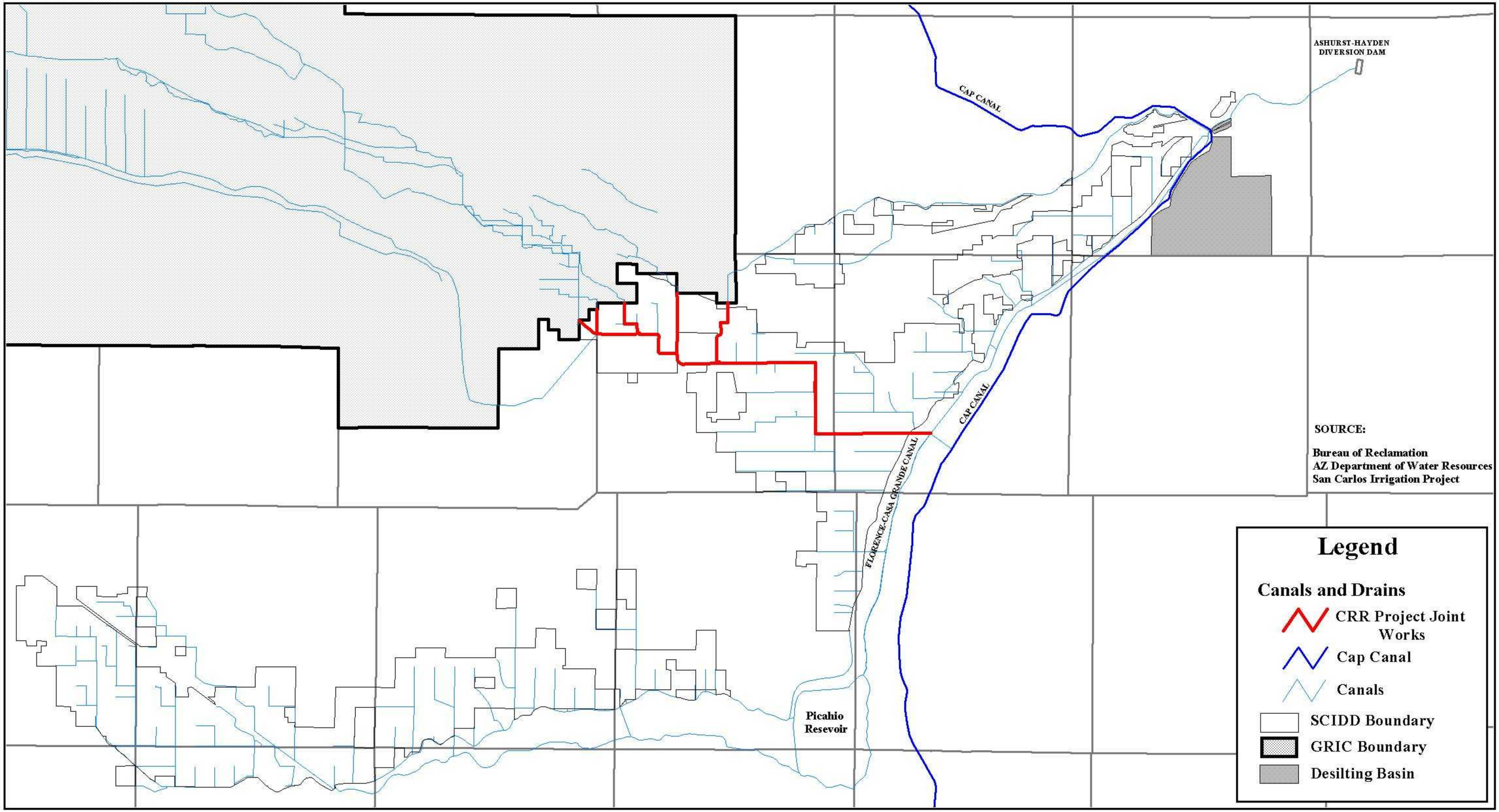
THE UNITED STATES OF AMERICA

By: _____
Secretary of the Interior

Dated: _____

ATTACHMENT 2.5

MAP DEPICTING CRR PROJECT JOINT DELIVERY FACILITIES



January 22, 2003

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

N

1 0 1 2 Miles

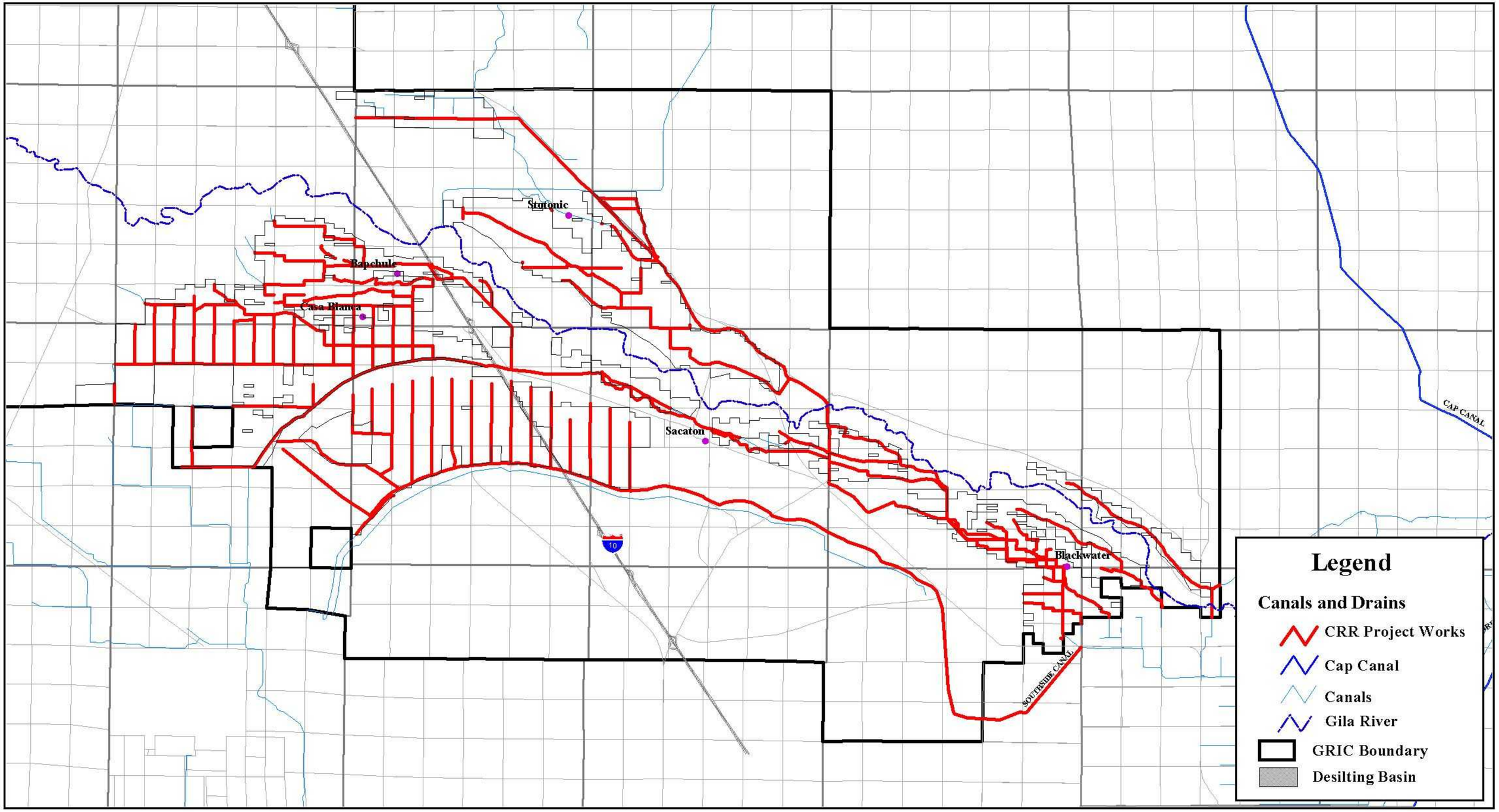
Attachment 2.5
Map Depicting CRR Project Joint Works

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Data Analysis and Map Composition by:
GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com
GIS SOUTHWEST

ATTACHMENT 2.6

MAP DEPICTING CRR PROJECT DELIVERY FACILITIES



January 22, 2003

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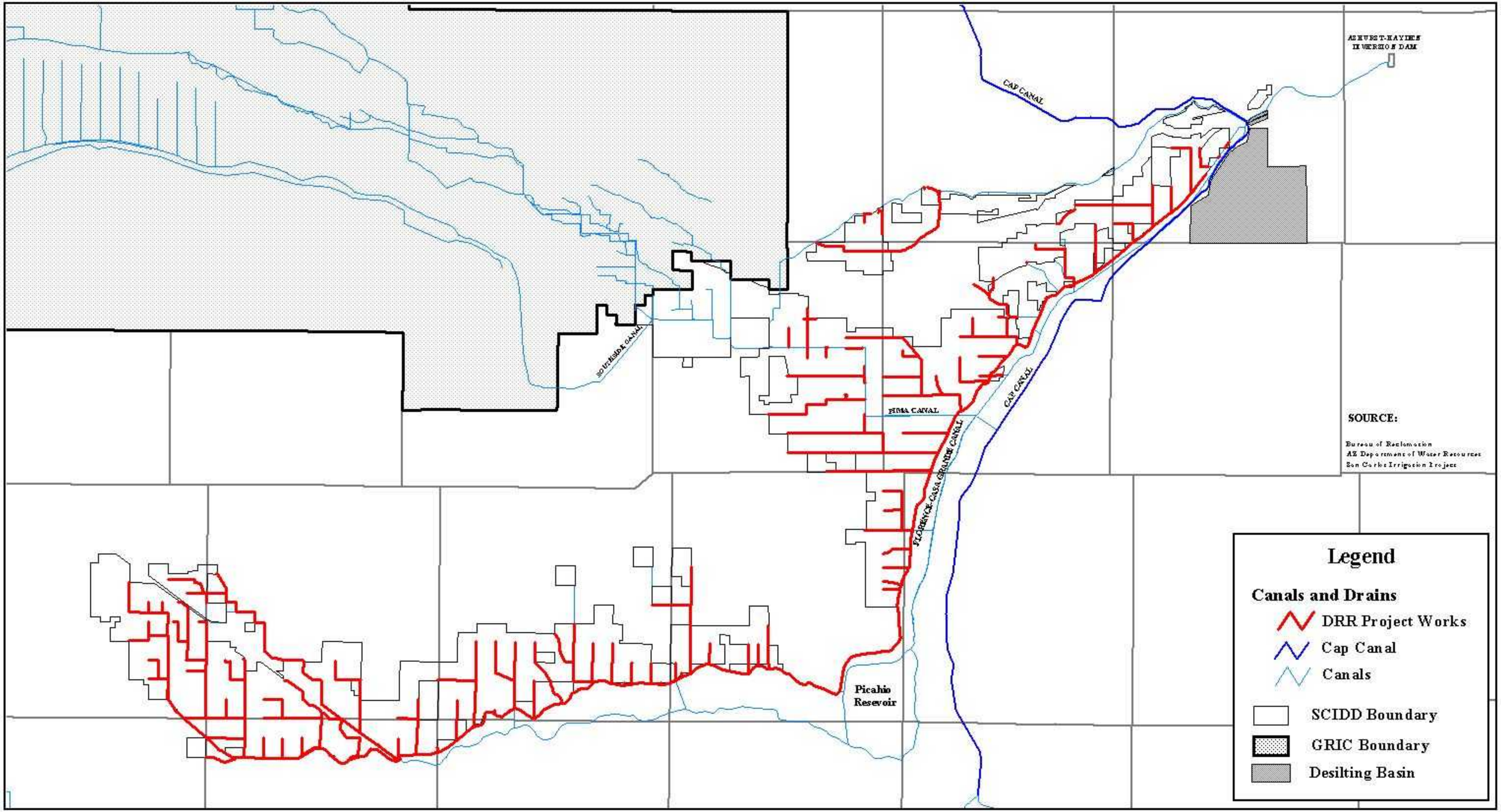
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

ATTACHMENT 2.9

MAP DEPICTING DRR PROJECT DELIVERY FACILITIES



January 22, 2003

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N

1 0 1 2 Miles

Attachment 2.9
Map Depicting DRR Project Works

Attention: Dana R. Norris Director
GRIC Office of Water Rights

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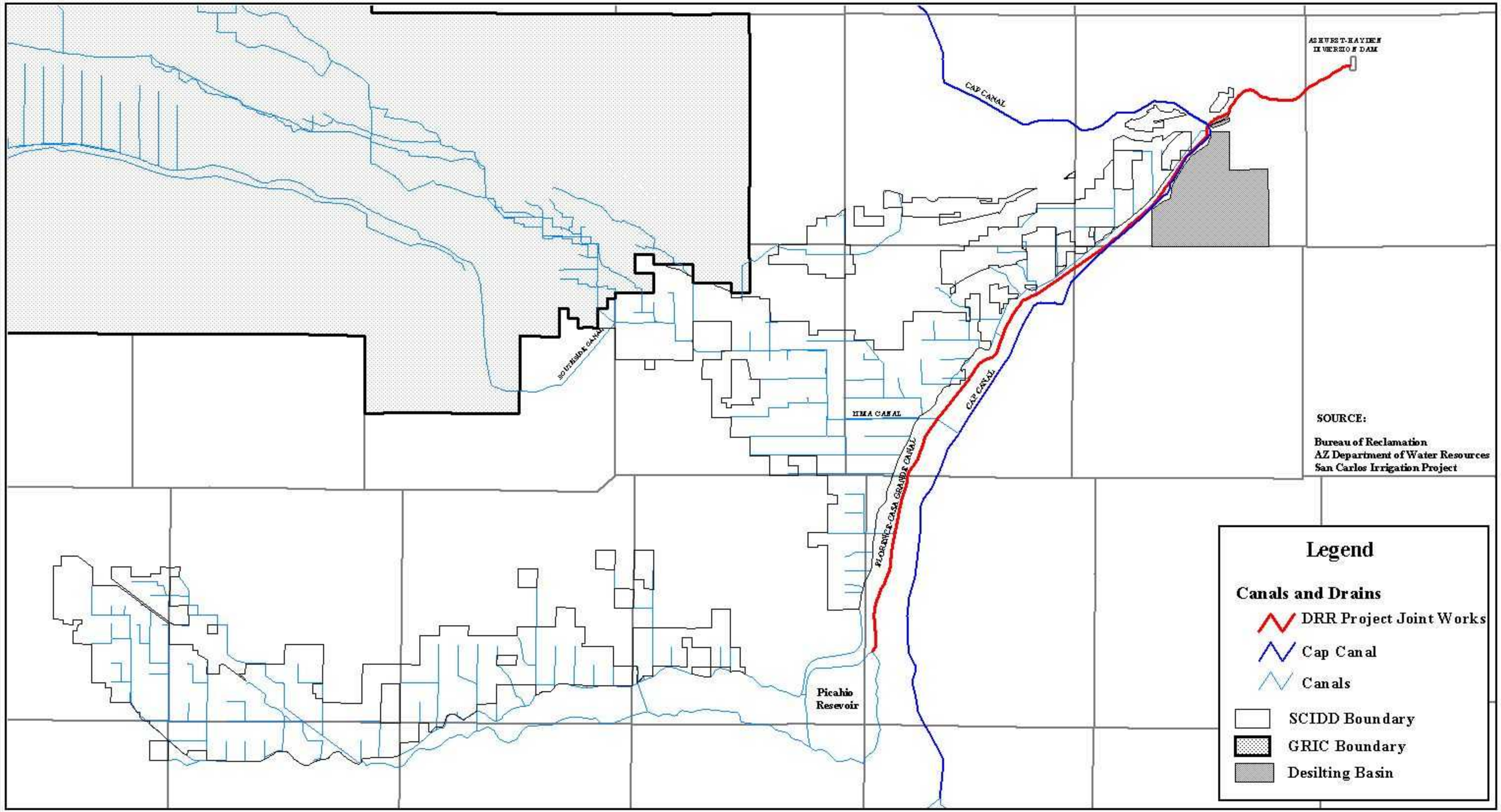
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

ATTACHMENT 2.10

MAP DEPICTING DRR PROJECT JOINT DELIVERY FACILITIES



January 22, 2003

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N

1 0 1 2 Miles

Attachment 2.10
Map Depicting DRR Project Joint Works

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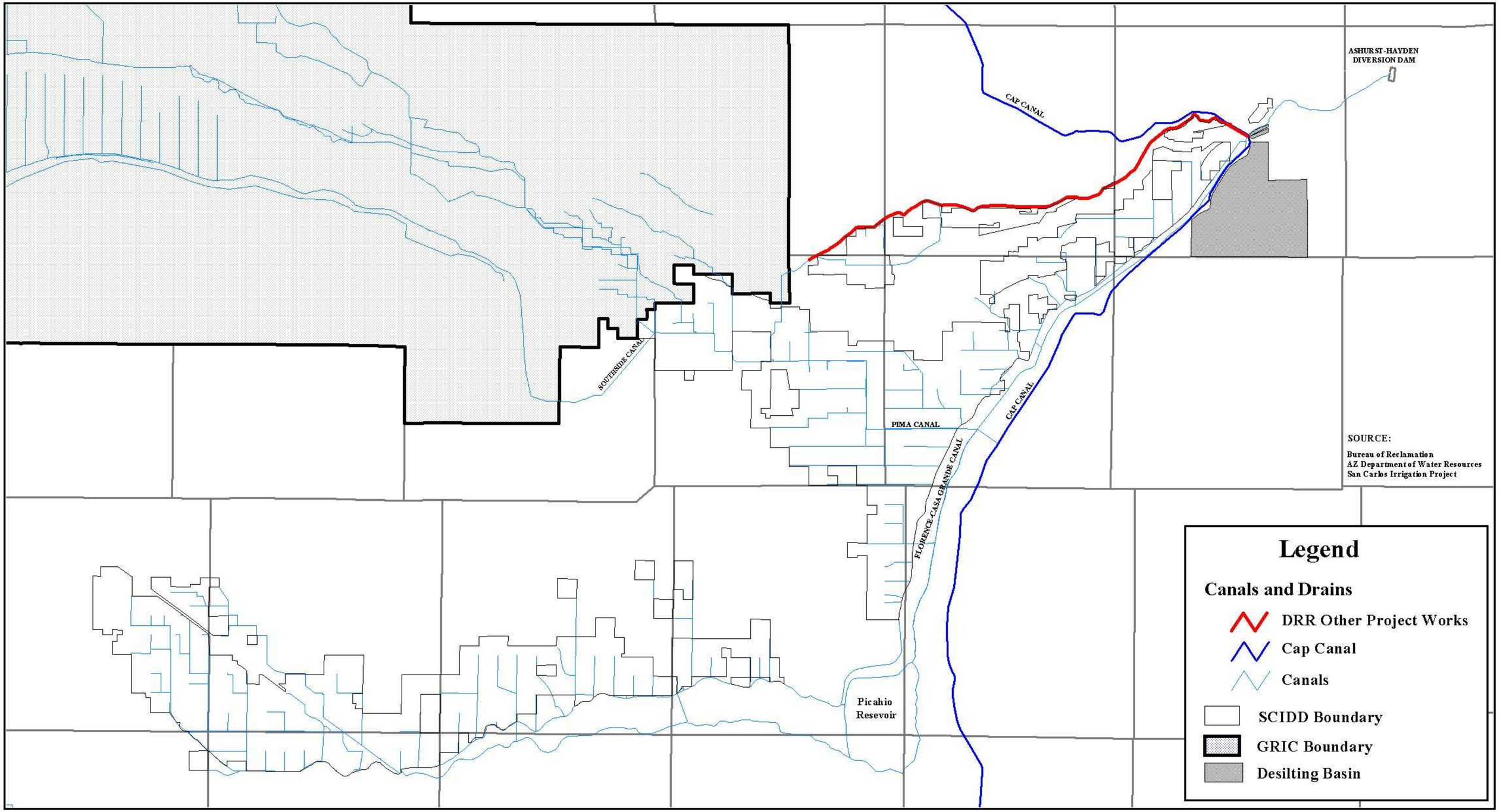
GRIC Office of Water Rights

Data Analysis and Map Composition by:

GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

ATTACHMENT 2.11

MAP DEPICTING DRR OTHER PROJECT DELIVERY FACILITIES



January 22, 2003

ACCURACY STATEMENT:
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N

1 0 1 2 Miles

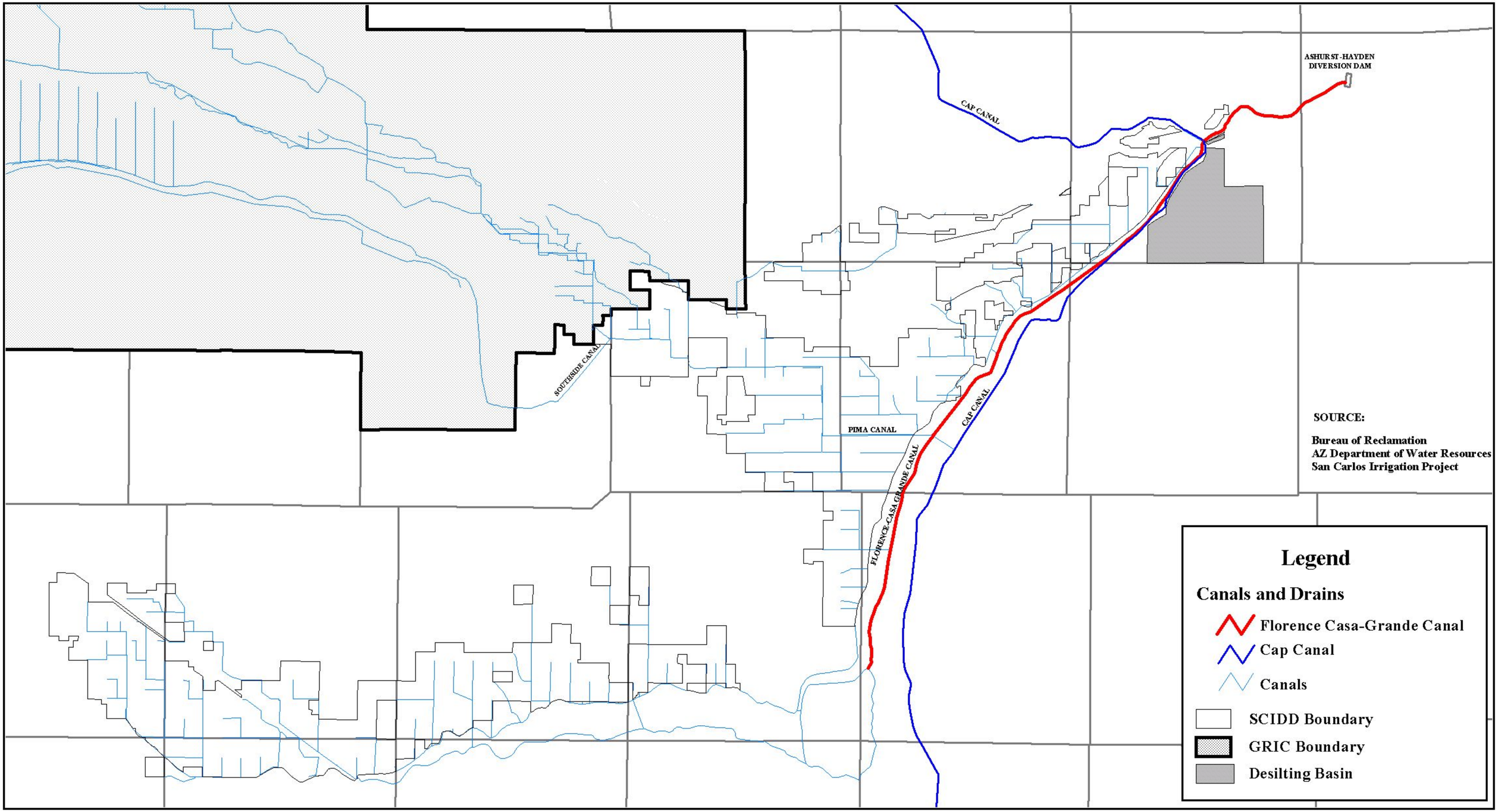
Attachment 2.11
Map Depicting DRR Other Project Works

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Data Analysis and Map Composition by:
GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com
GIS SOUTHWEST

ATTACHMENT 2.13

MAP DEPICTING FLORENCE-CASA GRANDE CANAL



January 22, 2003

ACCURACY STATEMENT:
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N

1 0 1 2 Miles

Attachment 2.13
Map Depicting Florence-Casa Grande Canal

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Data Analysis and Map Composition by:
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ATTACHMENT 2.14

JOINT CONTROL BOARD AGREEMENT AMONG THE GILA RIVER INDIAN COMMUNITY, THE UNITED STATES OF AMERICA AND THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

This Agreement is entered into as of the date executed below, by and among the Gila River Indian Community, the San Carlos Irrigation and Drainage District and the United States of America pursuant to section 203(d)(2)(A) of the Act.

1.0 RECITALS

1.1 WHEREAS, the Community, the District and the United States have executed the SCIDD Agreement whereby they have agreed to settle water rights and other claims of the Community and the United States permanently as provided for in the Settlement Agreement and to resolve permanently any disputes between the Community, the District and the United States over management and operation of the Project;

1.2 WHEREAS, the Community, the District and the United States wish to transfer the responsibility for overseeing the maintenance of the Project Joint Delivery Facilities from the Secretary, acting through the Bureau of Indian Affairs, to the joint control of the Community and the District; and

1.3 WHEREAS, notwithstanding such transfer of the maintenance of the Project Joint Delivery Facilities, the United States shall retain all Project ownership and obligations that it currently enjoys.

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Community, the District, and the United States agree as follows:

2.0 DEFINITIONS

Capitalized terms in this Agreement that are not expressly defined herein shall have the same meaning as in the Settlement Agreement or the SCIDD Agreement. The following terms shall have the following meanings when capitalized in this Agreement:

2.1 "Agreement" shall mean this Agreement and the Attachments hereto, which are incorporated herein by this reference.

2.2 "Annual Budget" shall mean the budget established by the Joint Control Board for each Year for the maintenance of the Project Joint Delivery Facilities.

2.3 "Attachment" shall mean an Attachment to this Agreement.

2.4 "Board Member" shall mean any person duly appointed to the Joint Control Board in accordance with Subparagraph 5.2 of this Agreement.

2.5 "Dispute" shall mean any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, but not including any dispute, claim, question or disagreement arising from or relating to Attachment 6.2 or the SCIDD Agreement; provided however, that as to the United States, this Subparagraph 2.5 is limited by section 213(a) of the Act and by section 4 of the Act.

2.6 "District" shall mean the San Carlos Irrigation and Drainage District.

2.7 "GRIIDD" or "Gila River Indian Irrigation and Drainage District" shall mean the Community enterprise by that same name that has been established to operate irrigation and drainage facilities on the Reservation.

2.8 "Joint Control Board" or "JCB" shall mean the entity established by the Community and the District to oversee the maintenance of the Project Joint Delivery Facilities pursuant to Paragraph 3.0.

2.9 "Notice" shall mean any Notice given under this Agreement that is made in the manner provided in Subparagraph 9.17.

2.10 "Paragraph" shall mean a paragraph of this Agreement.

2.11 "Party" shall mean an entity, as defined in this Agreement, represented by a signatory to this Agreement and "Parties" shall mean all of such entities.

2.12 "Project Joint Delivery Facilities" shall mean (i) the CRR Project Joint Delivery Facilities, (ii) the DRR Project Joint Delivery Facilities and (iii) the DRR Other Project Delivery Facilities; provided, however, that the DRR Other Project Delivery Facilities shall become DRR Project Delivery Facilities, at the earlier of: (a) the date upon which the rehabilitation of the Florence-Casa Grande Canal, or the construction of a replacement therefor, as contemplated by this Agreement, is completed, or (b) the date upon which the rehabilitation of the DRR Other Project Delivery Facilities, as contemplated by this Agreement is complete.

2.13 "SCIDD Agreement" shall mean the Agreement among the Gila River Indian Community, the United States of America, and the San Carlos Irrigation and Drainage District, a copy of which is attached as exhibit 20.1 to the Settlement Agreement.

2.14 "Subparagraph" shall mean a subparagraph of this Agreement.

2.15 "Third Supplemental Repayment Contract" shall mean that agreement between the District and the United States, in its capacity as owner and operating agent for the Project, a copy of which is attached as attachment 6.2 to the SCIDD Agreement.

2.16 "United States" or "United States of America" shall mean, the United States of America: (i) acting as trustee for the Community, Members and Allottees; (ii) as the holder of legal title to (but not the beneficial interest in) the Water Rights as described in articles V and VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of the Project; (iii) as owner and operator of the Project; and, (iv) in no other capacity except where expressly stated otherwise herein.

2.17 "1938 Order" shall mean the Order of the Department of the Interior dated June 15, 1938, entitled "ORDER DEFINING JOINT, DISTRICT AND INDIAN WORKS OF THE SAN CARLOS FEDERAL IRRIGATION PROJECT: TURNING OVER OPERATION AND MAINTENANCE OF DISTRICT WORKS TO THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT".

3.0 ESTABLISHMENT AND RESPONSIBILITIES OF JOINT CONTROL BOARD

3.1 Within thirty (30) days of the occurrence of the Enforceability Date, the Community and the District shall establish the JCB for the maintenance of the Project Joint Delivery Facilities.

3.2 Within eighteen (18) months following establishment of the JCB, the United States, subject to reasonable review and audit, shall:

3.2.1 **Transfer**. Transfer to the JCB any and all financial reserves, materials and equipment that it holds for the operation and maintenance of the Project Joint Works, less any funds, materials and equipment necessary to accomplish the continuing responsibilities of the United States, as specified under the SCIDD Agreement and the Act.

3.2.2 **Staff assignment**. Assign to the JCB, the Community or the District, with the written permission of the JCB, the Community, the District, and the individual employee, all Project staff members who are then assigned to the operation and maintenance of the Project Joint Works and are not necessary to accomplish the continuing responsibilities of the United States, as specified under the SCIDD Agreement and the Act; provided, however, that such assignments shall be in accordance with the Intergovernmental Personnel Act.

4.0 RIGHTS AND POWERS OF THE JCB

4.1 **Purpose of JCB**. The JCB shall be created for the purposes specified in this Agreement and shall have the rights, privileges and powers conferred in this Agreement, which include, among other things, those necessary to:

4.1.1 Acquire, hold and dispose of, for the benefit of the JCB, all personal property that is necessary or useful, and lawful, in the conduct of its business;

4.1.2 Contract and be contracted with;

4.1.3 Provide by contract with the District, the Community or any other entity, for the performance of any service, that is authorized by this Agreement;

4.1.4 Do all things lawful and reasonably necessary in carrying out the purposes of this Agreement.

4.2 **Actions and decisions of JCB**. The actions and decisions of the JCB that pertain to the construction and maintenance of the Project Joint Delivery Facilities shall be subject to the approval of the Secretary, acting through the Bureau of Indian Affairs within thirty (30) days thereof, or sooner in emergency situations, which approval shall not be unreasonably withheld. Should a required decision of the Bureau of Indian Affairs not be received by the JCB within sixty (60) days following the action or decision of the JCB, the JCB action or decision shall be deemed to have been approved by the Secretary.

5.0 ADMINISTRATION

5.1 JCB; Board Member compensation; JCB employment of personnel; JCB Quorum.

5.1.1 The management and control of the JCB is vested in the JCB that shall consist of three (3) persons who are appointed by the Gila River Indian Community Council and three (3) persons who are appointed by the Board of Directors of the District.

5.1.2 Any Board Member may be removed by the Party that appointed that Board Member.

5.1.3 No representatives shall receive a salary for his or her services. Representatives may be reimbursed for expenses, as the JCB may establish by resolution, to be just and reasonable.

5.1.4 The JCB may employ such agents and personnel as may be necessary to conduct the affairs of the JCB.

5.1.5 Four (4) Board Members, of which two (2) shall have been appointed by the Community and two (2) shall have been appointed by the District, shall

constitute a quorum and be required for the transaction of all JCB business. Should only five (5) Board Members be present, only two (2) Board Members from each Party may participate in any decision of the JCB.

5.2 <u>Initial JCB appointments; term of office for Board Members; staggered appointments for Board Members; JCB vacancies</u>.

5.2.1 Not later than thirty (30) days after the Enforceability Date, the Community and the District shall appoint three (3) persons each to the JCB, at which time the JCB shall be established for purposes of the requirements of Subparagraph 3.0. The Community and the District shall each appoint one (1) for one (1) Year, one (1) for two (2) Years, and one (1) for three (3) Years; provided however, that, each person's appointment shall expire at 11:59 p.m. on December 31 of the Year in which their initial terms are otherwise anticipated to expire.

5.2.2 Thereafter, each person's appointment shall be for three (3) Years, beginning at 12:01 a.m. on January 1 of the initial Year of the appointment and expiring at 11:59 p.m. on December 31 of the Year in which their terms are otherwise anticipated to expire, or until their successors are appointed and qualified, whichever occurs later.

5.2.3 The regular appointment for Board Members shall occur not later than the third Wednesday during the November immediately preceding the expiration of the term of the incumbent Board Members whose terms are set to expire. There shall be no limitation on the number of terms, or number of successive terms, any person may serve as a Board Member.

5.2.4 If a vacancy occurs as the result of a Community's appointee not serving a full term, the Community shall, within thirty days after the occurrence of the vacancy, appoint a successor to fill the vacancy for the unexpired term and provide written Notice of the same to all Parties and to the remaining Board Members. If a vacancy occurs as the result of a District's appointee not serving a full term, the District shall, within thirty (30) days after the occurrence of the vacancy, appoint a successor to fill the vacancy for the unexpired term and provide written Notice of the same to all Parties and to the remaining Board Members.

5.3 **Officers of the JCB**.

5.3.1 The officers of the JCB shall consist of a President and a Secretary-Treasurer. No two (2) officers shall be representatives appointed by the same Party. The term of office for an officer shall be one (1) Year until a successor is duly appointed and qualified.

5.3.2 The first Year after the Enforceability Date, the Party from which the first President will be selected shall be determined by a toss of a coin. In each successive Year, the President shall alternate between a representative appointed by the Community and a representative appointed by the District.

5.3.3 Officers of the JCB shall be appointed annually by the representatives of the Party having a Board Member in the office for such Year, and shall be voting Board Members, except as provided at Subparagraph 6.2.4, addressing conflicts of interests.

5.3.4 Any officer or Board Member may resign at any time by giving identical written Notice to the Parties and to all of the other Board Members. The resignation shall take effect thirty (30) days after the Notice is given or at any later time specified in the Notice. Unless otherwise specified in the Notice, the resignation need not be accepted to be effective.

5.4 **President's duties and powers**. The President shall preside at meetings of the JCB and shall exercise and perform such other powers and duties as the JCB may assign from time to time. When the President is absent from a convened meeting of the JCB, another Board Member from the Party of the President shall preside.

5.5 **Secretary-Treasurer's duties and powers**. The Secretary-Treasurer shall prepare and publish meeting Notices, agendas and minutes; shall maintain all historical documents; and shall be responsible for all recordkeeping and financial matters of the JCB.

5.5.1 The Secretary-Treasurer shall keep minutes of all JCB meetings, which shall, when approved by the JCB, be signed by at least one (1) Board Member from each Party and shall keep, or cause to be kept, at such place as may be directed by resolution of the JCB, a book of minutes of all meetings, proceedings, and actions of the JCB. Such minutes may be in electronic form. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was general or special, and, if special, how authorized; the Notice given; and the names of persons present at JCB meetings. The Secretary-Treasurer shall give, or cause to be given, Notice of all meetings of the JCB, such Notice to include an agenda

for said meeting that specifies all items that the JCB shall consider for action during the Noticed meeting. The Secretary-Treasurer shall have such other powers and perform such other duties as the JCB may require.

5.5.2 **Maintenance of accounts**.

5.5.2.1 All warrants, contracts and instruments involving the payment of money by or creating any obligation binding upon the JCB shall be signed by at least one (1) Board Member from each appointing entity.

5.5.2.2 The JCB shall retain the services of a certified public accountant who, under the general direction of the JCB and under the day-to-day direction of the Secretary-Treasurer, shall manage the collection, investment and disbursement of funds held by the JCB.

5.5.2.3 From time-to-time, the JCB shall adopt policies and procedures to govern the financial management of its affairs.

5.6 **Meetings**.

5.6.1 The JCB may provide for regular meetings by resolution stating the time and place of such regular meetings. The regular meetings shall be held, on a rotating basis, at such place on the Reservation as determined by the Board Members appointed by the Community and at such off-Reservation locations as determined by the Board Members appointed by the District.

5.6.2 Special meetings of the JCB may be called by or at the request of a majority of the Board Members, or at the written request of any Party. Notice shall be given for any special meeting. The Notice shall state the

time and purpose of the meeting. The purpose and agenda for the meeting may be amended by unanimous vote of the Board Members that constitute the quorum for that meeting.

6.0 MAINTENANCE OF WATER DELIVERY FACILITIES BY JCB

6.1 **Transfer of maintenance responsibilities**. Within eighteen (18) months after the Enforceability Date the Secretary shall transfer the maintenance responsibility for the Project Joint Delivery Facilities to the JCB. For purposes of this Agreement, the term "maintenance" shall include the repair and replacement of structures and facilities required for the efficient and cost effective operation of the Project Joint Delivery Facilities. Thereafter, the Project Joint Delivery Facilities shall be maintained by the JCB; provided, however, that the Joint Control Board and the United States shall immediately upon the Northside Canal becoming DRR Project Delivery Facilities in accordance with subparagraph 2.23 of the SCIDD Agreement, transfer to the District the operation and maintenance responsibility for the Northside Canal including any work required for environmental compliance associated with such operation and maintenance. The District shall perform such responsibilities for that canal in a manner that is in accordance with the 1938 Order.

6.2 The cost of maintaining the Project Joint Delivery Facilities, including reasonable overhead and office expense and including amounts contracted to be paid to any entity for or in connection with such services, shall be provided for by the assessments paid by the Community and the District as provided for in this Paragraph 6.0.

6.2.1 The JCB shall have the responsibility for overseeing the maintenance of the Project Joint Delivery Facilities, including the following specific responsibilities, among others:

6.2.1.1 Establishing multiple-Year programs for the accomplishment of its responsibilities, including establishment of maintenance standards and goals and the projection of the financial reserves that are needed for likely future equipment replacements and major repairs;

6.2.1.2 Establishing the Annual Budget no later than November 30 of the second Year preceding the Year in which the budget is to be expended;

6.2.1.3 Establishing both the Community assessment and the District assessment, including any adjustment made pursuant to subparagraph 7.7 of the SCIDD Agreement, no later than November 30 of the second Year preceding the Year for which such assessments are to be expended;

6.2.1.4 Transmitting to and collecting from the District and, pursuant to Subparagraph 6.2.2, the United States on behalf of the Community, their respective assessments no later than November 30 of the Year preceding the Year for which such assessments are to be expended;

6.2.1.5 Contracting with the District, the Community, or other entity for the maintenance of the Project Joint Delivery Facilities on a basis that most effectively preserves the operational integrity of the Project Joint Works on a least-cost basis; and

6.2.1.6 The JCB shall coordinate maintenance activities on the Project Joint Delivery Facilities with the Bureau of Indian Affairs to the maximum extent possible to maintain the operational integrity of the Project Joint Works and ensure that the Bureau of Indian Affairs can carry out the responsibilities retained by the Secretary.

6.2.2 **Financial responsibility for Community assessment**. Nothing in this Agreement shall affect any responsibility of the Secretaryunder the provisions of the Act of June 7, 1924 (commonly known as the "San Carlos Project Act of 1924") (43 Stat. 475); or, any other financial responsibility of the Secretary relating to the operation and maintenance of the Project existing on the date of enactment of the Act.

6.2.3 **Timing for payment of the JCB assessments**.

6.2.3.1 If all JCB assessments and charges outstanding against the Community, whether for the current Year or carried forward from a previous Year or Years, together with all interest for failure to make payment when due, are not paid by May 31 of the current Year, then the Community shall pay the then outstanding assessments and charges, including all interest for failure to make payment when due and seek reimbursement from the United States or no longer be entitled to irrigation water delivery service until such time as all such charges, including interest have been paid in full. Interest for failure to make a payment when due shall accrue

at the simple interest rate of one-half (1/2) percent per month from the date the payment is due until the payment is made.

6.2.3.2 Before the District is entitled to irrigation water delivery service, all JCB assessments and charges outstanding against the District, whether for the current Year or carried forward from a previous Year or Years, together with all interest for failure to make payment when due, shall be paid in full. Interest for failure to make a payment when due shall accrue at the simple interest rate of one-half (1/2) percent per month from the date the payment is due until the payment is made.

6.2.4 No Board Member shall be interested, directly or indirectly, in any contract or transaction, unless (a) the material facts regarding that member's financial interest in such contract or transaction are fully disclosed in good faith and noted in the minutes; (b) such contract or transaction is authorized in good faith by the JCB by a vote sufficient for that purpose without counting the vote(s) of the interested Board Member(s); and (c) before authorizing or approving the transaction, the JCB decides, after reasonable investigation, that the JCB could not obtain a more advantageous arrangement with reasonable effort under the circumstances.

6.2.5 As long as the JCB is in existence, no Board Member shall:

6.2.5.1 Commit any act in violation of this Agreement;

6.2.5.2 Commit any act with the intention of harming the JCB or any of its operations;

6.2.5.3 Commit any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the JCB;

6.2.5.4 Receive an improper personal benefit from the operation of the JCB;

6.2.5.5 Use the assets of the JCB, directly or indirectly, for any purpose other than carrying on the business of this JCB; or

6.2.5.6 Wrongfully transfer or dispose of JCB property, including intangible property.

7.0 DISPUTE RESOLUTION

7.1 **Purpose**. The Parties intend to resolve Disputes in a manner that will foster a spirit of cooperation and efficiency in the administration and compliance by each Party with the provisions of this Agreement.

7.2 **Negotiation**. In the event of any Dispute the Parties shall use their best efforts to settle the Dispute through negotiation. To this effect, any Party may provide written notice of a Dispute to the other Parties. Upon receipt of such written notice, the Parties shall then meet within fourteen (14) calendar days, shall negotiate in good faith and shall attempt to reach a just and equitable solution satisfactory to all Parties.

7.3 **Method of Dispute resolution**. If the Parties do not resolve the Dispute within a period of thirty (30) calendar days after such meeting, or if the Parties fail to meet and thirty (30) calendar days pass after the written notice of a claim is received, then any Party may seek resolution of the Dispute through binding arbitration by providing written notice to each other Party. Notice shall be deemed to have been received by a Party at

the earlier of (a) actual delivery of the notice to such member, or (b) the first business day that is at least four (4) calendar days after the notice has been deposited in the United States mails, certified or registered, return receipt requested, postage prepaid, and properly addressed to the Party.

7.4 **Arbitration notice**. The notice for arbitration shall specify with particularity the nature of the Dispute, the particular provision of this Agreement at issue and the proposed relief sought by the Party seeking arbitration.

7.5 **Selection of arbitrators**. Within fourteen (14) calendar days after written notice of the arbitration request has been received by each Party, the District shall each select one arbitrator. Within fourteen (14) calendar days after written notice of the arbitration request has been received by each Party, the Community and the United States (if the United States chooses to participate) shall together select one arbitrator. If the Community and the United States (if the United States chooses to participate) are unable to agree on an arbitrator, either of them may request that an arbitrator be selected by the Chief Judge of the U.S. District Court for the District of Arizona. Within fourteen (14) calendar days of being selected, the two arbitrators selected by the Parties (or appointed by a court) shall together select a third arbitrator. If either the District, or the Community and the United States (if the United States chooses to participate) are unable or unwilling to select an arbitrator within fourteen (14) calendar days after written notice of the arbitration request has been received by the Parties and an arbitrator has not been appointed for them by a court within such time period, then the issue in question will be decided by the one (1) arbitrator who has been selected. If no arbitrators have been selected or appointed within sixty (60) after written notice of the arbitration request has

been received by each Party, the arbitration shall be deemed dismissed with prejudice. If the two (2) arbitrators selected by the parties are unable to select the third arbitrator, the two (2) arbitrators shall request that the third arbitrator be selected by the U.S. District Court for the District of Arizona. All arbitrators shall comply with and follow to the extent possible the canons of judicial ethics as stated in Rule 81 of the Arizona Rules of the Supreme Court or any replacement rule therefor. No person may serve as an arbitrator if, because of employment or other relationship with the Parties, the nature of the matter to be arbitrated, or otherwise, such person could not serve as a judge in such matter if such person were a judge.

7.6 **Procedures for arbitration**. Except as provided in this Paragraph 7.0, arbitration under this Paragraph shall be conducted in accordance with rules of the American Arbitration Association, to the extent applicable, or such other rules as the Parties involved in the particular arbitration may mutually agree. Agreement by the Community and the United States (if the United States chooses to participate) to employ the rules of the American Arbitration Association for the conduct of the arbitration proceedings hereunder shall in no way be construed as a waiver by the Community or the United States (if the United States chooses to participate) of their respective sovereign immunity.

7.7 **Deadlines**. The Parties agree that time is of the essence in the resolution of disputes pursuant to this Paragraph 7.0. All deadlines shall be strictly enforced against the Parties involved in the particular arbitration.

7.8 **Evidence**. Each Party involved in the arbitration may submit evidence in writing to the arbitrators for their consideration within forty-five (45) calendar days after written notice of the arbitration request has been received by each Party.

7.9 **Hearing**. The arbitrators may, in their sole discretion, determine whether a hearing would assist them in rendering a fair and equitable decision. In any event, such hearing must be held within sixty (60) calendar days after written notice of the arbitration request has been received by each Party.

7.10 **Arbitrators' decision**. The arbitrators shall render a reasoned decision, by majority vote, no later than ninety (90) calendar days after written notice of the arbitration request has been received by each party involved in the arbitration.

7.11 **Arbitrators' decision final and binding**. The arbitrators' decision shall be final and binding on all Parties (but not the United States, unless the United States chooses to participate in the arbitration) and not subject to appeal. The prevailing Party in an arbitration proceeding may bring an action in any court of competent jurisdiction, but not the courts of the Community, solely and exclusively to enforce the arbitration award and for no other purpose.

7.12 **Arbitration costs**. The costs of the arbitration shall be shared equally by the Parties to the arbitration, but the Parties shall bear their own costs and attorneys' fees associated with their participation in the arbitration.

7.13 **No modification of Agreement**. Nothing in this Agreement shall be construed so as to permit the arbitrators to modify this Agreement or decide issues not expressly made arbitrable by this Agreement or otherwise affect the Secretary’s approval authority as set forth in section 203(d)(2)(B)(ii) of the Act.

7.14 Applicability of arbitration. This Paragraph 7.0 will be applicable and enforceable against the Community and the District regardless of whether the United States participates in the arbitration proceedings and no arbitration decision shall be considered invalid solely because the United States failed or refused to participate in such arbitration proceedings that resulted in the arbitration decision.

7.15 Arbitration effectiveness. Pursuant to section 3(a)(2) of the Act, if an issue otherwise subject to arbitration under this Agreement cannot be arbitrated or if an arbitration decision will not be effective because the United States cannot or will not participate in the arbitration, then the issue shall be submitted for decision in a federal court of competent jurisdiction, but not a court of the Community.

7.16 No participation by the United States. Pursuant to section 3(a)(1) of the Act, no arbitration decision rendered pursuant to this Agreement shall be considered invalid solely because the United States failed or refused to participate in such arbitration proceedings that resulted in such arbitration decision, so long as the matters in arbitration under this Agreement concern aspects of the water rights of the Community, the San Carlos Irrigation Project, or the Miscellaneous Flow Lands (as defined in subparagraph 2.18A of the UVD agreement, (exhibit 26.2 of the Settlement Agreement)) and not the water rights of the United States in its own right, any other rights of the United States, or the water rights or any other rights of the United States acting on behalf of or for the benefit of another tribe.

7.17 Dispute resolution for SCIDD Agreement and Attachment 6.2. Any dispute, claim, question, or disagreement arising from or relating to the SCIDD Agreement or

Attachment 6.2 or the breach thereof shall be resolved pursuant to the dispute resolution provisions set forth therein.

7.18 Waiver of sovereign immunity. The sovereign immunity of the Community and the United States is waived as provided in section 213(a) of the Act.

7.19 No effect on Globe Equity Enforcement Court jurisdiction. Nothing herein shall be construed to diminish or otherwise affect the jurisdiction of the Globe Equity Enforcement Court, or the rights of the Parties to seek enforcement of any rights that they may have under the Globe Equity Decree that are separate and apart from the contractual rights and obligation created by this Agreement.

7.20 Arbitration procedures for Secretary. Pursuant to section 3(b) of the Act, notwithstanding any other provision of this Agreement or its Attachments, if the Secretary is required to enter into arbitration pursuant to the Act or any document ratified by the Act, the Secretary shall follow the procedures for arbitration established by chapter 5 of title 5, United States Code.

8.0 MISCELLANEOUS PROVISIONS

8.1 Indemnification. The JCB shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding (whether or not by or in the right of the JCB), by reason of the fact that such person is or was an officer, Board Member, employee or agent of the JCB against all judgments, penalties, fines, settlements and reasonable

expenses (including attorneys' fees and court costs) actually and reasonably incurred by such person in connection with such action, suit or proceeding to the fullest extent permitted, and such indemnity shall inure to the benefit of the heirs, executors and administrators of any such person indemnified pursuant to this Subparagraph 8.1. Provided, however, that such indemnification shall be forthcoming only to the extent that such person or entity was acting reasonably within the scope of authority and in good faith in the matter being considered. The right to indemnification under this Subparagraph 8.1 shall be a contract right and shall not be deemed exclusive of any other right to which those seeking indemnification may be entitled under any law, agreement, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. Any repeal or amendment of this Subparagraph 8.1 by the JCB or by adverse changes in applicable law shall, to the extent permitted by applicable law, be prospective only, and not adversely affect the indemnification of any person who may be indemnified at the time of such repeal or amendment.

8.2 **Insurance**. The JCB shall maintain such insurance coverage as is adequate, reasonable and prudent to meet all of its responsibilities pursuant to this Agreement, including, among other things, insurance to the full extent permitted by law for: (i) any damages caused to third parties by failed or failing water delivery or distribution facilities that are the subject to this Agreement; and, (ii) on behalf of its officers, Board Members, employees, and other agents, to cover any liability asserted against or incurred by any officer, Board Member, employee or agent, or arising from the officer's, Board Member's, employee's or agent's status as such or activities in such capacity.

8.3 **Amendments and modifications**. Notwithstanding any other provision contained herein, this Agreement may be altered, amended, or repealed, and a new agreement may be adopted, only upon the written approval of all of the Parties.

8.4 **Waiver**. No waiver of any breach of any of the terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Agreement.

8.5 **Severability**. If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that if the severance would deprive any Party of its material benefits under this Agreement, this Agreement shall be null and void.

8.6 **Construction and effect**. This Agreement and each of its provisions are to be construed fairly and reasonably. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

8.7 **Successors and assigns**. Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties to and their successors and assigns.

8.8 **Benefits of Agreement**. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise here from. This shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

8.9 **Third-party beneficiaries**. The Parties do not intend that there be any third party beneficiaries of this Agreement.

8.10 **Good faith negotiations**. This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party in any legal or administrative proceeding other than a proceeding for the approval of this Agreement.

8.11 **No effect**. In accordance with sections 203(d)(1) and (6) of the Act, nothing in this Agreement or in the Settlement Agreement shall relieve the United States of its duties and obligations to operate the Project in the manner required by related statutes, court decrees, contracts, agreements and rulemakings, unless such requirement is expressly changed by the Act, this Agreement or the Settlement Agreement.

8.12 **Anti-deficiency**. Pursuant to section 4 of the Act, the United States shall not be liable for failure to carry out any obligation or activity required by the Act, including all titles and all agreements or exhibits ratified or confirmed by the Act, funded by: (1) the Lower Basin Development Fund established by section 403 of the Colorado River Basin Project Act (43 U.S.C. 1543), if there are not enough monies in that fund to fulfill those obligations or carry out those activities; or (2) appropriations, if appropriations are not provided by Congress.

8.13 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

8.14 **No effect on Water Rights**. Water Rights for the Parties shall be unaffected by any of the terms and conditions of this Agreement. The JCB shall maintain the Project Joint Delivery Facilities in a manner that will allow the United States to deliver the Water to the Parties that is available through their individual or collective Water Rights.

8.15 **No repeal**. This Agreement shall not be construed to repeal any other act, statute or part of statute providing for the organization of GRIIDD, the District or any irrigation or other similar district.

8.16 **Effectiveness**. This Agreement shall be effective and enforceable on the later of: (a) the Enforceability Date; or (b) the date on which the Superior Court of Pinal County has validated, in accordance with A.R.S. § 48-3091, *et seq.*, the results of an election called pursuant to such statute in which a majority of the District landowners have approved the Settlement Agreement.

8.17 **No effect on Project assessment responsibility and process**. In accordance with sections 203(d)(1) and (6) of the Act, the Secretary, acting through the Bureau of Indian Affairs, shall continue to be responsible for determining the cost for all work undertaken pursuant to responsibilities retained by the Bureau of Indian Affairs pursuant to this Agreement and the Act and for the establishment and collection of assessments required to pay for such work in the same manner as provided in applicable law and contracts.

8.18 **Notices**. Any notice to be given or payment to be made under this Agreement to a Party shall be properly given or made by first-class mail when deposited in the United States mail at least four (4) days before their effective date. Notices may be given by personal delivery, telephone, electronic mail, or telegraph and shall be delivered, telephoned, sent, or given to the telegraph company, respectively, at least forty-eight

(48) hours before their effective date. Notices shall be addressed as follows, or addressed to such other address as the Party to receive such notice shall have designated by written Notice given as required by this Subparagraph:

(a) As to the United States:
The Secretary of the Interior
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Regional Director
Western Regional Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

Project Manager
San Carlos Irrigation Project
P.O. Box 250
Coolidge, AZ 85228

(b) As to the Community:
Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the District:
San Carlos Irrigation and Drainage District
P. O. Box 218
Coolidge, Arizona 85228
Attn: General Manager and General Counsel

9.0 APPROVAL, CONSENT AND RATIFICATION.

Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement, and certifies that any approvals required to make this Agreement binding on such Party has been duly acquired.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year signed below:

GILA RIVER INDIAN COMMUNITY

By: _____
Its: Governor
Dated: _____

Attest: _____

Approved as to form:

_____
Its: General Counsel

_____

State of Arizona

County of _____

Subscribed and sworn to before me this ___ day of _____, 2005 by

_____ as _____ and for and on behalf of the Gila River Indian Community.

_____

Notary Public

My commission expires:
_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By: _____
Its:

Dated: _____

Attest: _____

STATE OF ARIZONA)
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by

_____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

This Agreement is approved pursuant to the Act, and, to the extent applicable, 25 U.S.C. §81.

THE UNITED STATES OF AMERICA

By: _____
Secretary of the Interior

Dated: _____

ATTACHMENT 2.20
MAP DEPICTING THE PIMA CANAL

ASHURST-HAYDEN DIVERSION DAM

CAP CANAL

SOUTHSIDE CANAL

PIMA CANAL

CAP CANAL

FLORENCE-CASA GRANDE CANAL

Picahio Resevoir

SOURCE:

Bureau of Reclamation
AZ Department of Water Resources
San Carlos Irrigation Project

Legend

Canals and Drains

- Pima Canal
- Cap Canal
- Canals

- SCIDD Boundary
- GRIC Boundary
- Desilting Basin

January 22, 2003

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

N

1 0 1 2 Miles

Attachment 2.20
Map Depicting Pima Canal

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Data Analysis and Map Composition by:

GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

ATTACHMENT 4.1
JOINT STIPULATION AND PROPOSED ORDER
EFFECTUATING THE UNDERTAKINGS SET FORTH IN SUBPARAGRAPH 4.1

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, et al., Plaintiff and Plaintiffs in Intervention v. GILA VALLEY IRRIGATION DISTRICT, et al.	**No. 31-59 TUC-SRB aka Globe Equity 59** STIPULATION AND REQUEST FOR ENTRY OF JUDGMENT AND DECREE

THIS STIPULATION, dated as of _____, 2005, is entered into among the United States of America, acting in the capacity set forth in subparagraph 2.33 of exhibit 20.1 to the Settlement Agreement,[1] the Gila River Indian Community (hereinafter referred to as the "COMMUNITY"), and the San Carlos Irrigation and Drainage District (hereinafter referred to as the "DISTRICT").

1. The parties to this Stipulation request that, upon this court's finding that the Secretary of the Interior has caused to be published in the Federal Register a statement of findings that the conditions set forth in section 207 of the Arizona Water Settlements Act have occurred, the court enter the Judgment and Decree attached as Exhibit 1

[1] Subparagraph 2.33 of exhibit 20.1 or the Settlement Agreement provides: "'United States' or 'United States of America' shall mean, the United States of America: (i) acting as trustee for the Community, Members and Allottees; (ii) as the holder of legal title to (but not the beneficial interest in) the Water Rights as described in articles V and VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of the Project; (iii) as owner and operator of the Project; and, (iv) in no other capacity except where expressly stated otherwise herein."

dismissing with prejudice and forever releasing and waiving all claims previously filed or pending in this court against the District and the District's landowners.

IN WITNESS WHEREOF, the Parties to this Stipulation have executed it as of the day and year signed below:

GILA RIVER INDIAN COMMUNITY

By:
Its:
Dated:
Attest:

Approved as to Form:
Its:

State of Arizona)

) ss

County of)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____

Notary Public

My commission expires:

_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By:
Its:
Dated:
Attest:

State of Arizona)

) ss

County of)

Subscribed and sworn to before me this ___ day of _____, 2005 by

_____ as _____ and for and on behalf of

the San Carlos Irrigation and Drainage District.

_____

Notary Public

My commission expires:

_____

THE UNITED STATES OF AMERICA

By: _____
Dated:

EXHIBIT 1 TO ATTACHMENT 4.1

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, et al., Plaintiff and Plaintiffs in Intervention v. GILA VALLEY IRRIGATION DISTRICT, et al.	**No. 31-59 TUC-SRB aka Globe Equity 59** ENTRY OF JUDGMENT AND ORDER

The United States of America, acting in the capacity set forth in subparagraph 2.33 of exhibit 20.1 to the Settlement Agreement,[2] the Gila River Indian Community (hereinafter referred to as the "COMMUNITY"), and the San Carlos Irrigation and Drainage District (hereinafter referred to as the "DISTRICT") have filed a Stipulation with this court on [ ] requesting this order and judgment.

The court finds that the Secretary of the Interior has caused to be published in the Federal Register a statement of findings that the conditions set forth in section 207 of the Arizona Water Settlements Act have occurred.

[2] Subparagraph 2.33 of exhibit 20.1 or the Settlement Agreement provides: "'United States' or 'United States of America' shall mean, the United States of America: (i) acting as trustee for the Community, Members and Allottees; (ii) as the holder of legal title to (but not the beneficial interest in) the Water Rights as described in articles V and VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of the Project; (iii) as owner and operator of the Project; and, (iv) in no other capacity except where expressly stated otherwise herein."

It is hereby ordered as follows:

All claims previously filed or pending in this court in this cause by the Community against the District or the District's landowners are dismissed with prejudice and the Community and the United States shall forever release and waive all such claims previously filed or pending against the District and the District's landowners.

DATED this ____ day of _____, 2005

Copy of the foregoing form of order.

Delivered this __day of _____, 200[ ] to:

EXHIBIT 4.2

COMPLAINT FILED JUNE 29, 1988, BY THE COMMUNITY AND THE UNITED STATES IN GLOBE EQUITY 59

Z. Simpson Cox 000242
Alfred S. Cox 001139
Alan J. Cox 005405
Cox and Cox
P.O. Box 4307
45 West Jefferson, Suite 300
Phoenix, AZ 85030
(602)254-7207
Attorneys for Intervenor
Gila River Indian Community

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

UNITED STATES OF AMERICA Plaintiff, and GILA RIVER INDIAN COMMUNITY, Plaintiffs in Intervention, v. GILA VALLEY IRRIGATION DISTRICT; ALBERT CANAL COMPANY; AMERICAN SMELTING & REFINING COMPANY; ARIZONA EASTERN RAILROAD COMPANY; MADELENE BASSLER; BILLINGSLEY EXTENSION CANAL COMPANY; BLACK & MC CLESKEY CANAL COMPANY; BROWN CANAL COMPANY; CASA GRANDE VALLEY BANK; CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS; CITIZENS BANK; COLMENERO CANAL COMPANY; COLVIN-JONES CANAL COMPANY; COSPER & WINDHAM CANAL COMPANY; COSPER & WINDHAM EXTENSION CANAL COMPANY; COUNTY OF GRAHAM; CURTIS CANAL COMPANY; DODGE-NEVADA CANAL COMPANY; DUNCAN CANAL COMPANY; DUNCAN UNION HIGH SCHOOL DISTRICT; FIDELITY SAVINGS & LOAN ASSOCIATION; FIRST NATIONAL BANK OF FLORENCE; FLORENCE-CASA GRANDE WATER USERS' ASSOCIATION; FORT THOMAS CONSOLIDARED CANAL COMPANY; FOURNESS CANAL COMPANY; FRANKLIN IRRIGATION DISTRICT; GRAHAM CANAL COMPANY; GEORGE A HOOPES; MARY JANE JONES; KENNECOTT COPPER CORPORATION; LAYTON CORPORATION OF	GLOBE EQUITY No. 59 SUMMONS

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GUILLERMO V ZAMUDIO; KIMBER ZAMUDIO; KERRY ZANG; VIRGINIA ZANG; ALLEN D ZANKEL; KIMBERLY K ZANKEL; EDMUND R ZAPPIA; DORA C ZAPPIA; CELESTINE ZARAGOZA; EVA M. ZARATE; FRED ZAUN; RICHARD R ZAWODNIAK; MARIE A ZAWODNIAK; BRADLEY K ZEEK; PAULA D ZEEK; LOYD H ZEEK; RUTH K T ZEEK; MICHAEL J ZELENKAM; DIANE SUE ZELENKAM; DONALD LLOYD ZELL; ALICE ZELL; RANDY L ZELL; DORA ZERETZKE; SUSIE ZIMBELMANN; MARSHA ZIMBLEMAN; BEN ZINK; BETSY ZINK; HOWARD E. ZOOK; EDNA L ZOOK; ESPERANZA ZUNGIA; PETRA ZUNGIA

Defendants.

Gila River Indian Community (hereinafter INDIAN COMMUNITY), on behalf of itself and its Pima and Maricopa Indian members (hereinafter INDIANS, referring to such Pima and Maricopa members and their ancestors), alleges:

JURISDICTION

I

This court has jurisdiction under 25 U.S.C. section 175 and 28 U.S.C. section 1362. INDIAN COMMUNITY's claim arises under: the United States Constitution, Art. I, Section 8, Cl. 3; The United States Treaty of Peace, Friendship, Limits, and Settlement with the Republic of Mexico (Treaty of Guadalupe Hidalgo), Arts. VIII and IX, February 2, 1848, 9 Stat. 922, 929-930; The Gadsden Treaty between the United States and Mexico (Gadsden Treaty), Art. V, December 30, 1853, 10 Stat. 1031; Act of February 28, 1859, Ch. 66, 11 Stat. 388, 401; Executive orders dated: August 31, 1876; January 10, 1879; June 14, 1879; May 5, 1882; November 15, 1883; May 8, 1911; July 31, 1911; December 16, 1911; June 2, 1913; August 27, 1914; March 18,

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1915; and July 19, 1915; Act of May 18, 1916, Ch. 125, 39 Stat. 123, 130-131; Act of June 7, 1924, ch. 288, 43 Stat. 475, 475-476; 25 U.S.C. section 476; 25 U.S.C. section 177; federal common law and policy regarding Indians; and the Constitution and Bylaws of the Gila River Indian Community, Arizona.

GENERAL BACKGROUND

II

INDIAN COMMUNITY consists of INDIANS and the federally-recognized, confederated Pima and Maricopa Indian tribes on the Gila River Indian Reservation, Arizona. INDIAN COMMUNITY is organized pursuant to 25 U.S.C. section 476 with its Constitution and Bylaws approved by the Secretary of the Interior. The Secretary of the Interior recognizes INDIAN COMMUNITY as having jurisdiction over Gila River Indian Reservation and having authority to represent the confederated Pima-Maricopa Indian Tribes and INDIANS on Gila River Indian Reservation.

III

Gila River Indian Reservation (hereinafter INDIAN RESERVATION) contains approximately 372,022 acres within the watershed of the Gila River and is within Maricopa and Pinal Counties, Arizona. INDIAN RESERVATION is within and is but a small part of the Pima and Maricopa aboriginal (antedating Spanish sovereignty) lands held by INDIANS at the time INDIAN RESERVATION was established. INDIAN RESERVATION was established by Act of February 28, 1859, Ch. 66, 11 Stat. 388, 401, and a

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series of executive orders and proclamations. The United States holds title to INDIAN RESERVATION in trust for INDIAN COMMUNITY and INDIANS.

IV

The Gila River rises in New Mexico and from there flows generally in a southwesterly direction into and through Arizona, bisecting INDIAN RESERVATION. (The location of the Gila River is represented on the map attached as Exhibit 1.) Some tributaries of the Gila River arise in or flow through Mexico before joining the Gila River in the United States in or above INDIAN RESERVATION.

V

In the seventeenth century Father Eusebio Francisco Kino entered what is now central Arizona and found INDIANS farming. INDIANS had farmed by irrigation, using water from the Gila River and its tributaries in central Arizona for hundreds and perhaps thousands of years before the arrival of Father Kino. INDIANS' successful farming dates from time immemorial, i.e., before recorded history, and continued through the mid-nineteenth century.

VI

The Act of May 18, 1916 (an Indian appropriation act), Ch. 125, 39 Stat. 123-131, authorized

> the construction by the Indian Service of a diversion dam [Ashurst-Hayden Diversion Dam] and necessary controlling works for diverting water from the Gila River ... for the irrigation from the natural flow of the Gila River of Indian lands on the Gila River Indian Reservation and private and public lands in Pinal County, Arizona ....

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The irrigation project authorized by the Act of May 18, 1916 is popularly known at the Florence-Casa Grande Project (hereinafter 1916 PROJECT). (The location of Ashurst-Hayden Dam is represented on the map attached as Exhibit 1.)

VII

Landowners owning land in the Florence-Casa Grande Valley in Pinal County, Arizona, signed an agreement, limited for irrigation purposes, "to induce the Secretary of Interior to undertake the" 1916 PROJECT. Such agreement (hereinafter 1916 LANDOWNERS' AGREEMENT) provided that it is "deemed advisable" that the 1916 PROJECT "include 62,000 acres of land" composed of land in INDIAN RESERVATION plus 27,000 acres owned by the non-Indian signers of the 1916 LANDOWNERS' AGREEMENT. (The vicinity of the 1916 PROJECT is represented on the map attached as Exhibit 1.) The 1916 LANDOWNERS' AGREEMENT provides:

> The water rights which shall be attached to and used in connection with said [1916] project shall consist of <u>all water rights</u> now appurtenant to or used in connection with the private lands which shall be included in said project and water rights which shall become appurtenant to said lands before said project shall be declared feasible by the Secretary of the Interior, <u>except well-water rights</u>; <u>and</u> of <u>all water rights</u>, whether vested or inchoate, which the undersigned now ha... [s or ve] or shall obtain in or from the Gila River for use upon lands in the Florence-Casa Grande Valley, whether or not connected to said lands prior to the time when said project shall be declared feasible, as above provided, <u>and</u> of <u>all water rights (except well-water rights</u>) reserved, appropriated, or otherwise acquired by the United States for said project, <u>and</u> <u>also</u> of <u>so much of the water rights</u> from the Gila River above the confluence therewith of the Salt River now owned by the United States or said Indians for or on account of or appurtenant to the said Gila River Indian Reservation or the lands thereof, <u>except well-water rights</u>, as,

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> together with all the other water rights of said project, regardless of whether or not any of them shall be or shall have become appurtenant to particular lands prior to the time when the Secretary of the Interior shall declare said project feasible as aforesaid, shall be available for use on or in connection with the lands embraced in said project, as hereinafter provided. [Emphasis added.]

VIII

The Act of June 7, 1924, ch. 288, 43 Stat. 475, authorized the Secretary of Interior to construct Coolidge Dam across the Gila River to create a storage reservoir for an irrigation project, popularly known as the San Carlos Indian Irrigation Project (hereinafter 1924 PROJECT)

> for the purpose, first, of providing water for the irrigation of lands allotted to Pima Indians on the Gila River Reservation, Arizona, now without an adequate supply of water and, second, for the irrigation of such other lands in public or private ownership, as in the opinion of the ... Secretary [of the Interior], can be served ... without diminishing the supply necessary for said Indian lands ....

(This provision of the Act of June 7, 1924 giving to INDIAN RESERVATION the first right to water stored behind Coolidge Dam is hereinafter referred to as INDIAN RESERVATION's FIRST CALL TO STORED WATER.) (The location of Coolidge Dam is represented on the map attached as Exhibit 1.)

IX

Non-Indians owning land in the Florence-Casa Grande Valley signed an agreement (hereinafter 1924 LANDOWNERS' AGREEMENT) "to aid in the accomplishment of the" Act of June 7, 1924. The 1924 LANDOWNERS' AGREEMENT provided that the 1924 PROJECT

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be comprised of INDIAN RESERVATION land and of land owned by the non-Indians signing the 1924 LANDOWNERS' AGREEMENT. The non-Indian land in the 1924 PROJECT included most of the 27,000 acres of land in the 1916 PROJECT. The 1924 LANDOWNERS' AGREEMENT authorized delivery of water stored behind Coolidge Dam, water pumped by the 1924 PROJECT, and Gila River natural flow water. (The vicinity of the 1924 PROJECT is represented on the map attached as Exhibit 1.) The 1924 LANDOWNERS' AGREEMENT provides:

> The water rights which shall be attached to and used in connection with said [1924] project shall consist of <u>all water rights</u> now appurtenant to or used in connection with the said Florence-Casa Grande project, to the extent that the same may be made available for the San Carlos project as herein or otherwise lawfully provided, whether said rights be vested or inchoate, <u>and of all water rights</u> appurtenant to or used in connection with the private lands not now in said Florence-Casa Grande project but which shall become a part of the said San Carlos Project, <u>except well-water rights which are hereinafter separately treated, and of all water rights</u> reserved, appropriated, or otherwise held or acquired by the United States for said San Carlos project <u>and also so much of the water rights</u> from the Gila River above the confluence therewith of the Salt River now owned by the United States or said Indians for or on account of or appurtenant to said Gila River Indian Reservation and the San Carlos Indian Reservation, except water rights in that tributary of the Gila River known as the San Carlos River, and except water rights of the United States or of the Indians in the Gila River, which shall be retained by the Secretary of the Interior for the use of the Indians of the San Carlos Reservation, and <u>except well-water rights</u>, as together with all water rights of said project, shall be needed and available for use on or in connection with the lands embraced in said project. [Emphasis added.]
>
> . . .

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GILA RIVER DECREE

X

This action, Globe Equity No. 59, was

> brought by the United States for itself and as Trustee and Guardian for the Pima and Apache Indians, occupants and possessors of large areas of land with water rights appurtaining thereto in the Gila River Indian Reservation and the San Carlos Indian Reservation, respectively, in the State of Arizona.

In this action the United States sought to enforce certain rights to the use of water from the Gila River on INDIAN RESERVATION land in the 1916 PROJECT and the 1924 PROJECT.

XI

Before any decree was entered, this court dismissed this action as to defendants located on the tributaries to the Gila River.

XII

The defendants remaining in this action (hereinafter DEFENDANT(S), referring to those named in this action and their successor(s) in interest), may be categorized as:

1) non-Indian landowners in the Florence-Casa Grande Valley who receive water diverted at Ashurst-Hayden Dam and whose land is in the 1916 PROJECT or the 1924 PROJECT;
2) the so-called "upper valleys" landowners in the Safford and Duncan-Virden valleys extending from eastern Arizona (Safford and Duncan) into western New Mexico (Virden) (hereinafter UPPER VALLEYS DEFENDANTS);
3) Kennecott Copper Corporation located below Coolidge

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Dam but upstream from Ashurst-Hayden Dam (hereinafter KENNECOTT DEFENDANT); and

4) a small group of non-Indian irrigators diverting water between Coolidge Dam and Ashurst-Hayden Dam (hereinafter ARTICLE X DEFENDANTS).

(The locations of the various categories of DEFENDANTS are represented on the map attached as Exhibit 1.)

XIII

On June 29, 1935 the court in this action entered a decree herein in accordance with a stipulation (hereinafter DECREE).

XIV

The DECREE lists, in a "Schedule of Rights and Priorities" and attached tables (hereinafter tables of priorities), all rights (except for rights for the Gila Crossing area of INDIAN RESERVATION) to the use of water as adjudicated in this action. "[E]ach of said rights is gauged by and limited to the amount of water which has been and can be beneficially diverted and applied to the irrigation of said lands" listed opposite to the right in the tables of priorities; however, there is specifically allowed use for "industrial, municipal, domestic and related beneficial purposes" by KENNECOTT DEFENDANT.

XV

The DECREE recognized rights to use Gila River water on INDIAN RESERVATION for:

1) 210,000 acre feet diverted annually from the natural flow with an immemorial date of priority (hereinafter

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INDIAN RESERVATION's IMMEMORIAL WATER RIGHT) to be used on the the land in 1924 PROJECT on INDIAN RESERVATION.

2) 17,950 acre feet diverted annually from the water occurring or recurring in the Gila River with priorities ranging from 1873 to 1903 to be diverted and used at the Gila Crossing area of the reservation;

3) 210,000 acre feet diverted annually from the natural flow with a 1916 date of priority for the same water as INDIAN RESERVATION's IMMEMORIAL WATER RIGHT;

4) 303,276 acre feet diverted annually from the natural flow with a 1924 date of priority of which 210,000 acre feet is for the same water as INDIAN RESERVATION's IMMEMORIAL WATER RIGHT and all of which 303,276 acre feet is to be used on the same land as INDIAN RESERVATION's IMMEMORIAL WATER RIGHT; and

5) the right to store, and later release for use on INDIAN RESERVATION, water behind Coolidge Dam with a 1924 date of priority.

(The vicinity of the 1924 PROJECT on INDIAN RESERVATION is represented on the map attached as Exhibit 1.)

XVI

The earliest date of priority for a non-Indian water right is 1868. The latest date of priority for a non-Indian water right is 1929.

XVII

The DECREE states "[t]hat in accord with the" 1916

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LANDOWNERS' AGREEMENT the following division of natural flow water, limited for irrigation purposes, shall be made as between the non-Indians' land in the 1916 PROJECT and the INDIAN RESERVATION land in the 1924 PROJECT:

> that the first 300 cubic feet per second or less of water flowing in the river at the said [Ashurst-Hayden diversion] dam or [Ashurst-Hayden and Sacaton diversion] dams... shall be divided and distributed, less deduction for project canal losses as hereinafter provided, sixty and six-tenths per centum to the Indian lands of said project and thirty-nine and four-tenths per centum to the White lands thereof; that of the next 300 second-feet of water or less ..., fifty-one and seven-tenths per centum thereof shall be apportioned to the said Indian lands, and forty-eight and three-tenths per centum thereof to White lands; that all water available as aforesaid in excess of said 600 second-feet shall be divided, less deductions on account of losses as aforesaid, fifty-six and one-tenth per centum to said Indian lands and to said privately owned lands, forty-three and nine-tenths percentum.

XVIII

The DECREE states that the INDIAN RESERVATION's 1924 PROJECT land and the DEFENDANTS' 1924 PROJECT land "shall be entitled to share equally in all of the stored and pumped water of said [1924] Project so far as that shall be physically feasible."

XIX

The 1924 LANDOWNERS' AGREEMENT provides that:

> The Secretary of the Interior is hereby further authorized, in his discretion, and without further authority than that given hereby, to include in said project any lands he may deem it feasible so to include which may be above the Coolidge reservoir and to include them upon such terms as he thinks proper; and is authorized to permit such lands to use the unstored flow of the Gila River in so far as the said project may be entitled to use the same, to the extent

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> that said Secretary shall deem proper and so long as there shall be, in his opinion, water sufficient for the irrigation of the other lands in said project, stored in said reservoir or other reservoirs for said project belonging to the United States or to said project.

"[S]o that the said San Carlos Act [of June 7, 1924, 43 Stat. 475] shall inure in part to their [the UPPER VALLEYS DEFENDANTS'] benefit", the DECREE sets out a formula which, under certain conditions, allows the UPPER VALLEYS DEFENDANTS to use water "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT.

XX

The UPPER VALLEYS DEFENDANTS' use of water "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT is subject to all the limitations from the San Carlos Act (Act of June 7, 1924, 43 Stat. 475) and the 1924 LANDOWNERS' AGREEMENT that apply to the non-Indians benefiting from the 1924 LANDOWNERS' AGREEMENT.

XXI

The DECREE permits the ARTICLE X DEFENDANTS to use water "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT under the same formula and conditions used for the UPPER VALLEYS DEFENDANTS.

XXII

The formula of the DECREE which allows the UPPER VALLEYS DEFENDANTS and the ARTICLE X DEFENDANTS to use water "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT is limited, among other things, to "the desirability of making it

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practicable for said defendants to carry on the irrigation" of the land as set forth in the tables of priority in the DECREE. "[S]aid defendants" refers to irrigators who are "parties defendant named in" the tables of priority in the DECREE.

XXIII

The DECREE recognizes the water rights for KENNECOTT DEFENDANT to divert water for:

1) "industrial, municipal, domestic and related beneficial purposes" and

2) for purposes of irrigation of specific land.

XXIV

In 1935, in order to permit KENNECOTT DEFENDANT to "continue and further carry on its operations to the extent of its aforesaid [1935] requirements," the DECREE permits KENNECOTT DEFENDANT to pump non-irrigation water "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT. Such use "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT is limited to carrying on KENNECOTT DEFENDANT's 1935 "operations."

XXV

In 1935, in order to permit KENNECOTT DEFENDANT to carry on the irrigation of the lands described in the tables of priority in the DECREE, the DECREE provides that KENNECOTT DEFENDANT shall receive the same per acre "apportionment" as the UPPER VALLEYS DEFENDANTS to use "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT. Such use "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT is "limited always ...

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to the irrigation of the lands to which said [KENNECOTT DEFENDANT's] rights apply" as described in the tables of priority in the DECREE.

XXVI

The DECREE provides

> [t]hat a Water Commissioner shall be appointed by this Court to carry out and enforce the provisions of this decree ....

XXVII

The DECREE provides

> that the owner or owners of each ditch or canal herein authorized to divert water from the natural flow of the Gila River for direct conveyance to and irrigation of lands, unless specifically excused by the Court or Water Commissioner, shall at his own expense install and at all times maintain at any appropriate place at or near the head of said ditch, a reliable and readily operated regulating headgate and a measuring box, flume or other device which may be locked and set in position -- the same to be approved by the Water Commissioner -- so that the water diverted into said ditch or canal at any and all times may be regulated and measured.

VIOLATIONS OF THE DECREE

XXVIII

<u>COUNT ONE</u> (<u>Water Commissioner Allowed UPPER VALLEYS DEFENDANTS To Exceed 120,000 Acre Foot "Actual Consumptive Use" Limitation</u>.)

A. The DECREE provides

> that the drafts on the stream by the upper valleys defendants shall be limited to a seasonal year diversion which will result in an actual consumptive use from the stream of not to exceed 120,000 acre feet of water.

B. The DECREE provides that "the Water Commissioner shall determine what diversions [by the UPPER VALLEYS DEFENDANTS] are

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permissable [sic] and reduce diversions in the inverse order of their priorities when and to the extent necessary to accomplish" the purpose of not exceeding 120,000 acre feet "actual consumptive use."

C. Contrary to the provisions of the DECREE the Water Commissioner has permitted the "actual consumptive use" by the UPPER VALLEYS DEFENDANTS to exceed 120,000 acre feet and has not reduced diversions "in the inverse order of their priorities when and to the extent necessary to accomplish" the purpose of not exceeding 120,000 acre feet "actual consumptive use."

COUNT TWO (Water Commissioner Improperly Computes UPPER VALLEYS DEFENDANTS' "Actual Consumptive Use".)

A. Consumptive use of water is a dimunition of water resulting from use of that water. Consumptive use cannot result in an accretion or addition of water.

B. The DECREE provides for a formula to determine "actual consumptive use" that is "sufficiently accurate for practical purposes." In general, the formula to determine the "actual consumptive use" (i.e., depletion) measures the amount of water flowing in the Gila River at the gauging station at Red Rock Box Canyon at the head of the upper valleys plus the amount of water entering the Gila River from the San Francisco River, less the amount of water in the Gila River flowing at Calva. (The upper valleys [Safford and Duncan-Virden Valleys], at the gauging station at Red Rock Box Canyon, the San Francisco River and Calva are each represented on the map attached as Exhibit 1.)

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C. The formula to determine "actual consumptive use" provides that "no allowance shall be made for accretions or additions to the flow" of the Gila River (other than the flow entering the Gila River from the San Francisco River) between entry at the head of the upper valleys and Calva.

D. Due to "accretions or additions to the flow" of the Gila River within the upper valleys, the water flowing at Calva sometimes has exceeded the sum of the amount of water entering at the head of the upper valleys plus the water entering the Gila River from the San Francisco River.

E. Contrary to the provisions of the DECREE, the Water Commissioner has not properly calculated "actual consumptive use." Instead, the Water Commissioner has "made allowance for accretions or additions to the flow" by allowing the UPPER VALLEYS DEFENDANTS to have an additional consumptive use equal to the amount of water flowing at Calva that exceeds the sum of the water flowing in the Gila River at the Red Rock Box Canyon gauging station at the head of the upper valleys plus the flow entering the Gila River from the San Francisco River.

COUNT THREE (Water Commissioner Fails to Make Appropriate Deductions When Calculating UPPER VALLEYS DEFENDANTS' Water Apportionment To Be Used "in disregard" Of Indians' Priority.)

A. The DECREE provides that the quantity of water to be used by UPPER VALLEYS DEFENDANTS "in disregard" of INDIAN RESERVATON's IMMEMORIAL WATER RIGHT is to be calculated by the Water Commissioner as an amount of water equal to the

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> water stored in the San Carlos Reservoir which is available for release through the gates of the Coolidge Dam for conveyance down the channel of the Gila River and for diversion and use on the lands of the San Carlos Project ....

B. That quantity of water to be used "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT is referred to as "apportionments." The DECREE provides:

> [I]n calculating apportionments of the stored water supply the Water Commissioner shall make appropriate deductions for losses for evaporation, seepage or otherwise that may be suffered between the time of the apportionment and that of the diversion of a corresponding quantity of water from the stream.

C. In making the "apportionments of the stored water supply" to be used "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT, the Water Commissioner has <u>not</u> made "appropriate deductions for losses for evaporation, seepage or otherwise that may be suffered between the time of apportionment and that of the diversion."

<u>COUNT FOUR</u> (<u>The Water Commissioner Improperly Made Apportionments Of Water For UPPER VALLEYS DEFENDANTS To Be Used When There Is A Lack Of Available Stored Water</u>.)

A. In providing for use of water by the UPPER VALLEYS DEFENDANTS in disregard of downstream superior rights (INDIAN RESERVATION's IMMEMORIAL WATER RIGHT), the 1924 LANDOWNERS' AGREEMENT limits UPPER VALLEYS DEFENDANTS' use, out of order of priority,

> to the extent that said Secretary shall deem proper and so long as there shall be, in his opinion, water sufficient for the irrigation of the other lands

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in said project, stored in said reservoir or other reservoirs for said project belonging to the United States or to said project.

B. In describing when there is water "available as a basis for ... apportionment of the natural flow [Gila River water] to said [Upper Valleys] defendants" to be used "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT the DECREE provides:

> That water released at the will of the plaintiff and for the purposes of the plaintiff from the San Carlos Reservoir at any time after the date of this decree other than for the proper irrigation of 80,000 acres of land or its equivalent in the San Carlos Project, shall be considered as stored in the San Carlos Reservoir at and after the date of such releases, and available as a basis for the above described apportionment of the natural flow to said defendants as it would be if such withdrawals had never been made.

C. The DECREE provides that when there is a lack of such water "stored in the San Carlos Reservoir ... available as a basis for the above described apportionment":

> PROVIDED ALWAYS, that if by reason of lack of available storage in the San Carlos Reservoir no apportionment of the natural flow of said river is or can be made available to said defendants, then the diversions of said defendants, of or as soon as apportionments previously made to them have been consumed, shall no longer be made in disregard of the prior rights of plaintiff below said San Carlos Reservoir, but shall instead be made under and in accord with the rights and priorities set down in Article V, and the Priority Schedule made part hereof, and Article VI of this decree to wit: in accord with their several priorities as same are set down in said Priority Schedule and subject to the prior rights of plaintiff as same are referred to therein and further described in Article VI of this decree.

D. There is "lack of available storage" unless there is sufficient Gila River water "for the proper irrigation of 80,000

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acres of land or its equivalent in the" 1924 PROJECT.

E. The amount of water "for the proper irrigation of 80,000 acres of land or its equivalent in the" 1924 PROJECT is 480,000 acre feet diverted at Ashurst-Hayden and Sacaton Diversion Dams.

F. The Water Commissioner may not apportion water to be used "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT unless there is available for release from Coolidge Dam sufficient water to divert 480,000 acre feet of Gila River water at Ashurst-Hayden and Sacaton Diversion Dams.

G. In violation of the Decree the Water Commissioner has apportioned water to be used by the UPPER VALLEYS DEFENDANTS when there is "lack of available storage" in the San Carlos Reservoir.

COUNT FIVE (Certain Non-Indian 1916 and 1924 PROJECT Landowners Use Water Under Indians' Priority on Lands Not Specified in DECREE.

A. The 1916 LANDOWNERS' AGREEMENT provides:

> When or before the Secretary of the Interior shall declare said project to be feasible as above provided for, he shall finally and definitely fix and describe the lands in private ownership that are to be included in said project and the water rights which shall be attached thereto as above provided.

B. The DECREE states that the water stored behind Coolidge Dam shall be used on INDIAN RESERVATION's 1924 PROJECT land and on non-Indians' 1924 PROJECT land. Such non-Indian's 1924

. . .

. . .

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PROJECT land is

more particularly described as follows:

(b) 50,000 acres of land in private ownership of white persons (also referred to herein as "White Lands"), made up of such White Lands designated to come into the San Carlos Project by order of the Secretary of the Interior of April 25th, 1928, and August 9th, 1934, said designated lands being described
...

specifically in the DECREE.

C. The benefits set out in the DECREE for DEFENDANTS in the 1916 PROJECT and 1924 PROJECT are limited, among other things, to use on the lands specifically described in the tables of priority set forth in the DECREE.

D. Certain DEFENDANTS, whose land in the 1916 PROJECT and the 1924 PROJECT benefit from divisions of water set out in the DECREE, have been using such water on land not specifically described in the tables of priority. Such uses are in violation of the DECREE.

<u>COUNT SIX</u> (<u>Non-Indian 1924 PROJECT Landowners Violate The 160 Acre Limitation</u>.)

A. The Act of June 7, 1924 states:

> PROVIDED FURTHER, That no part of any sum provided for herein shall be expended for construction on account of any lands in private ownership until all areas of land irrigable under the project and owned by any individual <u>in excess of one hundred and sixty irrigable acres</u> shall have been conveyed in fee to the United States free of encumbrance to again become a part of the public domain under a contract between the United States and the individual owner providing that the value as shown by said appraisal of the land so conveyed to the United States shall be credited in reduction of the construction charge

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> thereafter to be assessed against the land retained by such owner; and lands so conveyed to the United States shall be subject to disposition by the Secretary of the Interior in farm units at the appraised price, upon such terms and conditions as he may prescribe. [Emphasis added.]

B. The owners whose land was made a part of the 1916 LANDOWNERS' AGREEMENT and who joined the 1924 LANDOWNERS' AGREEMENT agreed in the 1924 LANDOWNERS' AGREEMENT to limit their use of water to no more than 160 acres.

C. Each DEFENDANT whose land is in the 1924 PROJECT may apply water obtained through the 1924 PROJECT on no more than 160 acres.

D. Each DEFENDANT who benefits from the division of stored water (using INDIAN RESERVATION's FIRST CALL TO STORED WATER) set out in the DECREE may apply water obtained through the 1924 PROJECT on no more than 160 acres of land.

E. Certain DEFENDANTS who benefit from the Act of June 7, 1924, 43 Stat. 475, the 1924 LANDOWNERS' AGREEMENT, and the division of water set out in the DECREE have been using water obtained through the 1924 PROJECT on more than 160 acres of land in violation of the 1924 Act and 1924 LANDOWNERS' AGREEMENT and the DECREE.

<u>COUNT SEVEN</u> (<u>Non-Indian 1924 PROJECT Landowners Allow Pumping In Violation Of DECREE</u>.)

A. All DEFENDANTS who signed the 1924 LANDOWNERS' AGREEMENT agreed (as a part of the paragraph that explains

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"[t]he water rights which shall be attached to and used in connection with" the 1924 PROJECT):

> All underground and also all diffused surface water under, in or upon the white lands embraced in the said San Carlos project, except such as may from time to time be needed and utilized by the owners of such lands for their domestic water supply, shall at all times be available to said project for development and use as an irrigation water supply for said project; and the undersigned promises and agrees, in respect to his land which shall be taken into said project, to give to the United States or said project the necessary rights of way for the use of such water and agrees further not to drill or operate wells in any other way or use or permit others to use said water for irrigation contrary to any rules, orders, or regulations promulgated by the Secretary of the Interior with relation to said waters on said project.

The United States thus reserved for the use of the 1924 PROJECT "all underground and also all diffused surface water under, in or upon the white lands" in the 1924 PROJECT (except for domestic water for the landowners in the 1924 PROJECT).

B. By contrast, the same 1924 LANDOWNERS' AGREEMENT in a separate paragraph states:

> Such underground and diffused surface waters as may be under, in, or upon Indian lands embraced in said project and the wells, pumps, and facilities in connection therewith, in so far as shall be permitted by law and in so far as the Secretary of the Interior shall deem proper, shall be devoted to the use and benefit of said project and the lands thereof.

C. Certain DEFENDANTS who benefit from the 1924 LANDOWNERS' AGREEMENT have, in violation of such agreement, pumped or allowed or encouraged others to pump water which interferes with 1924 PROJECT water and in some instances comes directly from under a DEFENDANT's 1924 PROJECT land.

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COUNT EIGHT (Pumping Not Authorized By DECREE Significantly Diminishes Water Available For Land Covered By DECREE.)

A. After the DECREE was entered, the pumping (both upstream and downstream from Coolidge Dam) of underground water increased so greatly as to diminish significantly Gila River water available for all land covered by the DECREE. Some such pumping is used on land covered by the DECREE and some such pumping is used for land not covered by the DECREE, but none of such increased pumping is authorized in the DECREE.

B. On July 1, 1976, the United States filed a petition to review actions of the Water Commissioner in order to force the Water Commissioner to enjoin and restrain unauthorized pumping in the Upper Valleys. This court ordered the United States to proceed against the specific pumpers. No further action has been taken to prohibit such pumping.

COUNT NINE (Other DECREE Violations.)

Records of certain DEFENDANTS, canal companies, irrigation districts, or projects will probably show additional violations of the 1916 LANDOWNERS' AGREEMENT, the 1924 LANDOWNERS' AGREEMENT, the Act of June 7, 1924, and the DECREE which are adverse and detrimental to INDIAN COMMUNITY's and INDIANS' right to use water on INDIAN RESERVATION and interfere with INDIAN COMMUNITY and INDIANS' use of water on INDIAN RESERVATION.

INJURY TO INDIANS

XXIX

The aforesaid continuing misinterpretation and

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misadministration (i.e., violations) of the DECREE causes and has caused INDIAN RESERVATION to receive less than its share of Gila River water. DEFENDANTS are using and have been permitted to use more water than the DECREE allows and such additional use causes INDIAN RESERVATION to receive less water than provided by the DECREE.

XXX

Lack of water has caused and continues to cause poverty and destitution of INDIAN COMMUNITY and INDIANS throughout INDIAN RESERVATION. INDIAN COMMUNITY believes that such poverty will continue until INDIAN RESERVATION's rights to use water from within the Gila River watershed are protected against wrongful uses of water by DEFENDANTS.

XXXI

But for certain DEFENDANTS' wrongful use of water from within the Gila River watershed, INDIAN COMMUNITY and INDIANS would have available and would beneficially use water to which INDIAN COMMUNITY and INDIANS have prior rights but are not now receiving.

XXXII

Each DEFENDANT has used or is using or claims rights to use water from within the Gila River watershed. DEFENDANTS' use of water from within the Gila River watershed has been and is, when exercised in violation of the DECREE, adverse and detrimental to INDIAN COMMUNITY's and INDIANS' right to use water on INDIAN RESERVATION and interferes with INDIAN COMMUNITY and INDIANS'

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use of water on INDIAN RESERVATION. Each DEFENDANT's claimed right to use water from within the Gila River watershed would, if exercised in violation of the DECREE, be adverse and detrimental to and interfere with INDIAN COMMUNITY's and INDIANS' right to use water within INDIAN RESERVATION.

XXXIII

The rights to the use of water from within the Gila River watershed on INDIAN RESERVATION are paramount, prior and superior to any right of any DEFENDANT to use water for purposes, in quantities, at rates or at times not specifically authorized in the DECREE.

XXXIV

Certain DEFENDANTS' improper use of water, in violation of the DECREE, has interfered with INDIAN COMMUNITY's and INDIANS' use of water. Such DEFENDANTS have thereby profited and have thereby become unjustly enriched.

XXXV

Unless DEFENDANTS are enjoined from wrongfully using water from within the Gila River watershed in derogation of INDIAN RESERVATION's rights and from wrongfully interfering with INDIAN COMMUNITY's and INDIANS' rightful use of water, INDIAN COMMUNITY and INDIANS will suffer irreparable injury.

XXXVI

INDIAN COMMUNITY and INDIANS have no adequate remedy at law to prevent continuing violations of the DECREE by DEFENDANTS.

. . .

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WHEREFORE, INDIAN COMMUNITY requests that:

(1) Each DEFENDANT be required to account for such DEFENDANT's:

(a) use of water from within the Gila River watershed, stating specifically the source of the water, quantity of the water, rate of diversion of the water, time the water was diverted and used, the purposes for which the water was used; amount and legal description of land to which the water was applied, the derivation of title to such land since June 7, 1935, and the specific portion of the DECREE or other source under which such DEFENDANT claims the right to use such water; and

(b) income and profits from each use of such water in violation of the DECREE,

and to make restitution to INDIAN COMMUNITY for the amount of such DEFENDANT's unjust enrichment at the expense of INDIAN COMMUNITY.

(2) the Water Commissioner be ordered:

(a) to reduce diversions in the Upper Valleys in the inverse order of their priorities when and to the extent necessary to prevent the actual consumptive use in the Upper Valleys from exceeding 120,000 acre feet annually; and

(b) not to calculate for the Upper Valleys as an

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additional consumptive use the amount of water flowing at Calva which exceeds the sum of the water entering at the head of the upper valleys plus the flow entering the Gila river from the San Francisco River.

(c) to determine the water apportioned "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT only from the water available for release through the gates of Coolidge Dam for conveyance down the channel of the Gila River and for diversion and use on the lands of the 1924 PROJECT by making appropriate deductions for losses for evaporation, seepage, or otherwise.

(d) not to apportion water to be used "in disregard" of INDIAN RESERVATION's IMMEMORIAL WATER RIGHT so long as there is not sufficient water available for release from Coolidge Dam to divert 480,000 acre feet of water from Ashurst-Hayden and Sacaton diversion dams for use on the lands of 1924 PROJECT.

(3) DEFENDANTS, and each of them, be restrained and enjoined from using any water, if not specifically authorized by the DECREE, from within the Gila River watershed, which use interferes with INDIAN RESERVATION's prior rights to the use of such water.

. . .

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(4) INDIAN COMMUNITY and INDIANS be awarded such other and further relief as may be deemed proper.

COX and COX

By _____
Z. Simpson Cox, Attorney for
Gila River Indian Community

STATE OF ARIZONA)
: ss.
County of Maricopa)

Thomas R. White, being first duly sworn, deposes and says:

I am the duly elected, qualified, and acting Governor of Gila River Indian Community. I have read the foregoing amended complaint and know the contents thereof. The allegations to the best of my information, knowledge, and belief are true.

_____
Thomas R. White, Governor
Gila River Indian Community

STATE OF ARIZONA)
: ss.
County of Maricopa)

SUBSCRIBED AND SWORN TO before me June 29, 1988 by Thomas R. White, Governor of Gila River Indian Community.

My Commission expires:
My Commission Expires Jan. 5, 1990

_____
Notary Public

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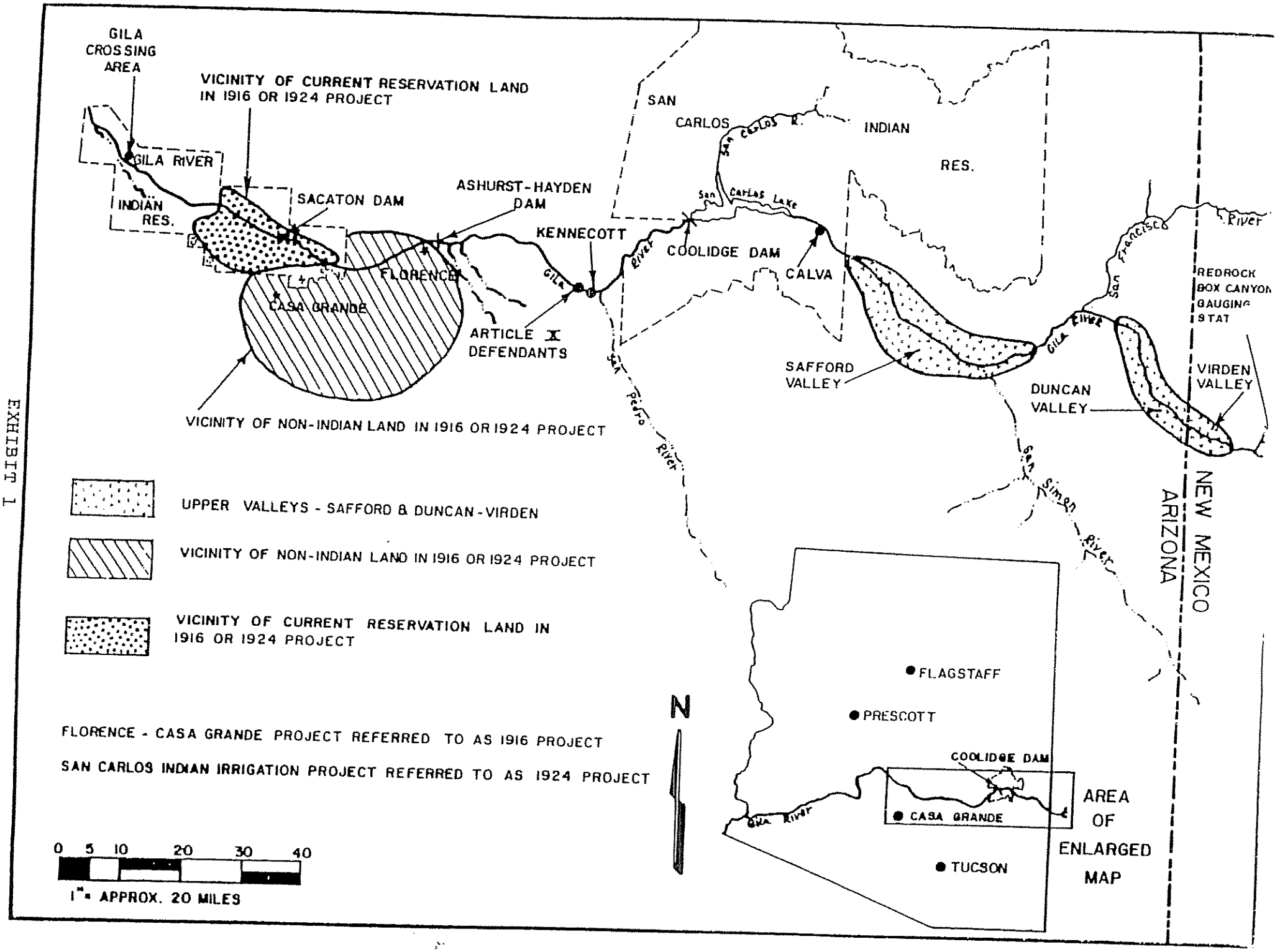
EXHIBIT 1


GILA CROSSING AREA
VICINITY OF CURRENT RESERVATION LAND IN 1916 OR 1924 PROJECT
GILA RIVER
INDIAN RES.
SACATON DAM
ASHURST-HAYDEN DAM
KENNECOTT
FLORENCE
CASA GRANDE
ARTICLE X DEFENDANTS
VICINITY OF NON-INDIAN LAND IN 1916 OR 1924 PROJECT
SAN CARLOS INDIAN RES.
San Carlos R.
San Carlos Lake
COOLIDGE DAM
CALVA
Gila River
San Pedro River
SAFFORD VALLEY
DUNCAN VALLEY
San Simon River
San Francisco River
REDROCK BOX CANYON GAUGING STAT
VIRDEN VALLEY
NEW MEXICO
ARIZONA
UPPER VALLEYS - SAFFORD & DUNCAN-VIRDEN
VICINITY OF NON-INDIAN LAND IN 1916 OR 1924 PROJECT
VICINITY OF CURRENT RESERVATION LAND IN 1916 OR 1924 PROJECT
FLORENCE - CASA GRANDE PROJECT REFERRED TO AS 1916 PROJECT
SAN CARLOS INDIAN IRRIGATION PROJECT REFERRED TO AS 1924 PROJECT
N
FLAGSTAFF
PRESCOTT
COOLIDGE DAM
CASA GRANDE
Gila River
TUCSON
AREA OF ENLARGED MAP
0 5 10 20 30 40
1" = APPROX. 20 MILES

ATTACHMENT 6.1

SAN CARLOS IRRIGATION PROJECT

COMPOSITE REHABILITATION COST ALLOCATION

JANUARY 1, 2000 COSTS ($1,000)

Project Feature	**Cost Allocation**		**Total Cost**	
	Community	**SCIDD**		
A-H Div Dam	645	346	991	DRR Project Joint Delivery Facilities
Settling Basin	4,816	2,588	7,404	DRR Project Joint Delivery Facilities
General Property	388	208	596	DRR Project Joint Delivery Facilities
Sub-total	5,849	3,142	8,991	
Distribution System				
Fl - CG above Pima	10,518	5,651	16,169	DRR Project Joint Delivery Facilities
Fl - CG below Pima				
Sub-total Fl - CG				
Pima Lateral	11,628		11,628	CRR Project Joint Delivery Facilities
North Side Canal		3,270	3,270	DRR Other Project Delivery Facilities
South Side Canal	1,741		1,741	CRR Project Joint Delivery Facilities
Sub-total - Canals	23,887	8,921	32,808	
CG Lat 6-55	158		158	CRR Project Joint Delivery Facilities
CG Lat 6-51	299		299	CRR Project Joint Delivery Facilities
CG Lat 8	520		520	CRR Project Joint Delivery Facilities
CG Lat 6-37	733		733	CRR Project Joint Delivery Facilities
Sub-total - Laterals	1,710		1,710	
Total JW Construction Cost	31,445	12,064	43,509	
JW Rights-Of-Way	2,413	1,296	3,709	Applies to All ROW
SCIP Cultural Resources	618	332	950	Applies to All Cultural Resources
Total JW Cost	34,476	13,692	48,168	

ATTACHMENT 6.2

THIRD SUPPLEMENTAL REPAYMENT CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT PROVIDING FOR REHABILITATION OF PORTIONS OF THE SAN CARLOS PROJECT

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THIRD SUPPLEMENT TO THE REPAYMENT CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT PROVIDING FOR REHABILITATION OF PORTIONS OF THE SAN CARLOS PROJECT

Preamble

1.0 THIS THIRD SUPPLEMENT to the San Carlos Irrigation and Drainage District REPAYMENT CONTRACT of June 8, 1931, made and entered into this _____ day of _____, 2005, between the UNITED STATES OF AMERICA, hereinafter referred to as the "United States," acting through the Secretary of the Interior, and the SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, a public corporation of Pinal County, organized and existing by virtue of the laws of the State of Arizona, hereinafter called the "District" and also referred to as the "Contractor," with its principal place of business in Coolidge, Arizona.

Explanatory Recitals

WITNESSETH, THAT:

2.0 **WHEREAS**, through an act of Congress dated June 7, 1924 (43 Stat. 475-476), commonly called the San Carlos Act, and through subsequent acts, Congress provided that, among other things, the Secretary of the Interior shall construct, operate, and maintain the San Carlos Irrigation Project; and

3.0 **WHEREAS**, on June 8, 1931, the United States and the Contractor entered into a Repayment Contract, whereby the United States would construct, with funds advanced by the United States, a Project storage, diversion and delivery system to

transport Gila River water to the eligible lands within the Contractor's service area, which Repayment Contract was supplemented twice by agreements dated November 12, 1935 and May 29, 1947; and

4.0 **WHEREAS**, construction of certain portions of the Project distribution system was completed over 60 years ago through contracts awarded by and through the Bureau of Indian Affairs, many of those Project facilities have reached or exceeded their useful life and are in need of rehabilitation; and

5.0 **WHEREAS**, the Contractor has submitted the District Facilities Feasibility Report to the Bureau of Reclamation, Department of the Interior, setting forth a plan and estimated cost for rehabilitating District-operated Project facilities; and

6.0 **WHEREAS,** the District Facilities Feasibility Report and recent studies estimate that the rehabilitation of District facilities would conserve an estimated forty-eight thousand (48,000) acre-feet of water per year; and

7.0 **WHEREAS**, the United States, the District, the Gila River Indian Community and others have negotiated the Settlement Agreement to resolve certain disputes regarding the rights of the United States, the District, the Community and others to the waters of central Arizona, including the waters of the Gila River, which provides, among other things, for the United States to fund the rehabilitation of certain Project facilities; and

8.0 **WHEREAS**, the Secretary and the District have agreed upon the use of water to be conserved by rehabilitation of the DRR Project Delivery Facilities through reductions in seepage and operational losses; and**,**

9.0 **WHEREAS**, Congress has enacted the Act, which, in section 203(d)(4)(B),

among other things, provides the Secretary with the authority to execute and implement this THIRD SUPPLEMENT TO THE REPAYMENT CONTRACT and in section 203(d)(5) of the Act directs that the Bureau of Reclamation shall be designated as the lead agency for oversight of the construction and rehabilitation of the San Carlos Irrigation Project; and,

10.0 **WHEREAS**, pursuant to the acts of Congress cited in Articles 2 and 10, above, the Secretary of the Interior is willing and authorized to contract with the Contractor for performance by the Contractor of portions of the Project rehabilitation and work, to advance Federal funds to the Contractor for such work under conditions hereinafter set forth, and to secure repayment.

NOW THEREFORE, in consideration of the covenants herein contained, it is agreed as follows:

Definitions

11.0 Capitalized terms in this Agreement not specifically defined herein shall have the same meaning as set forth in exhibit 20.1 to the Settlement Agreement.

11.1 "Act" shall mean shall mean the Arizona Water Settlements Act of 2004, P.L. 108-451.

11.2 "Article" shall mean an article of this contract.

11.3 "Conserved Water" shall have the meaning set forth in Article 15.3.

11.4 "Contracting Officer" shall have the meaning ascribed to it in Article 1.0.

11.5 "Desilting Basin" shall mean a facility to be built at or near the Ashurst-Hayden Diversion Dam on the Florence-Casa Grande Canal to remove suspended solids

from diverted water.

11.6 "District", “Contractor”, or "San Carlos Irrigation and Drainage District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

11.7 “District Rehabilitation Responsibility Project Delivery Facilities” or “DRR Project Delivery Facilities” shall mean those portions of the SCIP water delivery and distribution system serving District lands along with the appurtenant water delivery system structures thereto, but not including the Project Joint Delivery Facilities and not including DRR Other Project Delivery Facilities all as depicted on attachment 2.9 of the SCIDD Agreement, attached hereto as Exhibit 11.7.

11.8 “Exhibit” shall mean an exhibit to this Agreement, all of which are incorporated herein by reference.

11.9 “Gila River Indian Community” or “Community” shall mean the government, composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

11.10 “Party” shall mean an entity, as defined in this Agreement, represented by a signatory to this Agreement. “Parties” shall mean all of such entities.

11.11 "Project", "SCIP", or "San Carlos Irrigation Project" shall mean the project authorized by the Act of June 7, 1924, 43 Stat. 475, as amended and supplemented.

11.12 “Project Stored Water” shall mean all Gila River water available to the Community and the District under the Globe Equity Decree that is neither Project Pumped Water nor Project Natural Flow Water.

11.13 “SCIDD Agreement” shall mean the agreement among the Gila River

Indian Community, the United States of America, and the San Carlos Irrigation and Drainage District, a copy of which is attached as exhibit 20.1 to the Settlement Agreement.

11.14 "Settlement Agreement" shall mean that certain amended and restated agreement authorized and approved by the Act and entered into among the Community, the District, the United States, the State of Arizona, and certain other named Parties.

11.15 "Subarticle" shall mean a subarticle of this Contract

11.16 "United States" or "United States of America" shall mean the United States of America acting in its capacity as authorized under the act of Congress dated June 7, 1924 (43 Stat. 475-76), commonly called the San Carlos Act, and the Arizona Water Rights Settlements Act of 2004, P.L. 108-451, and in no other capacity.

Exhibits

12.0 Following is a list that constitutes the Exhibits to this Agreement, which by reference are incorporated into and made a part of this Third Supplement to the Repayment Contract:

Exhibit	Description
Exhibit 11.7	DRR Project Delivery Facilities
Exhibit 15.0	Construction Funding and Oversight Contract

Contract Purpose

13.0 This Contract is the Third Supplement to the Repayment Contract between the United States and the San Carlos Irrigation and Drainage District dated June 8, 1931, as previously Supplemented by Contracts dated November 12, 1935 and May 29, 1947. The purpose for this Contract is to provide for the allocation of Conserved Water between

the District and the United States and to define the associated repayment responsibility of the District. Except as expressly modified herein, the terms and provisions of the Repayment Contract, as supplemented heretofore, shall remain in full force and effect.

Construction Funding and Oversight Contract

14.0 Pursuant to sections 403(f)(2)(C) and 403(f)(2)(D)(iv) of the Colorado River Basin Projects Act, as amended by section 107 of the Act, the Secretary, acting through the Bureau of Reclamation is to provide funding for the rehabilitation of the San Carlos Irrigation Project. Pursuant to section 203(c)(3) of the Act, the Bureau of Reclamation has been designated as the lead agency with respect to environmental compliance. Pursuant to section 203(d)(5) of the Act, the Congress has designated the Bureau of Reclamation as the lead agency for oversight of the construction and rehabilitation of the San Carlos Irrigation Project. Pursuant to section 203(d) of the Act, the Secretary is authorized to contract with the District to rehabilitate certain Project features. Pursuant to those authorities, incorporated by reference and attached hereto as Exhibit 15.0 is a Construction Funding and Oversight Contract between the District and the United States, providing for the advance of federal funds to the District and for the rehabilitation of those Project facilities that the District is to rehabilitate.

Establishment, Composition, Costs and Function of Engineering Board

15.0 Within thirty (30) days following funding first becoming available pursuant to either section 403(f)(2)(D)(iv) of the Colorado River Basin Project Act, as amended by the Act, or section 214(a)(1) of the Act, the Secretary shall, in consultation with the

District, determine the amount of funds necessary for purposes of Articles 15.0 through 15.4 and request that the Bureau of Reclamation make such amount of funds available for such purposes. Within thirty (30) days of the Bureau of Reclamation making such funds available, or sooner if practicable, the Secretary, using such funds, shall fund and establish a three (3) person Engineering Board.

15.1 The Engineering Board shall be composed of three registered professional engineers having demonstrated expertise and experience in such determinations, one each appointed by the District and the Contracting Officer with the third member, the Engineering Board Chairperson, being appointed by the appointees of the Contracting Officer and the District. Members of the Engineering Board shall not have been previously engaged for the analysis of Project water use by the United States, the District or the Community.

15.2 The cost associated with the activities of said Engineering Board shall be considered a part of the cost of rehabilitation of irrigation works under section 203(d)(4) of the Act.

15.3 Within one hundred twenty (120) days following the appointment of the Engineering Board Chairperson, using established engineering and hydrologic procedures, the Board shall make necessary determinations of the annual quantities of water historically lost from the District facilities and the annual quantities of water conserved through rehabilitation of each individual District facility under varying water supply conditions. The Board shall develop a table that describes the approximate amount of water that it believes will be conserved ("Conserved Water") relative to the quantity of Project Natural Flow and Project Stored Water delivered to SCIDD at the part(s). The

table shall include scenarios for normal, dry and wet years. The table shall also include criteria for determining what constitutes a normal, dry or wet year. Upon request of the Engineering Board, the Secretary and the District may by mutual agreement extend the deadline for submission of the determinations of Conserved Water.

15.4 Determinations of the Engineering Board shall be documented in writing and shall be accompanied by a reasoned explanation of the basis for the table developed. Determinations of the Engineering Board shall be final.

Use of Conserved Water

16.0 The Conserved Water shall be administered in accordance with Articles 16.1 and 16.2.

16.1 The first twenty-five thousand (25,000) acre-feet of Conserved Water in each Year shall inure solely to the benefit of the District, and the United States shall have no right to the same.

16.2 In accordance with section 203(d)(4)(B)(ii) of the Act, up to eighteen thousand (18,000) acre-feet annually of Conserved Water will be made available by the District to the United States pursuant to the terms of Subarticles 16.2.1 and 16.2.2.

16.2.1 If the amount of Conserved Water in any Year is between twenty-five thousand and one (25,001) acre-feet and thirty-three thousand (33,000) acre-feet, inclusive, the first twenty-five thousand (25,000) acre-feet of such Conserved Water shall be treated as described in Article 16.1. Up to the next additional eight thousand (8,000) acre-feet of Conserved Water shall inure solely to the benefit of the District; provided, however, that the

Secretary shall be entitled to exchange to the San Carlos Reservoir, in accordance with subparagraph 9.3 of the SCIDD Agreement, one (1) acre-foot of Project Water available for the District's use for each such additional one (1) acre-foot of Conserved Water, not to exceed eight thousand (8,000) acre-feet in any Year. The Secretary shall use such exchanged water solely to maintain a permanent Project pool of water for fish and wildlife purposes in the San Carlos Reservoir and for no other purpose. If the Secretary exercises the right to exchange recognized by this Subarticle 16.2.1, the exchanged water shall no longer be Project Water for any purposes and shall bear no relationship to apportionments under article VI of the Globe Equity Decree or any split of Project Stored Water under article VII of the Globe Equity Decree between the Community and the District, or to apportionments determined by contractual agreement in exhibit 26.2 of the Settlement Agreement. Coolidge Dam O&M costs and the San Carlos Reservoir losses shall be allocated by the Secretary to persons other than the District or the Community, in proportion to the quantity of water in the pool as related to the quantity of Project Stored Water in the San Carlos Reservoir.

16.2.2 If the amount of Conserved Water exceeds thirty-three thousand (33,000) acre-feet in any Year, the first thirty-three thousand (33,000) acre-feet shall be treated as described in Subarticle 16.2.1 and each additional acre-foot of Conserved Water shall inure solely to the benefit of the District; provided, however, that the Secretary may exercise an option to exchange to the San

Carlos Reservoir, in the manner provided for in subparagraph 9.3 of the SCIDD Agreement, two (2) acre-feet of Project Stored Water allocated for the District's use for each additional three (3) acre-feet of Conserved Water under terms to be negotiated at a future time. The Secretary shall use such Conserved Water only for the settlement of the claims to the Gila River and the tributaries of the San Carlos Apache Tribe, which settlement shall include a waiver of all claims of the San Carlos Apache Tribe and the United States on its behalf against the District, the Community, and the Project the specific terms and conditions of such option to exchange and waivers to be developed as part of a San Carlos Apache Tribe settlement; provided, however, that, upon the enactment of a congressionally approved settlement or final adjudication of the rights of the San Carlos Apache Tribe to the Gila River and its tributaries that establishes the extent of those rights and precludes any new water rights being established or recognized on behalf of the San Carlos Apache Tribe to the Gila River and its tributaries that would interfere with or otherwise affect the existing rights of the District and the Community, the Secretary may use such Conserved Water that is not needed to satisfy the San Carlos Apache Tribe's rights for such other purposes as the District, the Community, and the United States may mutually agree, including the settlement of the water rights claims of other Arizona Indian tribes or environmental mitigation on the Gila River and its tributaries, such agreement not to be unreasonably withheld.

Repayment by Contractor

17.0 Of the Conserved Water, only the quantities available to the Contractor pursuant to Subarticle 16.2.2 constitute new water supplies usable by the Contractor. The Contractor will be responsible for repaying a percentage of that portion of the total construction costs associated with rehabilitating District facilities, as determined pursuant to Exhibit 15.0, said repayment percentage to be the same percentage as the quantity of water determined to be available to the Contractor pursuant to Subarticle 16.2.2 bears to the total quantity of water conserved through rehabilitation of District facilities as determined pursuant to Article 15.3; provided, however, that the District repayment obligation established pursuant to this Contract shall not exceed twelve million dollars ($12,000,000) in January 1, 2000 dollars, as such amount is increased or decreased, as appropriate, based on ordinary fluctuations in construction cost indices applicable to the types of construction involved in the rehabilitation; provided further that the amount of twelve million dollars ($12,000,000) set forth in the previous clause shall be reduced to four million dollars ($4,000,000,000) in January 1, 2000 dollars, as such amount is increased or decreased, as appropriate, based on ordinary fluctuations in construction cost indices applicable to the types of construction involved in the rehabilitation, if the United States exercises the option to exchange provided under Subarticle 16.2.2. Repayment shall be accomplished in forty (40) equal annual installments with the first installment to be paid by December 31st of the calendar Year following one (1) full calendar Year after issuance of the Notice of Substantial Completion pursuant to Article 39.0 of Exhibit 15.0.

17.1 Any funds expended under this Contract that are in excess of those to be repaid pursuant to Article 17.0 shall be non-reimbursable pursuant to section

203(d)(4)(B)(iii) of the Act.

Standard Articles

Where the provisions of the Repayment Contract, as herein amended and supplemented, conflict with the provisions of this Article, the provisions of this Article shall prevail and shall be followed by the Parties in the administration of the Repayment Contract and of this contract.

18.0 Review of determinations by the Secretary. The Contractor shall have the right to review and dispute all determinations of the Secretary that are made pursuant to this Contract. The Contractor shall have ninety (90) calendar days following receipt of the notice of any such determination to dispute any such decision. Such disputes shall be resolved by mutual agreement or, if unresolved within thirty (30) calendar days following notice by the Contractor of such disputed decision, either Party may seek to enforce this Agreement in a federal court or other forum of competent jurisdiction.

19.0 Exemption from Reclamation law. This Contract shall not subject the District or its landowners to any acreage limitation and reporting requirements of Federal Law nor to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

20.0 Notices. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, when mailed postage prepaid, or delivered to:

As to the United States:

Regional Director Western Regional Office Bureau of Indian Affairs P.O. Box 10 Phoenix, Arizona 85001	and	Regional Director Lower Colorado Region Bureau of Reclamation P.O. Box 427 Boulder City, Nevada 89005

Project Manager
San Carlos Irrigation Project
P.O. Box 250
Coolidge, AZ 85228

As to the District:

San Carlos Irrigation & Drainage District
P. O. Box 218
Coolidge, Arizona 85228.

The designation of the addressee or the address may be changed by notice in the same manner as provided in this Article for other notices.

21.0 **Charges for delinquent payment**. The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments as set forth in the 1931 Repayment Contract, as supplemented.

22.0 **Officials not to benefit.** No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

23.0 **Assignment limited; successors and assigns obligated**. The provisions of this Contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein shall be valid until approved in writing by the Secretary.

Signature Page

IN WITNESS WHEREOF, the Parties hereto have executed this Third Supplement to the June 9, 1931 Repayment Contract the day and year first above written.

THE UNITED STATES OF AMERICA

By:

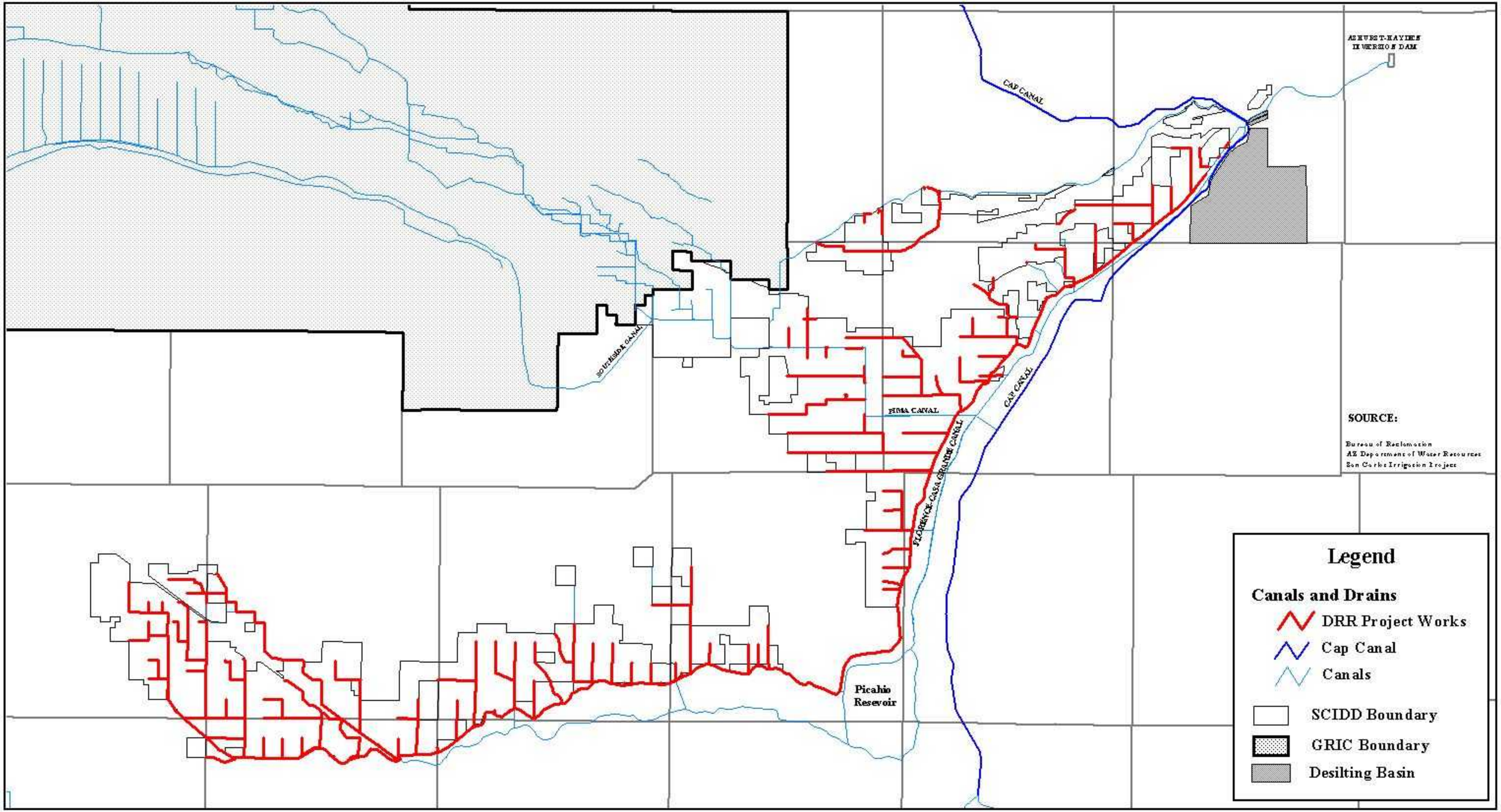
Secretary of the Interior

THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

Attest: _____ By: _____
Secretary President

EXHIBIT 11.7 TO ATTACHMENT 6.2 OF SCIDD AGREEMENT

DRR PROJECT DELIVERY FACILITIES



January 22, 2003

ACCURACY STATEMENT:

The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

N

1 0 1 2 Miles

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Data Analysis and Map Composition by:

GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

GIS SOUTHWEST

EXHIBIT 15.0 TO ATTACHMENT 6.2 OF SCIDD AGREEMENT

CONSTRUCTION FUNDING AND OVERSIGHT CONTRACT

BETWEEN THE SAN CARLOS IRRIGATION AND DRAINGAGE DISTRICT

AND THE UNITED STATES OF AMERICA

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CONSTRUCTION FUNDING AND OVERSIGHT CONTRACT BETWEEN THE SAN CARLOS IRRIGATION AND DRAINGAGE DISTRICT AND THE UNITED STATES OF AMERICA

Preamble

1.0 This CONTRACT is an Exhibit to the THIRD SUPPLEMENT to the San Carlos Irrigation and Drainage District REPAYMENT CONTRACT of June 8, 1931, made and entered into this _____ day of _____, 2005, between the UNITED STATES OF AMERICA, hereinafter referred to as the "United States," acting through the Secretary of the Interior or his or her authorized representative, hereinafter referred to as the "Contracting Officer," and the SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, a public corporation of Pinal County, organized and existing by virtue of the laws of the State of Arizona, hereinafter called the "District" and also referred to as the "Contractor," with its principal place of business in Coolidge, Arizona.

Explanatory Recitals

WITNESSETH, THAT:

2.0 **WHEREAS**, through an act of Congress dated June 7, 1924 (43 Stat. 475-476), commonly called the San Carlos Act, and through subsequent acts, Congress provided that, among other things, the Secretary of the Interior shall construct, operate, and maintain the San Carlos Irrigation Project; and

3.0 **WHEREAS**, construction of certain portions of the Project distribution system was completed over 60 years ago through contracts awarded by and through the Bureau of Indian Affairs, many of those Project facilities have reached or exceeded their useful life and are in need of rehabilitation; and

4.0 **WHEREAS**, the Area Director, Phoenix Area Office, Bureau of Indian Affairs submitted to the Assistant Secretary - Indian Affairs, Department of the Interior the Joint Works Feasibility Report, setting forth a plan and estimated cost for rehabilitating and improving Bureau of Indian Affairs operated Project facilities; and

5.0 **WHEREAS**, the Contractor has submitted the District Facilities Feasibility Report to the Bureau of Reclamation, Department of the Interior, setting forth a plan and estimated cost for rehabilitating and improving District-operated Project facilities; and

6.0 **WHEREAS**, the United States, the District, the Gila River Indian Community and others have negotiated the Settlement Agreement to resolve certain disputes regarding the rights of the United States, the District, the Community and others to the waters of central Arizona, including the waters of the Gila River, which provides, among other things, for the United States to fund the rehabilitation of certain Project facilities; and

7.0 **WHEREAS**, Congress has enacted the Act, which, among other things, provides the Secretary with the authority to execute and implement the THIRD SUPPLEMENT TO THE REPAYMENT CONTRACT to which this Contract is an Exhibit; and

8.0 **WHEREAS,** pursuant to sections 403(f)(2)(C) and 403(f)(2)(D)(iv) of the Colorado River Basin Projects Act, as amended by section 107 of the Act, or pursuant to section 214(a)(1)(A) of the Act, the Secretary is to provide funding for the rehabilitation of the San Carlos Irrigation Project; and

9.0 WHEREAS, Pursuant to section 203(c)(3) of the Act, the Bureau of Reclamation has been designated as the lead agency with respect to environmental compliance; and,

10.0 WHEREAS, Pursuant to section 203(d)(5) of the Act, the Congress has designated the Bureau of Reclamation as the lead agency for oversight of the construction and rehabilitation of the San Carlos Irrigation Project; and

11.0 WHEREAS, Pursuant to section 203(d)(5) of the Act, the Bureau of Reclamation is to provide oversight of the rehabilitation of those Project facilities that are to be rehabilitated by the District; and

12.0 WHEREAS, The Secretary, as Contracting Officer for this Contract, is to provide funding, if available, for the rehabilitation of those Project facilities that are to be rehabilitated by the District, with such funding to be paid either from the Lower Colorado River Basin Development Fund or appropriations; and

13.0 WHEREAS, the United States is willing to undertake the rehabilitation of the Project facilities as described in the District Facilities Feasibility Report and the Joint Works Feasibility Report, with certain facility consolidations, under the conditions hereinafter set forth; and

14.0 WHEREAS, the Contractor has the ability, through its consulting engineers and through its own forces, to prepare schedules, designs, plans, and specifications, and to provide construction services and construction management support services for rehabilitation of the DRR Project Delivery Facilities, the DRR Other Project Delivery Facilities, and the DRR Project Joint Delivery Facilities; and

15.0 WHEREAS, it is in the best interest of both the United States and the Contractor that the Contractor, utilizing the labor and contracting authorities that are available to the

District under Arizona Law, perform with its own forces or through contractors the work described in Article 19.0, including, but not limited to, completion and cleanup work incidental to facility startup and operation. Such work has a total estimated cost of $70,554,000 in January 1, 2000 dollars, which amount shall be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation; provided that said $70,554,000 shall be comprised of $18,158,000 in January 1, 2000 dollars that the Gila River Indian Community has agreed to pay in accordance with the cost allocation described in attachment 6.1 to the SCIDD Agreement, attached hereto as Attachment 15.0 and $52,396,000 in January 1, 2000 dollars provided to the Contractor by the Contracting Officer pursuant this Contract.

NOW THEREFORE, in consideration of the covenants herein contained, it is agreed as follows:

Definitions

16.0 Capitalized terms in this Agreement not specifically defined herein shall have the same meaning as defined in exhibit 20.1 to the Settlement Agreement.

16.1 "Act" shall mean the Arizona Water Settlements Act of 2004.

16.2 "Article" shall mean an article of this contract.

16.3 "Community Rehabilitation Responsibility Project Joint Delivery Facilities" or "CRR Project Joint Delivery Facilities" shall mean the Pima Canal from the Florence-Casa Grande Canal to the Reservation and laterals 6-37, 6-51, 6-55 and 8 (as those laterals are defined in the Joint Works Feasibility Report) each of which divert water from the

Pima Canal between the Florence-Casa Grande Canal and the Reservation boundary, all as depicted on attachment 2.5 of the SCIDD Agreement.

16.4 “Contracting Officer” shall have the meaning ascribed to it in Article 1.0 of this contract.

16.5 “Desilting Basin” shall mean a facility to be built at or near the Ashurst-Hayden Diversion Dam on the Florence-Casa Grande Canal to remove suspended solids from diverted water.

16.6 "District", “Contractor”, or "San Carlos Irrigation and Drainage District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

16.7 “District Facilities Feasibility Report” shall mean the report submitted by the Contractor to the Bureau of Reclamation, Department of the Interior, entitled, DRAFT LOAN APPLICATION REPORT, DISTRIBUTION SYSTEM REHABILITATION AND CONCRETE LINING, dated March 1993.

16.8 “District Rehabilitation Responsibility Project Delivery Facilities” or “DRR Project Delivery Facilities” shall mean those portions of the SCIP water delivery and distribution system serving District lands along with the appurtenant water delivery system structures thereto, but not including the Project Joint Delivery Facilities and not including DRR Other Project Delivery Facilities all as depicted on attachment 2.9 of the SCIDD Agreement, attached hereto as Exhibit 16.8.

16.9 “District Rehabilitation Responsibility Project Joint Delivery Facilities” or “DRR Project Joint Delivery Facilities” shall mean Ashurst-Hayden Diversion Dam, general property (as defined in the Joint Works Feasibility Report), and the Florence-Casa

Grande Canal and appurtenances thereto, including the Desilting Basin, all as depicted on attachment 2.10 of the SCIDD Agreement, attached hereto as Exhibit 16.9.

16.10 "District Rehabilitation Responsibility Other Project Delivery Facilities" or "DRR Other Project Delivery Facilities" shall mean the North Side Canal, as depicted on attachment 2.11 of the SCIDD Agreement, attached hereto as Attachment 16.10.

16.11 "Exhibit" shall mean an exhibit to this Contract, all of which are incorporated herein by reference.

16.12 "Florence-Casa Grande Canal" shall mean the canal of that name as it exists on the Enforceability Date, as depicted on attachment 2.13 of the SCIDD Agreement, attached hereto as Exhibit 16.12. The term "Florence-Casa Grande Canal" shall include any replacement for the canal depicted on Exhibit 16.12.

16.13 "Gila River Indian Community" or "Community" shall mean the government, composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

16.14 "Joint Works Feasibility Report" shall mean that report submitted by the Area Director, Phoenix Area Office, Bureau of Indian Affairs to the Assistant Secretary - Indian Affairs, Department of the Interior, entitled FINAL REPORT, REHABILITATION and BETTERMENT of the SAN CARLOS PROJECT – JOINT WORKS, dated, August 1993.

16.15 "Party" shall mean an entity, as defined in this Contract, represented by a signatory to this Contract. "Parties" shall mean all of such entities.

16.16 "Pima Canal" shall mean that portion of the Project Joint Delivery Facilities that begins at the Florence-Casa Grande Canal and ends at the Reservation boundary, as

depicted on attachment 2.20 of the SCIDD Agreement.

16.17 "Project", "SCIP", or "San Carlos Irrigation Project" shall mean the project authorized by the Act of June 7, 1924, 43 Stat. 475, as amended and supplemented.

16.18 "Project Diversion and Delivery Facilities" shall mean those diversion works, canals, and laterals constructed, operated and maintained for the delivery and distribution of water to the Project lands of the Community and of the District.

16.19 "Project Joint Delivery Facilities" shall mean (1) the CRR Project Joint Delivery Facilities, (2) the DRR Project Joint Delivery Facilities and (3) the DRR Other Project Delivery Facilities; provided, however, that the DRR Other Project Delivery Facilities shall become DRR Project Delivery Facilities, at the earlier of (a) the date upon which the rehabilitation of the Florence-Casa Grande Canal, or the construction of a replacement therefor, as contemplated by this Contract, is completed, or (b) the date upon which the rehabilitation of the DRR Other Project Delivery Facilities, as contemplated by this Contract is complete.

16.20 "Reclamation" shall mean the Bureau of Reclamation.

16.21 "SCIDD Agreement" shall mean the agreement among the Gila River Indian Community, the United States of America, and the San Carlos Irrigation and Drainage District, a copy of which is attached as exhibit 20.1 to the Settlement Agreement.

16.22 "Settlement Agreement" shall mean that certain amended and restated agreement authorized and approved by the Act and entered into among the Community, the District, the United States, the State of Arizona, and certain other named parties.

16.23 "Subarticle" shall mean a subarticle of this Contract.

16.24 "United States" or "United States of America" shall mean the United States

of America acting in its capacity as authorized under the act of Congress dated June 7, 1924 (43 Stat. 475-76), commonly called the San Carlos Act, and the Arizona Water Rights Settlements Act of 2004, P.L. 108-451, and in no other capacity.

Attachments

17.0 Following is a list of attachments to this Contract:

Attachment	Description
15.0	Composite Rehabilitation Cost Allocation
16.8	Map Depicting DRR Project Delivery Facilities
16.9	Map Depicting DRR Project Joint Delivery Facilities
16.10	Map Depicting DRR Other Project Delivery Facilities
16.12	Map Depicting Florence-Casa Grande Canal
20.0	Funding Schedule and Conditions for Funding of DRR Project Works, the DRR Project Joint Works, and the DRR Other Project Works

Contract Purpose

18.0 This Contract is an Exhibit to the Third Supplement to the Repayment Contract between the United States and the San Carlos Irrigation and Drainage District dated June 8, 1931, as previously Supplemented by Contracts dated November 12, 1935 and May 29, 1947. The purpose of this Contract is to provide for the United States to contract with the Contractor for performance by the Contractor of portions of the Project rehabilitation work, and to advance Federal funds to the Contractor for such work under conditions hereinafter set forth. Except as expressly modified herein, the terms and provisions of the Repayment Contract, as supplemented heretofore including the

Third Supplement to the Repayment Contract, shall remain in full force and effect.

Rehabilitation of Diversion and Delivery Facilities

19.0 Subject to the terms and conditions of this contract, the Contractor shall perform, or cause to be performed, construction work consisting of rehabilitating portions of the Project Diversion and Delivery Facilities generally included in the plans set forth in the District Facilities Feasibility Report and in the Joint Works Facilities Feasibility Report, as potentially modified pursuant to Article 23.0, including but not limited to preparation of final planning documentation, issuance of specifications, construction of Project works using personnel and equipment of the Contractor, awarding and management of construction contracts, acquiring and withdrawing lands on behalf of the Project in accordance with Subarticle 20.2, and completion of the rehabilitation of the Project works as necessary for effective Project operation and maintenance.

20.0 The District shall be responsible for:

20.1 The design and construction of the DRR Project Delivery Facilities, the DRR Project Joint Delivery Facilities, and the DRR Other Project Delivery Facilities; and

20.2 The acquisition of rights-of-way on behalf of the Project and in accordance with Subarticle 20.2.1, and compliance with cultural resource protection, assisting the Contracting Officer with environmental compliance measures and other applicable laws as required to complete the work referred to in Article 19.0;

20.2.1 The District shall acquire such rights-of-way or lands as are necessary and appropriate for the completion of the work referred to in Article 19.0; the District and the United States shall cooperate in the acquisition of such rights-

of way or lands in a manner that will ensure that the legal title to such lands is held by the Project and not the District;

20.3 The procurement and installation of a supervisory control and data acquisition system for operating the works rehabilitated by the Contractor; and

20.4 The procurement and installation of control structures, measuring devices, security facilities and such other ancillary facilities and equipment as may be necessary for rehabilitation of Project facilities and for effectively operating and maintaining the rehabilitated system.

Title to Facilities

21.0 Works and facilities rehabilitated or constructed pursuant to this Contract and any rights-of-way or lands acquired to effectuate such rehabilitation and construction shall remain or become the property of the United States and the United States shall have legal title thereto in the name of the Project. If the District initially acquires legal title of any rights-of-way or land in effectuating the rehabilitation and construction contemplated by this Contract, the Parties shall cooperate to expeditiously transfer such legal title to the United States.

Total Cost and Schedule of Funding

22.0 The total cost of the Project shall not exceed $70,554,000 which shall be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation; provided that said $70,554,000 shall be comprised of: (a) $18,158,000 in

January 1, 2000 dollars that the Gila River Indian Community has agreed to pay in accordance with the cost allocation described in Attachment 15.0 (a copy of which is an attachment to the SCIDD Agreement); and (b) $52,396,000 in January 1, 2000 dollars provided to the Contractor by the Contracting Officer pursuant this Contract. Subject to the availability of Lower Colorado River Basin Development Fund moneys, or appropriated funds, the Contractor shall seek funding for the purposes described in Article 19.0, as potentially modified pursuant to Article 23.0, in accordance with Attachment 20.0 (a copy of which is attached to the SCIDD Agreement as attachment 6.5.2)

Value Engineering

23.0 It is in the best interest of the United States to provide incentives to encourage the Contractor to accomplish Project rehabilitation at reduced cost. If the Contractor determines during the progress of the work that changes in size, design, location or capacity of any of the Project works would be expedient, economical, necessary or advisable, the Contractor may make such changes to the extent that the changes do not substantially change the basic character or service capability of the Project; provided, however, that, no such changes shall be made or authorized prior to consultation with the Contracting Officer and, if the changes are proposed to, or affect, the Project Joint Delivery Facilities, consultation with the Community in accordance with subparagraph 6.4 of the SCIDD Agreement. For purposes of this Contract), the Contractor shall be subject to the value engineering program of the Bureau of Reclamation established pursuant to OMB Circular A–131. In accordance with FAR Part 48.101(b), the incentive returned to the contractor through this ‘‘Incentive Clause’’ shall be fifty-five percent (55%) after the

Contractor is reimbursed for the allowable costs of developing and implementing the proposal and the Government shall retain forty-five percent (45%) of such savings in the form of reduced expenditures.

Cost Estimates and Construction Cost Overruns

24.0 The United States shall not be responsible nor bear any financial responsibility under this Contract, should the cost of Project rehabilitation under this Contract exceed $52,396,000 in January 1, 2000 dollars, as such amount may be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation. The Gila River Indian Community has agreed to pay an additional amount of $18,158,000 in January 1, 2000 dollar in accordance with the cost allocation described in attachment 6.1 to the SCIDD Agreement. Any costs in excess of $70,554,000 in January 1, 2000 dollars, as such amount may be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation, are the responsibility of the District, except as provided for in subparagraph 6.6 of the SCIDD Agreement.

Approval of Schedules, Plans and Specifications

25.0 The United States shall advance funds for construction to the Contractor pursuant to Articles 31.0 through 33.0 following the Contractor's submittal, and the Contracting Officer's approval of engineering plans and specifications for the construction work, and master and quarterly work schedules for such work. The Contractor shall

submit schedules, plans and specifications for the construction work, or units thereof, and changes or amendments thereto to the Contracting Officer sufficiently in advance of construction to allow a reasonable time period for review and approval. Contracts for construction, or work performed by the Contractor with its own forces, shall be in accordance with plans submitted to and approved by the Contracting Officer. Changes may be made to approved plans by agreement between the Contractor and the Contracting Officer. To the extent that schedules, plans and/or specifications or portions thereof have already been submitted to the Contracting Officer and have been approved prior to execution of this contract, such submittals need not be repeated unless requested by the Contracting Officer. The Contracting Officer shall respond in writing to all submittals of detailed schedules, plans, designs and specifications within thirty (30) calendar days of receipt thereof. If no response is received by the end of the fifteenth (15th) -day immediately following expiration of the thirty-day review period, the Contractor may assume that the plans and specifications are approved for all purposes and are adequate to protect the interests of the United States. If the Contracting Officer determines that any plans or specifications submitted are not adequate in accordance with sound engineering practices, the Contracting Officer shall provide the Contractor with a detailed statement of the nature of the deficiency and what actions are required to correct the same.

Engineering Design Standards

26.0 The Contractor agrees to perform, or cause to be performed, all of said work pursuant to general plans, designs, estimates, and specifications and in accordance with locally acceptable engineering practices, all as approved by the Contracting Officer

as adequate to protect the interests of the United States in the completed construction.

Contracts with Third Parties

27.0 The Contractor shall advertise each construction, equipment or supply contract exceeding twenty-five thousand dollars ($25,000) for competitive bidding. Upon receipt of bids, any action proposed by the Contractor, other than making the award to the lowest responsible bidder, shall be subject to review by the Contracting Officer and, if Project Joint Delivery Facilities are involved, review by the Community pursuant to subparagraph 6.4 of the SCIDD Agreement.

28.0 For all construction contracts exceeding one hundred thousand dollars ($100,000), the Contractor shall require construction contractors to furnish performance bonds equal to one hundred percent (100%) of the contract price and payment bonds equal to: (1) at least fifty percent (50%) of the contract price for contracts not exceeding one million dollars ($1,000,000); (2) at least forty percent (40%) of the contract price for contracts exceeding one million dollars ($1,000,000) but not exceeding five million dollars ($5,000,000); and (3) two million five hundred thousand dollars ($2,500,000) for contracts exceeding five million dollars ($5,000,000). Supply and equipment contractors may be required to furnish performance bonds on supply or equipment contracts exceeding one hundred thousand dollars ($100,000) when the contract calls for substantial progress payments before delivery of end items.

29.0 The United States shall not be a party to or obligated in any manner by contracts entered into between the Contractor and other parties, pursuant to this Contract.

Scheduling of Work

30.0 As soon as practicable after execution of this contract and in accordance with Attachment 20.0, the Contractor shall submit to the Contracting Officer: (1) a master work schedule showing the entire work to be performed, or caused to be performed, under this Contract and the total estimated cost of work to be performed with Federal funds to be provided under this Contract; and (2) a detailed schedule of said work during the initial construction period from the initiation of work to the end of the first quarter, together with the estimated cost of the work to be performed with Federal funds within each month of said initial construction period. The first quarter shall not begin until after the Enforceability Date. A "quarter" shall mean a three (3)-month period beginning the first day of January, April, July, or October in any year. A schedule of said work for each succeeding quarter shall be submitted at least two (2) weeks prior to the start of each quarter until the work is completed, together with the estimated cost of the work by months in each of said quarters to be performed with Federal funds. Any work schedule may be modified by change in, or addition, or deletion of items only upon written approval by the Contracting Officer of such modification, addition, or deletion and upon his determination that the same is made timely with respect to the schedule affected.

Advances by the United States

31.0 Upon approval by the Contracting Officer of (1) the master work schedule required by Article 30.0 and (2) a work schedule for the initial construction period or any subsequent quarter, the United States shall advance to the Contractor on the first day of the month following approval of such schedule, or as soon thereafter as possible, and on the

first day of each succeeding month in said month in said quarter, or as soon thereafter as possible, such sums of money as, in the opinion of the Contracting Officer, are available and can be economically and beneficially used in carrying out the work scheduled to be performed in each of said months with Federal funds, less any balance of funds available therefor from the prior advances. In the event that funds advanced by the United States are expended prior to the end of the period for which they are advanced, additional sums may be advanced on the basis of a supplemental work schedule approved in like manner as the first. Adjustments will be made no less than quarterly based on the previous quarter's actual performance. Each monthly or other advance of funds subsequent to the advance for the initial construction period shall be dependent upon the performance by the Contractor in a manner satisfactory to the Contracting Officer, of any work scheduled for prior performance, but such advances shall not commit the Contracting Officer to approval of performance of such prior work. The United States, at its election, may withhold any advance of funds contemplated hereunder at any time when, in its opinion, the Contractor is in default or delinquent with respect to any of the terms or conditions of this contract.

32.0 The funds advanced hereunder by the United States shall be used only for costs and expenses incurred by the Contractor for the performance of scheduled work approved pursuant to Article 30.0. All costs and expenses financed with Federal funds shall be limited to such as are reasonably incurred in the exercise of locally accepted engineering standards and the labor and contracting authorities that are available to the District under State law and are chargeable or allocable to the prosecution of the construction pursuant to this Contract, all subject to approval of the Contracting Officer.

33.0 All funds advanced hereunder by the United States shall be deposited by the

Contractor in a special interest-bearing account in a bank which is a member of the Federal Reserve System and such account shall be maintained until all funds so advanced shall have been expended pursuant to this Contract or until the balance of the funds so deposited shall have been returned to the United States. The United States shall consider any interest credited by the depository bank on funds advanced by the United States as advances to the Contractor. The Contractor may draw upon said special account from time to time, as required, to finance its performance of the work contemplated by this contract; provided, that funds shall not be withdrawn from said special account for any construction work for which the designs, plans and specifications have not previously been approved by the Contracting Officer. The Contractor shall certify in its quarterly report that funds advanced by the United States to the Contractor have been expended solely for construction costs for which the designs, plans and specifications have been previously approved by the Contracting Officer; provided that each time a draft or check is made upon said special account, the Contractor shall, on the date of issuance of such draft or check, execute and mail to the Contracting Officer a certificate in the form prescribed by him, which certificate shall refer to and identify such draft or check by number, date, and amount and certify that said amount is required and will be used solely for payment of specified costs of labor, materials, supplies, service, equipment, contract payments, or other expenses actually incurred by the Contractor and directly connected with the performance of such work. Its authorized representative will execute each such certificate on behalf of the Contractor. So long as funds remain in such special account or accounts, the Contractor shall cause the depository bank to furnish the Contracting Officer a monthly bank statement of said account or accounts in the usual commercial form.

Costs Incurred by the District

34.0 All costs incurred by the District after January 1, 1999, for surveys, investigations, engineering, title services, appraisal fees, contract negotiations, environmental compliance documentation, acquisition of easements and fee titles, preparation of schedules, plans, and specifications and all other costs which, in the opinion of the Contracting Officer, are related to this Contract shall be considered part of the rehabilitation costs to be funded pursuant to this Contract and the Contracting Officer shall fund such costs from available funds, when such become available, and such costs shall be a part of the Contractor's repayment obligation and the Contractor shall repay such costs pursuant to the terms of the THIRD SUPPLEMENTAL REPAYMENT CONTRACT (attachment 6.2 to the SCIDD Agreement). The term "cost" shall be deemed to include, without being limited to, applicable portions of salaries, travel, per diem, leave of employees, and consultant, legal, overhead, accrued interest on money expended by the Contractor prior to being reimbursed by the United States and general costs associated with the work and expended by the Contractor in advance of funds being made available to the Contractor pursuant to Articles 31.0 through 33.0.

Progress Reports and Inspections

35.0 The Contractor shall prepare and furnish to the Contracting Officer and, where Joint Delivery Facilities are involved, the Community, quarterly written reports fully describing the progress and cost of work scheduled and performed by the Contractor or for which costs have been incurred or funds obligated by the Contractor pursuant to

this Contract to the end of the preceding months or other designated period. Said reports shall be prepared in such form and in such manner as the Contracting Officer may from time to time prescribe. The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including the Contractor's financial transactions. Reports shall be furnished to the Contracting Officer in such form, and on such dates as the Contracting Officer may require. Subject to applicable Federal laws
and regulations, each Party shall have the right during office hours to examine and make copies of the other Party's books and records relating to matters covered by this contract.

36.0 Any and all work undertaken by the Contractor pursuant to this Contract shall be open and subject to inspection by the Contracting Officer and his designated representative at all time during the progress thereof and upon completion. Should it be determined by the Contracting Officer that any such work is not being performed, or has not been accomplished, in accordance with applicable schedules, plans, and specifications approved by the Contracting Officer, and otherwise in accordance with the terms and conditions of this contract, the Contractor shall be given written notice thereof within a reasonable time after the inspection and shall provide a detailed statement of the nature of the deficiency and what actions are required to correct the same. No work undertaken by the Contractor shall be deemed to be completed until the Contracting Officer shall have approved the same in writing.

37.0 The Contractor may utilize in connection with the performance of work under this Contract such independent, expert, consulting, or supervisory services as it may deem necessary, and the reasonable cost of such services shall be considered a part of the

cost of the work performed and may be financed with Federal funds pursuant to this Contract.

Completion Date for Rehabilitation

38.0 The Contractor agrees to complete the rehabilitation work described in Article 19.0, as such work may be modified pursuant to Article 23.0, by the last day of September of the thirteenth (13th) full year following the year in which the Enforceability Date occurs. The completion date shall be extended, upon written approval of the Contracting Officer, should completion of the work be delayed for reasons beyond the Contractor's control.

Notice of Substantial Completion

39.0 Upon substantial completion of Project rehabilitation, or such part thereof as the Federal funds defined in Article 22.0 will allow, or at such time as the benefits from Project rehabilitation are substantially available to the Contractor, whichever occurs first, all as determined by the Contracting Officer, the Contracting Officer shall give the Contractor written Notice of Substantial Completion of the Project rehabilitation.

Notice of Completion

40.0 Upon completion of Project rehabilitation, or such part thereof as the Federal funds defined in Article 22.0 will allow, whichever occurs first, as determined by the Contracting Officer, the Contracting Officer shall give the Contractor written Notice of Completion of the Project rehabilitation, including a statement of the total actual construction costs, which includes those costs attributable to rehabilitation of Project Joint

Delivery Facilities and those costs attributable to rehabilitation of District facilities. Upon concurrence from the Contractor of final costs and resolution of all Contractor claims pursuant to this Contract, the Contractor will return all remaining funds to the Contracting Officer within thirty (30) days.

Facility Completion Documents

41.0 Upon completion of major components of the rehabilitation contemplated by this Contract, the Contractor will provide to the Contracting Officer and, for all Project Joint Delivery Facilities, to the Community, ten (10) copies of "as-built" drawings, designer's operating criteria, and operating criteria and operating instructions for such Project works as have then been completed. The Contractor will provide with ten (10) copies of "as-built" drawings, designer's operating criteria, and operating criteria and operating instructions for all Project works constructed by the Contractor under this contract to the Contracting Officer and, for all Project Joint Delivery Facilities, the Community, within ninety (90) days after receipt of the Notice of Completion pursuant to Articles 37.0, 39.2, or 40.0.

Failure to Complete Work

42.0 In the event that the Contractor fails, for any reason other than the non-availability of funds to be advanced by the United States under the terms of this Contract, to complete the work to be performed hereunder in the manner and to the extent provided in this Contract, upon written notice from the Contracting Officer the Contractor shall return to the Contracting Officer any unexpended and unencumbered balance of funds

advanced by the United States and the Contracting Officer may, upon the giving of the aforesaid notice, adopt either of the following alternatives:

42.1 Perform or cause to be performed all or any part of the work remaining to be performed under and within the limits of the funds identified in this Contract, and operate and maintain the Project works concurrently therewith–, in which event the Contractor shall transfer to the Contracting Officer custody and use of all equipment, materials, and supplies purchased with funds advanced hereunder and used or useful in the performance of such work; permit the Contracting Officer, its contractors and agents, ingress to and egress from the lands and Project works, and facilities of the Contractor for the performance of such work; and assign to the Contracting Officer its interest in any contract for the performance of work or the supplying of equipment or material in connection with such work, where requested by the Contracting Officer and agreed to by the other contracting party; or

42.2 Declare the Project completed by giving written notice to the Contractor.

43.0 In the event that the United States shall proceed as provided in Article 42.1, the United States may, at any time and regardless of the progress of work performed thereunder, declare the Project completed by giving written notice thereof to the Contractor. Upon the giving of such notice, the United States shall have the right, without further notice, to take over the care, operation, and maintenance of the DRR Project Delivery Facilities constructed under this Contract.

Standard Articles

Where the provisions of this Contract conflict with the provisions of the following Standard Articles, the provisions of these Standard Articles shall prevail and shall be

followed by the Parties in the administration of this Contract.

Review of Determinations by Contracting Officer or the United States

44.0 The Contractor shall have the right to review and dispute all determinations of the Contracting Officer or the United States that are made pursuant to this Contract. The Contractor shall have ninety (90) calendar days following receipt of the notice of any such determination to dispute any such decision. Such disputes shall be resolved by mutual agreement or, if unresolved within thirty (30) calendar days following notice by the Contractor of such disputed decision, either Party may seek to enforce this Agreement in a federal court of competent jurisdiction.

Applicability of Reclamation Law

45.0 This Contract shall not subject the District or its landowners to any acreage limitation and reporting requirements of Federal Law nor to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

Notices

46.0 Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, when mailed postage prepaid, or delivered to:

As to the United States:

Regional Director Western Regional Office Bureau of Indian Affairs P.O. Box 10	and	Regional Director Lower Colorado Region Bureau of Reclamation P.O. Box 427

Phoenix, Arizona 85001 Boulder City, Nevada 89005

As to the District:

San Carlos Irrigation & Drainage District
P. O. Box 218
Coolidge, Arizona 85228.

As to the Community:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

The designation of the addressee or the address may be changed by notice in the same manner as provided in this Article for other notices.

Compliance with Civil Rights Laws and Regulations

47.0 The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1975 (Public Law 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C.6101, *et seq*.), Title III of the Americans with Disabilities Act of 1990, and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior. These statutes require that no person in the United States shall, on the grounds of race, color, national origin, disability, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Contracting Officer. By executing this contact, the Contractor agrees to immediately take any measures necessary to implement these obligations, including permitting officials of the United

States to inspect premises, programs, and documents.

48.0 The Contractor makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other Federal financial assistance extended after the date hereof to the Contractor by the United States or the Contracting Officer, including installment payments; after such date on account of arrangements for Federal financial assistance which were approved before such date. The Contractor recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this Article, and that the United States reserves the right to seek judicial enforcement thereof.

49.0 Complaints of discrimination against the Contractor shall be investigated by the Contracting Officer's Office of Civil Rights.

Officials Not to Benefit

50.0 No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

Employment - Equal Opportunity

51.0 During the performance of this Contract, the Contractor agrees as follows:

51.1 the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees

are treated during employment; without regard to their race, color, religion, sex, disability, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

51.2 The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, disability, or national origin.

51.3 The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by the Contracting Officer advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

51.4 The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

51.5 The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

51.6 In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in said amended Executive order and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

51.7 The Contractor will include the provisions of Articles 51.1 through 51.7 in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued

pursuant to Section 204 of said amended Executive order so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Contracting Officer, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

Certification of Non-segregated Facilities

52.0 The Contractor hereby certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and, that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. It certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in this contract. As used in this certification, the term “segregated facilities” means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks,

locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The Contractor further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding ten thousand dollars ($10,000) which are not exempt from the provisions of the Equal Employment Opportunity clause; that it will retain such certifications in its files; and that it will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

_____ A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semi-annually or annually). Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Assignment Limited; Successors and Assigns Obligated

53.0 The provisions of this Contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein by either party shall be valid until approved in writing by the other Party.

Antideficiency

54.0 The United States shall not be liable for failure to carry out any obligation or activity required by this Contract funded by:

54.1 the Lower Colorado Basin Development Fund established by section 4023 of the Colorado River Basin Project Act (43 U.S.C. 1543), if there are not enough monies in that fund to fulfill those obligations or carry out those activities; or

54.2 appropriations, if appropriations are not provided by Congress.

Signature Page

IN WITNESS WHEREOF, the parties hereto have executed this Construction Funding and Oversight ContractThird Supplement to the June 9, 1931 Repayment Contract the day and year first above written.

THE UNITED STATES OF AMERICA

By: _____
Regional Director
Lower Colorado Region
Bureau of Reclamation

THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

Attest: _____ By: _____
Secretary President

Attachment 15.0

San Carlos Irrigation Project
Composite Rehabilitation Cost Allocation
January 1, 2000 Costs ($1,000)

Project Feature	Cost Allocation		Total Cost	
	Community	SCIDD		
A-H Div Dam	645	346	991	DRR Project Joint Delivery Facilities
Settling Basin	4,816	2,588	7,404	DRR Project Joint Delivery Facilities
General Property	388	208	596	DRR Project Joint Delivery Facilities
Sub-total	5,849	3,142	8,991	
Distribution System				
Fl - CG above Pima	10,518	5,651	16,169	DRR Project Joint Delivery Facilities
Fl - CG below Pima				
Sub-total Fl - CG				
Pima Lateral	11,628		11,628	CRR Project Joint Delivery Facilities
North Side Canal		3,270	3,270	DRR Other Project Delivery Facilities
South Side Canal	1,741		1,741	CRR Project Joint Delivery Facilities
Sub-total - Canals	23,887	8,921	32,808	
CG Lat 6-55	158		158	CRR Project Joint Delivery Facilities
CG Lat 6-51	299		299	CRR Project Joint Delivery Facilities
CG Lat 8	520		520	CRR Project Joint Delivery Facilities
CG Lat 6-37	733		733	CRR Project Joint Delivery Facilities
Sub-total - Laterals	1,710		1,710	
Total JW Construction Cost	31,445	12,064	43,509	
JW Rights-Of-Way	2,413	1,296	3,709	Applies to All ROW
SCIP Cultural Resources	618	332	950	Applies to All Cultural Resources
Total JW Cost	34,476	13,692	48,168	

Attachment 16.8
Map Depicting DRR Project Delivery Facilities

ASHURST-HAYDEN DIVERSION DAM

CAP CANAL

SOUTHSIDE CANAL

PIMA CANAL

FLORENCE-CASA GRANDE CANAL

Picahio Resevoir

SOURCE:

Bureau of Reclamation
AZ Department of Water Resources
San Carlos Irrigation Project

Legend

Canals and Drains

- DRR Project Works
- Cap Canal
- Canals

- SCIDD Boundary
- GRIC Boundary
- Desilting Basin

January 22, 2003

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

N

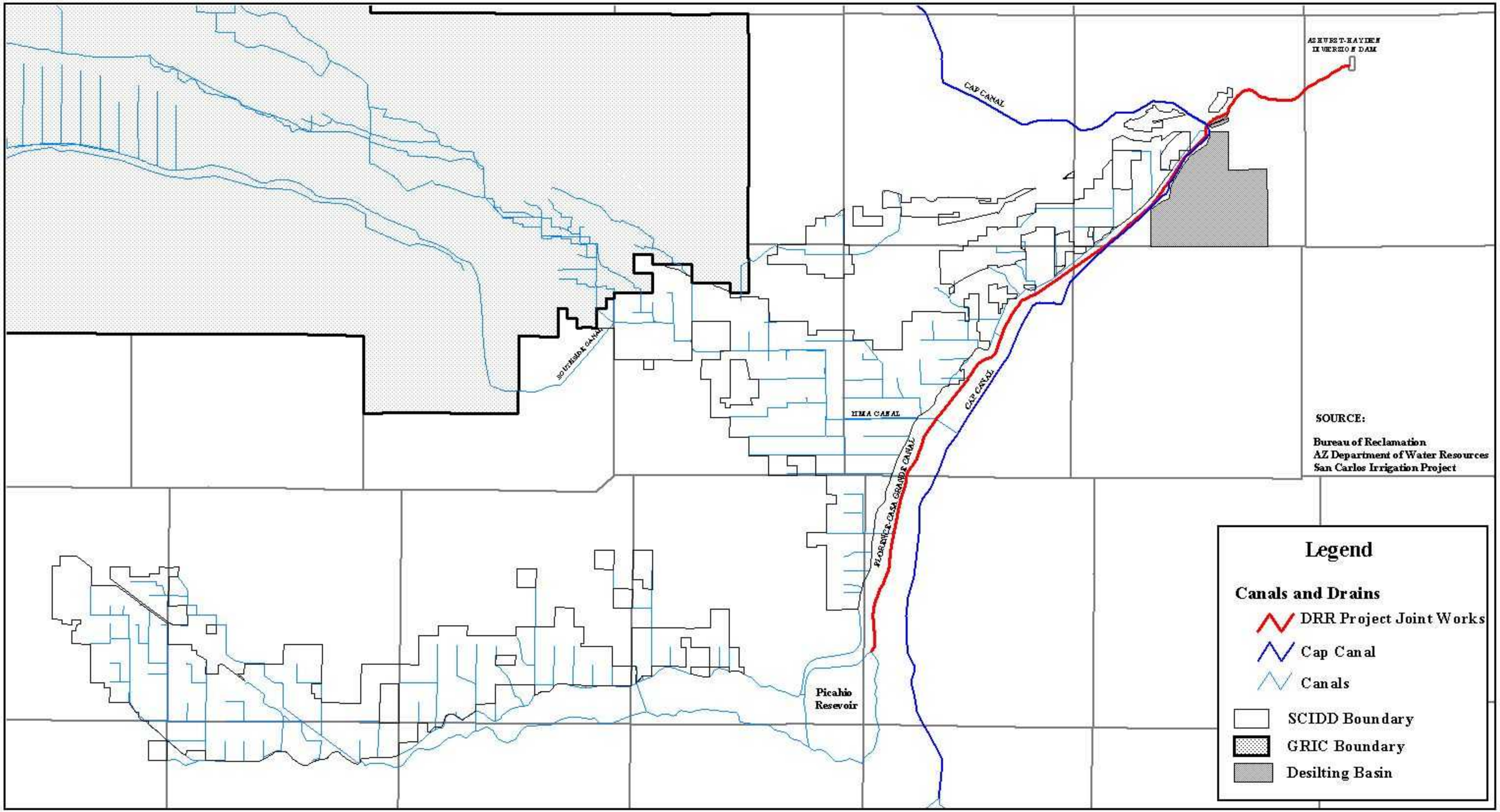
1 0 1 2 Miles

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Data Analysis and Map Composition by:

GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

Attachment 16.9
Map Depicting DRR Project Joint Delivery Facilities



January 22, 2003

ACCURACY STATEMENT:

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N

1 0 1 2 Miles

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8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

Attachment 16.10
Map Depicting DRR Other Project Delivery Facilities

ASHURST-HAYDEN DIVERSION DAM

CAP CANAL

SOUTHSIDE CANAL

PIMA CANAL

FLORENCE-CASA GRANDE CANAL

CAP CANAL

Picahio Resevoir

SOURCE:

Bureau of Reclamation
AZ Department of Water Resources
San Carlos Irrigation Project

Legend

Canals and Drains

- DRR Other Project Works
- Cap Canal
- Canals
- SCIDD Boundary
- GRIC Boundary
- Desilting Basin

January 22, 2003

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

N

1 0 1 2 Miles

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Data Analysis and Map Composition by:

GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

Attachment 16.12
Map Depicting Florence-Casa Grande Canal

ASHURST-HAYDEN DIVERSION DAM

CAP CANAL

SOUTHSIDE CANAL

PIMA CANAL

FLORENCE-CASA GRANDE CANAL

CAP CANAL

SOURCE:

Bureau of Reclamation
AZ Department of Water Resources
San Carlos Irrigation Project

Legend

Canals and Drains

- Florence Casa-Grande Canal
- Cap Canal
- Canals
- SCIDD Boundary
- GRIC Boundary
- Desilting Basin

January 22, 2003

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

N

1 0 1 2 Miles

Attention: Dana R. Norris Director
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ATTACHMENT 20.0 TO EXHIBIT 15.0 TO ATTACHMENT 6.2 TO EXHIBIT 20.1

FUNDING SCHEDULE AND CONDITIONS FOR FUNDING OF DRR PROJECT DELIVERY FACILITIES, THE DRR PROJECT JOINT DELIVERY FACILITIES, AND THE DRR OTHER PROJECT DELIVERY FACILITIES

1. The Bureau of Reclamation ("BOR") shall make available on an annual basis (1) funds authorized and appropriated pursuant to section 214(a)(1) of the Act or (2) funds available pursuant to section 107(a) of the Act for funding the rehabilitation of DRR Project Delivery Facilities, DRR Project Joint Delivery Facilities and DRR Other Project Delivery Facilities.

2. The funds to be provided pursuant to either section 403(f)(2)(D)(iv) of the Colorado River Basin Project Act, as amended by Section 107(a) of the Act or pursuant to section 214(a)(1) of the Act, totaling fifty-two million three hundred ninety six thousand dollars ($52,396,000) in January 1, 2000 dollars, for the DRR Project Delivery Facilities and for the District share of the DRR Project Joint Delivery Facilities and the DRR Other Project Delivery Facilities, pursuant to Reclamation procedures, shall be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation.

3. Beginning on November 1, 2009, pursuant to Article 30.0 of this Contract, the District may request funds from the Contracting Officer on a construction schedule basis for the DRR Project Delivery Facilities and the DRR Project Joint Delivery Facilities in an amount not to exceed the amount calculated using the percentage numbers below:

Year	SCIDD Lining
2010	9.34%
2011	9.34%
2012	9.34%
2013	10.67%
2014	10.67%
2015	10.67%
2016	9.34%
2017	9.34%

2018	8.00%
2019	6.67%
2020	6.61%

4. Subject to the availability of funds in the Lower Colorado River Basin Development Fund, or from funds appropriated for this purpose pursuant to section 214(a)(1) of the Act, the Contracting Officer, in response to a request submitted pursuant to paragraph 3 above, and in accordance with the Act, shall make available funds to the District from such appropriations or from the Lower Colorado River Basin Development Fund based on the established funding priorities set forth in the Act, and any applicable reductions to such requests by the Funded Parties as set forth in Paragraph 29 of the Settlement Agreement.

5. Rehabilitation of the DRR Project Delivery Facilities and for the District share of the DRR Project Joint Delivery Facilities and the DRR Other Project Delivery Facilities has a total estimated cost of $70,554,000 in January 1, 2000 dollars, which amount shall be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation; provided that said $70,554,000 shall be comprised of $18,158,000 in January 1, 2000 dollars that the Gila River Indian Community has agreed to pay in accordance with the cost allocation described in Attachment 6.1 and $52,396,000 in January 1, 2000 dollars provided to the District by the Secretary pursuant to this Attachment 6.2. The Community shall provide funds to the District from the funds available to the Community pursuant to Attachment 6.5.1 for the Community's allocated share of the cost of rehabilitating the DRR Project Joint Delivery Facilities, as allocated pursuant to Attachment 6.1. Such funds shall be made available on a schedule and in a manner comparable to the methods used by BOR to fund the District rehabilitation activities under Attachment 6.2.

6. BOR, without cost to the District, pursuant to section 214(a)(2) of the Act, shall provide oversight to the District rehabilitation program pursuant to attachment 6.2 of the SCIDD Agreement and this Contract, including design review and approvals, site visits (including safety reviews) and other inherent federal responsibilities such as NEPA compliance.

ATTACHMENT 6.5.1

Funding schedule and conditions for funding of CRR On-Reservation Project Delivery Facilities and CRR Project Joint Delivery Facilities

1. The Bureau of Reclamation ("BOR") shall provide the funds authorized pursuant to section 107(a) of the Act on an annual basis and on similar terms and conditions as those set forth in the Community's Central Arizona Project, Indian Distribution Division ("Community's CAP-IDD P-MIP System) Annual Funding Agreements ("AFAs") for CRR On-Reservation Project Delivery Facilities and CRR Project Joint Delivery Facilities.

2. Upon funds becoming available from the Lower Colorado River Basin Development Fund, funding transfers under the then existing AFA shall convert from a fiscal year basis to a calendar year basis. All funds will be transferred under a single AFA on or about January 15th of each year.

3. The funds to be provided pursuant to section 107(a), totaling one hundred forty-seven million dollars ($147,000,000), shall be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation.

4. BOR shall provide the funds to be provided pursuant to section 107(a) pursuant to the construction schedule and work plan to be provided by the Community to BOR pursuant to Subparagraph 6.2.3, which construction schedule and work plan shall be similar to that provided by the Community to BOR for the Community's CAP-IDD P-MIP System. The funding schedule shall be based upon what could reasonably be expended in the year in which the funds are to be provided.

5. The construction schedule and work plan to be provided by the Community pursuant to section 4 above shall reflect only those facilities within the Project for which the Community is responsible pursuant to Paragraph 6.0 of this Agreement.

6. Beginning on January 1, 2010, the Community shall request funds on a construction schedule basis from the Secretary for the CRR On-Reservation Project Delivery Facilities and the CRR Project Joint Delivery Facilities in an amount not to exceed the amount calculated using the percentage numbers below:

Fiscal Year	Percent	Fiscal Year	Percent	Fiscal Year	Percent	Fiscal Year	Percent
2010	4.62	2013	6.92	2016	11.54	2019	11.54

2011	6.92	2014	9.23	2017	11.54	2020	9.99
2012	6.92	2015	9.23	2018	11.54		

7. Subject to the availability of funds in the Lower Colorado River Basin Development Fund, BOR shall provide funds to the Community from the Lower Colorado River Basin Development Fund based on the established funding priorities set forth in the Act and the Settlement Agreement.

8. BOR shall provide oversight for the rehabilitation performed pursuant to this Attachment 6.5.1 on the same basis as it does for the Community's CAP-IDD P-MIP System, including design reviews, site visits (including safety reviews) and other inherent federal responsibilities such as NEPA compliance.

9. Funds provided by BOR pursuant to this Attachment shall be accounted for and recorded separately from those provided by BOR to the Community pursuant to the Community's CAP-IDD P-MIP System AFAs.

10. Progress shall be monitored based upon the construction schedules work plans provided by the Community to BOR pursuant to the Community's CAP-IDD P-MIP System AFAs in order to document and report progress of the Community's CAP-IDD P-MIP System construction and Project rehabilitation independently. However, as with the Community's CAP-IDD P-MIP System, the BOR shall provide the Community with the discretion to adjust its schedules or reallocate funding within the approved work plan for work performed during any given year to most efficiently execute the construction program. The Community shall report such adjustments to its schedules to BOR as they occur. Any adjustments that affect the schedule of work on Project Joint Delivery Facilities shall also be submitted to the District for review and approval in accordance with subparagraph 6.2.3 of the SCIDD Agreement.

11. Inasmuch as it is understood that the funds to be provided pursuant to section 107(a) may not be sufficient to complete the rehabilitation of the Community's portion of the Project system, there shall be no pre-determined level of performance associated with completed expenditures from BOR pursuant to this Attachment. Instead, the Community shall be gauged by its performance as proposed in each work plan annually submitted by the Community.

ATTACHMENT 6.5.2

Funding schedule and conditions for funding of DRR Project Delivery Facilities, the DRR Project Joint Delivery Facilities, and the DRR Other Project Delivery Facilities

1. The Bureau of Reclamation ("BOR") shall make available on an annual basis (1) funds authorized and appropriated pursuant to section 214(a)(1) of the Act or (2) funds available pursuant to section 107(a) of the Act for funding the rehabilitation of DRR Project Delivery Facilities, DRR Project Joint Delivery Facilities and DRR Other Project Delivery Facilities.

2. The funds to be provided pursuant to either section 403(f)(2)(D)(iv) of the Colorado River Basin Project Act, as amended by section 107(a) of the Act or pursuant to section 214(a)(1) of the Act, totaling fifty-two million three hundred ninety six thousand dollars ($52,396,000) in January 1, 2000 dollars, for the DRR Project Delivery Facilities and for the District share of the DRR Project Joint Delivery Facilities and the DRR Other Project Delivery Facilities, pursuant to Reclamation procedures, shall be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation.

3. Beginning on November 1, 2009, pursuant to Article 30.0 of this Contract, the District may request funds from the Contracting Officer on a construction schedule basis for the DRR Project Delivery Facilities and the DRR Project Joint Delivery Facilities in an amount not to exceed the amount calculated using the percentage numbers below:

Year	SCIDD Lining
2010	9.34%
2011	9.34%
2012	9.34%
2013	10.67%
2014	10.67%
2015	10.67%
2016	9.34%
2017	9.34%
2018	8.00%
2019	6.67%
2020	6.61%

4. Subject to the availability of funds in the Lower Colorado River Basin Development Fund, or from funds appropriated for this purpose pursuant to section 214(a)(1) of the Act, the Contracting Officer, in response to a request submitted pursuant to paragraph 3 above, and in accordance with the Act, shall make available funds to the District from such appropriations or from the Lower Colorado River Basin Development Fund based on the established funding priorities set forth in the Act, and any applicable reductions to such requests by the Funded Parties as set forth in Paragraph 29 of the Settlement Agreement.

5. Rehabilitation of the DRR Project Delivery Facilities and for the District share of the DRR Project Joint Delivery Facilities and the DRR Other Project Delivery Facilities has a total estimated cost of $70,554,000 in January 1, 2000 dollars, which amount shall be increased or decreased, as appropriate, based on ordinary fluctuations since January 1, 2000, in construction cost indices applicable to the types of construction involved in the rehabilitation; provided that said $70,554,000 shall be comprised of $18,158,000 in January 1, 2000 dollars that the Gila River Indian Community has agreed to pay in accordance with the cost allocation described in Attachment 6.1 and $52,396,000 in January 1, 2000 dollars provided to the District by the Secretary pursuant to this Attachment 6.2. The Community shall provide funds to the District from the funds available to the Community pursuant to Attachment 6.5.1 for the Community's allocated share of the cost of rehabilitating the DRR Project Joint Delivery Facilities, as allocated pursuant to Attachment 6.1. Such funds shall be made available on a schedule and in a manner comparable to the methods used by BOR to fund the District rehabilitation activities under Attachment 6.2.

6. BOR, without cost to the District, pursuant to section 214(a)(2) of the Act, shall provide oversight to the District rehabilitation program pursuant to attachment 6.2 of the SCIDD Agreement and this Contract, including design review and approvals, site visits (including safety reviews) and other inherent federal responsibilities such as NEPA compliance.

ATTACHMENT 6.6.1

San Carlos Irrigation Project
Composite Rehabilitation Cost Exceedance Allocation
4th Quarter 2000 Costs ($1,000)

Project Feature	Cost Exceedance Allocation		
	Community	SCIDD	
A-H Div Dam	55%	45%	DRR Project Joint Works Delivery Facilities
Settling Basin	55%	45%	DRR Project Joint Works Delivery Facilities
General Property	55%	45%	DRR Project Joint Works Delivery Facilities
Sub-total			
Distribution System			
Fl - CG above Pima	55%	45%	DRR Project Joint Works Delivery Facilities
Pima Lateral	93%	7%	CRR Project Joint Works Delivery Facilities
North Side Canal		100%	DRR Other Project Works Delivery Facilities
South Side Canal	100%		CRR Project Joint Works Delivery Facilities
CG Lat 6-55	93%	7%	CRR Project Joint Works Delivery Facilities
CG Lat 6-51	93%	7%	CRR Project Joint Works Delivery Facilities
CG Lat 8	93%	7%	CRR Project Joint Works Delivery Facilities
CG Lat 6-37	93%	7%	CRR Project Joint Works Delivery Facilities
JW Rights-Of-Way	55%	45%	Applies to All ROW
SCIP Cultural Resources	55%	45%	Applies to All Cultural Resources

EXHIBIT 22.1

LEGAL DESCRIPTION
TOKA STICKS GOLF COURSE
OF FORMER WILLIAMS AIR FORCE BASE

A portion of Section 30, Township 1 South, Range 7 East, of the Gila and Salt River, Base and Meridian, Maricopa County, Arizona described as follows:

COMMENCING at GLO brass cap found at the northwest corner of said Section 30, thence South 89 25'45" East, along the north line of said Section 30, a distance of 1193.64 feet to the TRUE POINT OF BEGINNING,

thence South 89 25'45" East, along the north line of Said Section 30, a distance of 635.66 feet to a brass cap set marked "WGA 1995";
thence South 44 26'32" East, a distance of 831.38 feet to a brass cap set on the south line of said Section 19 marked "WGA 1995";
thence South 00 39'17" West, a distance of 1997.22 feet to a brass cap marked "WGA 1995";
thence North 89 31'29" West, a distance of 892.76 feet to a brass cap set marked "WGA 1995";
thence South 00 32'07" West, a distance of 1536.09 feet to a brass cap set marked "WGA 1995";
thence South 14 55'45" West, a distance of 93.86 feet to a brass cap set marked "WGA 1995";
thence South 28 53'38" West, a distance of 635.83 feet to a brass cap set marked "WGA 1995";
thence South 00 51'53" West, a distance of 180.60 feet to a brass cap set marked "WGA 1995";
thence South 60 51'19" East, a distance of 171.88 feet to a brass cap set marked "WGA 1995";
thence South 49 01'42" East, a distance of 54.14 feet to a brass cap set marked "WGA 1995";
thence South 12 28'49" West, a distance of 42.80 feet to a point;
thence South 66 28'22" West, a distance of 64.87 feet to a point;
thence South 62 17'41" West, a distance of 85.95 feet to a point;
thence South 66 29'24" West, a distance of 49.05 feet to a point of curvature with a radius of 415.00 feet;
thence southwesterly, along said curve to the right, through a central angle of 24 04'33", an arc distance of 174.38 feet to a point of tangency;
thence North 89 25'03" West, a distance of 425.81 feet to a point;
thence North 56 21'44" West, a distance of 47.27 feet to a point;
thence North 89 27'07" West, a distance of 119.39 feet to a point;
thence South 69 01'23" West, a distance of 45.04 feet to a point;
thence North 89 28'29" West, a distance of 108.88 feet to a point;
thence South 87 49'31" West, a distance of 160.94 feet to a point on the west line of said Section 30;
thence North 00 49'14" West, along the west line of said Section 30, a distance of 50.60 feet to a brass cap set marked "WGA 1995";
thence continue North 00 49'14" West, along the west line of said Section 30, a distance of 1108.37 feet to a 3/4" Aluminum cap found on the southeasterly right-way-line of the Roosevelt Water Conservation District canal, marked "Salt River Project Survey Dept. GPS";

thence North 23 52’57” East, along said southeasterly right-of-way line, a distance of 419.57 feet to a 3/4” Aluminum cap found, marked “Salt River Project Survey Dept. GPS” and being a point of curvature with a radius of 885.82 feet;

thence northeasterly, along said curve to the left, through a central angle of 06 57’40”, an arc distance of 107.62 feet to a 3 1/4” Aluminum cap found marked “Salt River Project Survey Dept. GPS” and being a point of tangency.

Thence North 15 55’17” East, a distance of 3417.50 feet to 3 1/4” Aluminum cap found, marked “Salt River Project Survey Dept. GPS” and being a point on non-tangent-curve with a radius of 497.77 feet,

thence northwesterly, along said curve to the left, through a central angle of 33 59’27” an arc distance of 295.30 feet to a point on the north line of said Section 30 and the TRUE POINT OF BEGINNING.

Final Execution Version
October 21, 2005

EXHIBIT 25.1.1

WAIVER AND RELEASE OF CLAIMS FOR INJURY TO WATER RIGHTS BY PARTIES OTHER THAN THE COMMUNITY, THE UNITED STATES, THE FRANKLIN IRRIGATION DISTRICT, AND THE GILA VALLEY IRRIGATION DISTRICT AGAINST THE COMMUNITY AND MEMBERS (BUT NOT MEMBERS IN THEIR CAPACITY AS ALLOTTEES) AND THE UNITED STATES ON BEHALF OF THE COMMUNITY AND MEMBERS (BUT NOT MEMBERS IN THEIR CAPACITY AS ALLOTTEES)

This Waiver and Release of Claims dated as of _____, is entered into by the Parties to the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, other than the Franklin Irrigation District, Gila Valley Irrigation District, the United States of America and the Community, in consideration of the benefits realized under the Amended and Restated Gila River Indian Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.1.1 of said Settlement Agreement.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

Except as provided in Paragraphs 3.0 and 4.0 hereof, the Parties, except the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, as part of their obligations under the Settlement Agreement, hereby waive and release any claims that such Parties may have against the Community and

Members (but not Members in their capacity as Allottees), and the United States on behalf of the Community and Members (but not Members in their capacity as Allottees), under Federal, State or other law for:

(a) Past and present claims for Injury to Water Rights resulting from the Diversion or Use of Water on or for the Reservation, Off-Reservation Trust Land or Fee Land, arising from time immemorial through the Enforceability Date;

(b) Claims for Injury to Water Rights arising after the Enforceability Date resulting from the Diversion or Use of Water on or for the Reservation, Off-Reservation Trust Land or Fee Land in a manner not in violation of the Settlement Agreement or applicable law;

(c) Past and present claims for Subsidence Damage occurring outside the exterior boundaries of the Reservation, outside Off-Reservation Trust Land or outside Fee Land arising from time immemorial through the Enforceability Date; and

(d) Past, present and future claims arising out of or related in any manner to the negotiation or execution of the Settlement Agreement, or the negotiation or enactment of Titles I and II of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers of claims and releases described in Paragraph 2.0 hereof, the Parties, other than the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, their rights under the Settlement Agreement or the Act in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injury to and seek enforcement of their rights under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A to the Settlement Agreement;

(c) Assert claims for injury to, and seek enforcement of, their rights under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as exhibit 25.18B to the Settlement Agreement;

(d) Assert past, present and future claims to Surface Water that are not inconsistent with the Settlement Agreement as well as any additional claims that do not adversely affect the Community's Water Rights as provided for by the Settlement Agreement or the Act;

(e) Assert any claims to Underground Water that are subject to the Gila River Adjudication Proceedings or other applicable law;

(f) Assert any claims for Injury to Water Rights not specifically waived herein;

(g) With respect to Phelps Dodge only and no other party, Phelps Dodge may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the "Final Effective Date" of the Community/Phelps Dodge Agreement as that term is defined therein has not occurred;

(h) With respect to the City of Safford only and no other party, the City of Safford may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(i) Assert any claims for Subsidence Damage not specifically waived herein; and

(j) Assert any claims for Injury to Water Rights, or any other claims, against the owners of any fee land located within the exterior boundaries of the Reservation.

3.2 Nothing in this Waiver and Release of Claims shall preclude the State from taking any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety or the environment.

3.3 This Waiver and Release of Claims shall not bind the State as to a waiver and release of claims, if any, for lands received by the State from the United States pursuant to the provisions of:

(a) The Act of September 9, 1850, 9 Stat. 446 (creating the Territory of New Mexico);

(b) The December 30, 1853 Treaty with Mexico, 10 Stat. 1031 (the Gadsden Purchase);

(c) The Act of 1863, 12 Stat. 664 (creating the Territory of Arizona);

(d) The Act of February 18, 1881, 21 Stat. 326 (University of Arizona 1881 Grant);

(e) The Arizona-New Mexico Enabling Act of June 20, 1910, 36 Stat. 557; and

(f) The Act of February 20, 1929, c. 280, § 2, 45 Stat. 1252 (land for miners' hospitals for disabled miners within said State).

3.4 Nothing in this Waiver and Release of Claims shall be construed in a manner to limit the Community's or the City of Chandler's rights, remedies, or defenses under the agreement between the Community and the City of Chandler, dated December 16, 1981, and any amendments or extensions thereof.

4.0 OTHER WAIVERS

4.1 To the extent a Party is also a UVD Agreement Beneficiary, this Waiver and Release of Claims does not constitute a waiver of claims by that Party in its capacity as a UVD Agreement Beneficiary.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 COUNTERPARTS AND DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall

constitute one and the same instrument. This Waiver and Release of Claims also may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the Parties, except the Gila River Indian Community, the United States of America, the Gila Valley Irrigation District and the Franklin Irrigation District, have executed this Waiver and Release of Claims dated as of the day and year first written above.

THE STATE OF ARIZONA

By: _____
Dated:_____
Governor

Attest: _____
Secretary of State

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

ROOSEVELT IRRIGATION DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

ROOSEVELT WATER CONSERVATION DISTRICT

By:_____
Dated: _____
President

Attest:_____
Secretary

Approved as
To Form:_____
General Counsel

CITY OF CASA GRANDE

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF CHANDLER

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF COOLIDGE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF GLENDALE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF GOODYEAR

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF MESA

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF PEORIA

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF PHOENIX

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF SAFFORD

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF SCOTTSDALE

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF TEMPE

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

TOWN OF FLORENCE

By: _____
Dated:_____
Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

TOWN OF MAMMOTH

By: _____
Dated:_____
Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

TOWN OF KEARNY

By: _____
Dated:_____
Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

TOWN OF DUNCAN

By: _____
Dated:_____
Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

TOWN OF GILBERT

By: _____
Dated:_____
Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

MARICOPA-STANFIELD IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

CENTRAL ARIZONA IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

**SAN CARLOS IRRIGATION
AND DRAINAGE DISTRICT**

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

HOHOKAM IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

BUCKEYE IRRIGATION COMPANY

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

BUCKEYE WATER CONSERVATION AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

PHELPS DODGE CORPORATION

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

ARIZONA GAME AND FISH COMMISSION

By: _____
Dated:_____
Commissioner

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

ARIZONA WATER COMPANY

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

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1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

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1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

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1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

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1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.1.1 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Final Execution Version
October 21, 2005

EXHIBIT 25.1.2

WAIVER AND RELEASE OF CLAIMS FOR INJURY TO WATER RIGHTS BY PARTIES OTHER THAN THE COMMUNITY, THE UNITED STATES, THE FRANKLIN IRRIGATION DISTRICT, AND THE GILA VALLEY IRRIGATION DISTRICT AGAINST THE UNITED STATES AS TRUSTEE FOR THE ALLOTTEES

This Waiver and Release of Claims dated as of _____, is entered into by the Parties to the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, other than the Franklin Irrigation District, Gila Valley Irrigation District, the United States of America and the Community, in consideration of the benefits realized under the Amended and Restated Gila River Indian Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.1.2 of said Settlement Agreement.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

Except as provided in Paragraphs 3.0 and 4.0 hereof, the Parties, except the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, as part of their obligations under the Settlement Agreement, hereby

waive and release any claims that such Parties may have against the United States as trustee for the Allottees, under Federal, State or other law for:

(a) Past and present claims for Injury to Water Rights resulting from the Diversion or Use of Water on or for the Reservation arising from time immemorial through the Enforceability Date;

(b) Claims for Injury to Water Rights arising after the Enforceability Date resulting from the Diversion or Use of Water on or for the Reservation in a manner not in violation of the Settlement Agreement or applicable law;

(c) Past and present claims for Subsidence Damage occurring outside the exterior boundaries of the Reservation arising from time immemorial through the Enforceability Date; and

(d) Past, present and future claims arising out of or related in any manner to the negotiation or execution of the Settlement Agreement, or the negotiation or enactment of Titles I and II of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers of claims and releases described in Paragraph 2.0 hereof, the Parties, other than the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, their rights under the Settlement Agreement or the Act in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injury to and seek enforcement of their rights under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A to the Settlement Agreement;

(c) Assert claims for injury to, and seek enforcement of, their rights under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as exhibit 25.18B to the Settlement Agreement;

(d) Assert past, present and future claims to Surface Water that are not inconsistent with the Settlement Agreement as well as any additional claims that do not adversely affect the Community's Water Rights as provided for by the Settlement Agreement or the Act;

(e) Assert any claims to Underground Water that are subject to the Gila River Adjudication Proceedings or other applicable law;

(f) Assert any claims for Injury to Water Rights not specifically waived herein;

(g) With respect to Phelps Dodge only and no other party, Phelps Dodge may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the "Final Effective Date" of the Community/Phelps Dodge Agreement as that term is defined therein has not occurred;

(h) With respect to the City of Safford only and no other party, the City of Safford may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(i) Assert any claims for Subsidence Damage not specifically waived herein; and

(j) Assert any claims for Injury to Water Rights, or any other claims, against the owners of any fee land located within the exterior boundaries of the Reservation.

3.2 Nothing in this Waiver and Release of Claims shall preclude the State from taking any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety or the environment.

3.3 This Waiver and Release of Claims shall not bind the State as to a waiver and release of claims, if any, for lands received by the State from the United States pursuant to the provisions of:

(a) The Act of September 9, 1850, 9 Stat. 446 (creating the Territory of New Mexico);

(b) The December 30, 1853 Treaty with Mexico, 10 Stat. 1031 (the Gadsden Purchase);

(c) The Act of 1863, 12 Stat. 664 (creating the Territory of Arizona);

(d) The Act of February 18, 1881, 21 Stat. 326 (University of Arizona 1881 Grant);

(e) The Arizona-New Mexico Enabling Act of June 20, 1910, 36 Stat. 557; and

(f) The Act of February 20, 1929, c. 280, § 2, 45 Stat. 1252 (land for miners' hospitals for disabled miners within said State).

3.4 Nothing in this Waiver and Release of Claims shall be construed in a manner to limit the Community's or the City of Chandler's rights, remedies, or defenses under the agreement between the Community and the City of Chandler, dated December 16, 1981, and any amendments or extensions thereof.

4.0 OTHER WAIVERS

4.1 To the extent a Party is also a UVD Agreement Beneficiary, this Waiver and Release of Claims does not constitute a waiver of claims by that Party in its capacity as a UVD Agreement Beneficiary.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 COUNTERPARTS AND DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument. This Waiver and Release of Claims also may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the Parties, except the Gila River Indian Community, the United States of America, the Gila Valley Irrigation District and the Franklin Irrigation District, have executed this Waiver and Release of Claims dated as of the day and year first written above.

THE STATE OF ARIZONA

By: _____
Dated:_____

Governor

Attest: _____
Secretary of State

Final Execution Version
October 21, 2005

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

ROOSEVELT IRRIGATION DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

THE ROOSEVELT WATER CONSERVATION DISTRICT

By:_____
Dated: _____
President

Attest:_____
Secretary
Approved as
To Form:_____
General Counsel

CITY OF CASA GRANDE

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF CHANDLER

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF COOLIDGE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF GLENDALE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF GOODYEAR

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF MESA

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF PEORIA

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF PHOENIX

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF SAFFORD

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF SCOTTSDALE

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

CITY OF TEMPE

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

TOWN OF FLORENCE

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

TOWN OF MAMMOTH

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

TOWN OF KEARNY

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

TOWN OF DUNCAN

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

TOWN OF GILBERT

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

MARICOPA-STANFIELD IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

CENTRAL ARIZONA IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

**SAN CARLOS IRRIGATION
AND DRAINAGE DISTRICT**

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

HOHOKAM IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

BUCKEYE IRRIGATION COMPANY

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

BUCKEYE WATER CONSERVATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

PHELPS DODGE CORPORATION

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

ARIZONA GAME AND FISH COMMISSION

By: _____
Dated:_____

Commissioner

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

ARIZONA WATER COMPANY

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

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1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.1.2 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

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October 21, 2005

EXHIBIT 25.1.3

WAIVER AND RELEASE OF CLAIMS FOR INJURY TO WATER QUALITY ARISING FROM TIME IMMEMORIAL THROUGH DECEMBER 31, 2002, BY PARTIES OTHER THAN THE COMMUNITY, THE UNITED STATES, THE FRANKLIN IRRIGATION DISTRICT, AND THE GILA VALLEY IRRIGATION DISTRICT AGAINST THE COMMUNITY AND MEMBERS (BUT NOT MEMBERS IN THEIR CAPACITY AS ALLOTTEES)

This Waiver and Release of Claims dated as of _____, is entered into by the Parties to the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, other than the Franklin Irrigation District, Gila Valley Irrigation District, the United States of America and the Community, in consideration of the benefits realized under the Amended and Restated Gila River Indian Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.1.3 of said Settlement Agreement.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

2.1 Except as provided in Paragraphs 3.0 and 4.0 hereof, the Parties, except the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, as part of their obligations under the Settlement Agreement, hereby

waive and release any claims that such Parties may have against the Community and Members (but not Members in their capacity as Allottees) under Federal, State or other law for:

(a) Past and present claims for Injury to Water Quality, including claims for trespass, nuisance and real property damage, and claims under all current and future Federal, State and other environmental laws and regulations, including claims under CERCLA and WQARF, arising from time immemorial through December 31, 2002, for land outside the exterior boundaries of the Reservation, outside Off-Reservation Trust Land and outside Fee Land; and

(b) Claims for Injury to Water Quality, arising after December 31, 2002, including claims for trespass, nuisance and real property damage, and claims under all current and future Federal, State and other environmental laws and regulations, including claims under CERCLA and WQARF, that result from: (1) the delivery of Water by the Community; (2) the on-Reservation Diversion (other than Pumping), or ownership or operation of structures for the on-Reservation Diversion (other than Pumping), of Water; (3) the on-Reservation Pumping, or ownership or operation of structures for the on-Reservation Pumping, of Water in a manner not in violation of the Settlement Agreement or of any applicable Pumping limitations under State law; (4) the Recharge, or ownership or operation of structures for the Recharge, of Water pursuant to an applicable intergovernmental agreement between the Community and ADWR; and (5) the on-Reservation application of Water to land for irrigation.

2.2 The waiver provided in Subparagraph 2.1(b) shall extend to the Community and Members (but not Members in their capacity as Allottees) only to the extent that the

Community or Members (but not Members in their capacity as Allottees) are engaged in an activity specified in Subparagraphs 2.1(b)(1) through (5).

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers of claims and releases described in Paragraph 2.0 hereof, the Parties, other than the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, their rights under the Settlement Agreement or the Act in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injury to and seek enforcement of their rights under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A to the Settlement Agreement;

(c) Assert claims for injury to, and seek enforcement of, their rights under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as exhibit 25.18B to the Settlement Agreement;

(d) Assert any claims for Injury to Water Quality not specifically waived herein;

(e) With respect to Phelps Dodge only and no other party, Phelps Dodge may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the "Final Effective Date" of the Community/Phelps Dodge Agreement, as that term is defined therein, has not occurred;

(f) With respect to the City of Safford only and no other party, the City of Safford may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(g) Assert any past, present or future claims arising out of the actions that resulted in the remediations listed in exhibit 25.4.1.1 to the Settlement Agreement;

(h) Assert any past, present or future claims resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances; and

(i) Assert any claims for Injury to Water Quality, or any other claims, against the owners of any fee land located within the exterior boundaries of the Reservation.

3.2 Nothing in this Waiver and Release of Claims shall preclude the State from taking any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety or the environment.

3.3 This Waiver and Release of Claims shall not bind the State as to a waiver and release of claims, if any, for lands received by the State from the United States pursuant to the provisions of:

(a) The Act of September 9, 1850, 9 Stat. 446 (creating the Territory of New Mexico);

(b) The December 30, 1853 Treaty with Mexico, 10 Stat. 1031 (the Gadsden Purchase);

(c) The Act of 1863, 12 Stat. 664 (creating the Territory of Arizona);

(d) The Act of February 18, 1881, 21 Stat. 326 (University of Arizona 1881 Grant);

(e) The Arizona-New Mexico Enabling Act of June 20, 1910, 36 Stat. 557; and

(f) The Act of February 20, 1929, c. 280, § 2, 45 Stat. 1252 (land for miners' hospitals for disabled miners within said State).

3.4 Nothing in this Waiver and Release of Claims shall be construed in a manner to limit the Community's or the City of Chandler's rights, remedies, or defenses under the agreement between the Community and the City of Chandler, dated December 16, 1981, and any amendments or extensions thereof.

4.0 OTHER WAIVERS

4.1 To the extent a Party is also a UVD Agreement Beneficiary, this Waiver and Release of Claims does not constitute a waiver of claims by that Party in its capacity as a UVD Agreement Beneficiary.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 COUNTERPARTS AND DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument. This Waiver and Release of Claims also may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the Parties, except the Gila River Indian Community, the United States of America, the Gila Valley Irrigation District and the Franklin Irrigation District, have executed this Waiver and Release of Claims dated as of the day and year first written above.

Final Execution Version
October 21, 2005

THE STATE OF ARIZONA

By: _____
Dated:_____

Governor

Attest: _____
Secretary of State

Final Execution Version
October 21, 2005

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

Final Execution Version
October 21, 2005

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

Final Execution Version
October 21, 2005

ROOSEVELT IRRIGATION DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

THE ROOSEVELT WATER CONSERVATION DISTRICT

By:_____
Dated: _____
President

Attest:_____
Secretary
Approved as
To Form:_____
General Counsel

Final Execution Version
October 21, 2005

CITY OF CASA GRANDE

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF CHANDLER

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF COOLIDGE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF GLENDALE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF GOODYEAR

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF MESA

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF PEORIA

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF PHOENIX

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF SAFFORD

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF SCOTTSDALE

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF TEMPE

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

TOWN OF FLORENCE

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF MAMMOTH

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF KEARNY

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF DUNCAN

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF GILBERT

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

MARICOPA-STANFIELD IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

CENTRAL ARIZONA IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

SAN CARLOS IRRIGATION
AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

HOHOKAM IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

BUCKEYE IRRIGATION COMPANY

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

BUCKEYE WATER CONSERVATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

PHELPS DODGE CORPORATION

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

Final Execution Version
October 21, 2005

ARIZONA GAME AND FISH COMMISSION

By: _____
Dated:_____

Commissioner

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

Final Execution Version
October 21, 2005

ARIZONA WATER COMPANY

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.1.3 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Final Execution Version
October 21, 2005

EXHIBIT 25.1.4

WAIVER AND RELEASE OF CLAIMS FOR INJURY TO WATER QUALITY ARISING FROM TIME IMMEMORIAL THROUGH DECEMBER 31, 2002, BY PARTIES OTHER THAN THE COMMUNITY, THE UNITED STATES, THE FRANKLIN IRRIGATION DISTRICT, AND THE GILA VALLEY IRRIGATION DISTRICT AGAINST THE UNITED STATES ACTING IN ITS CAPACITY AS TRUSTEE FOR THE COMMUNITY, MEMBERS OR ALLOTTEES

This Waiver and Release of Claims dated as of _____, is entered into by the Parties to the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, other than the Franklin Irrigation District, Gila Valley Irrigation District, the United States of America and the Community, in consideration of the benefits realized under the Amended and Restated Gila River Indian Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.1.4 of said Settlement Agreement.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

Except as provided in Paragraphs 3.0 and 4.0 hereof, the Parties, except the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, as part of their obligations under the Settlement Agreement, hereby waive and release any claims that such parties may have against the United States, acting in its capacity as trustee for the Community, Members or Allottees, arising from time

immemorial through December 31, 2002, for Injury to Water Quality where all of the following conditions are met:

(a) the claims are brought against the United States acting solely in its capacity as trustee for the Community, Members or Allottees;

(b) the claims arise under Federal, State, or other law, including claims, if any, for trespass, nuisance, and real property damage, and claims, if any, under any current or future Federal, State, or other environmental laws or regulations, including under CERCLA or WQARF; and

(c) the Injury to Water Quality asserted arises from activities of the Community, Members or Allottees, or of the United States acting solely as trustee for the Community, Members or Allottees, within the exterior boundaries of the Reservation or on Off-Reservation Trust Land.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers of claims and releases described in Paragraph 2.0 hereof, the Parties, other than the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, their rights under the Settlement Agreement or the Act in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injury to and seek enforcement of their rights under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A to the Settlement Agreement;

(c) Assert claims for injury to, and seek enforcement of, their rights under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as exhibit 25.18B to the Settlement Agreement;

(d) Assert any claims for Injury to Water Quality not specifically waived herein;

(e) With respect to Phelps Dodge only and no other party, Phelps Dodge may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the "Final Effective Date" of the Community/Phelps Dodge Agreement, as that term is defined therein, has not occurred;

(f) With respect to the City of Safford only and no other party, the City of Safford may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(g) Assert any past, present or future claims arising out of the actions that resulted in the remediations listed in exhibit 25.4.1.1 to the Settlement Agreement;

(h) Assert any past, present or future claims resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances; and

(i) Assert any claims for Injury to Water Rights, or any other claims, against the owners of any fee land located within the exterior boundaries of the Reservation.

3.2 Nothing in this Waiver and Release of Claims shall preclude the State from taking any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety or the environment.

3.3 This Waiver and Release of Claims shall not bind the State as to a waiver and release of claims, if any, for lands received by the State from the United States pursuant to the provisions of:

(a) The Act of September 9, 1850, 9 Stat. 446 (creating the Territory of New Mexico);

(b) The December 30, 1853 Treaty with Mexico, 10 Stat. 1031 (the Gadsden Purchase);

(c) The Act of 1863, 12 Stat. 664 (creating the Territory of Arizona);

(d) The Act of February 18, 1881, 21 Stat. 326 (University of Arizona 1881 Grant);

(e) The Arizona-New Mexico Enabling Act of June 20, 1910, 36 Stat. 557; and

(f) The Act of February 20, 1929, c. 280, § 2, 45 Stat. 1252 (land for miners' hospitals for disabled miners within said State).

3.4 Nothing in this Waiver and Release of Claims shall be construed in a manner to limit the Community's or the City of Chandler's rights, remedies, or defenses under the agreement between the Community and the City of Chandler, dated December 16, 1981, and any amendments or extensions thereof.

4.0 OTHER WAIVERS

4.1 To the extent a Party is also a UVD Agreement Beneficiary, this Waiver and Release of Claims does not constitute a waiver of claims by that Party in its capacity as a UVD Agreement Beneficiary.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 COUNTERPARTS AND DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument. This Waiver and Release of Claims also may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the Parties, except the Gila River Indian Community, the United States of America, the Gila Valley Irrigation District and the Franklin Irrigation District, have executed this Waiver and Release of Claims dated as of the day and year first written above.

Final Execution Version
October 21, 2005

THE STATE OF ARIZONA

By: _____
Dated:_____

Governor

Attest: _____
Secretary of State

Final Execution Version
October 21, 2005

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

Final Execution Version
October 21, 2005

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

Final Execution Version
October 21, 2005

ROOSEVELT IRRIGATION DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

THE ROOSEVELT WATER CONSERVATION DISTRICT

By:_____
Dated: _____
President

Attest:_____
Secretary
Approved as
To Form:_____
General Counsel

Final Execution Version
October 21, 2005

CITY OF CASA GRANDE

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF CHANDLER

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF COOLIDGE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF GLENDALE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF GOODYEAR

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF MESA

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF PEORIA

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF PHOENIX

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF SAFFORD

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF SCOTTSDALE

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF TEMPE

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

TOWN OF FLORENCE

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF MAMMOTH

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF KEARNY

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF DUNCAN

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF GILBERT

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

MARICOPA-STANFIELD IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

CENTRAL ARIZONA IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

SAN CARLOS IRRIGATION
AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

HOHOKAM IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

BUCKEYE IRRIGATION COMPANY

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

BUCKEYE WATER CONSERVATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

PHELPS DODGE CORPORATION

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

Final Execution Version
October 21, 2005

ARIZONA GAME AND FISH COMMISSION

By: _____
Dated:_____

Commissioner

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

Final Execution Version
October 21, 2005

ARIZONA WATER COMPANY

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.1.4 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Final Execution Version
October 21, 2005

EXHIBIT 25.1.5

WAIVER AND RELEASE OF COMMON LAW CLAIMS FOR INJURY TO WATER QUALITY ARISING AFTER DECEMBER 31, 2002, BY PARTIES OTHER THAN THE COMMUNITY, THE UNITED STATES, THE FRANKLIN IRRIGATION DISTRICT, AND THE GILA VALLEY IRRIGATION DISTRICT AGAINST THE UNITED STATES IN ITS OWN RIGHT AND THE UNITED STATES ACTING IN ITS CAPACITY AS TRUSTEE FOR THE COMMUNITY, MEMBERS OR ALLOTTEES

This Waiver and Release of Claims dated as of _____, is entered into by the Parties to the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, other than the Franklin Irrigation District, Gila Valley Irrigation District, the United States of America and the Community, in consideration of the benefits realized under the Amended and Restated Gila River Indian Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.1.5 of said Settlement Agreement.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

2.1 Except as provided in Paragraphs 3.0 and 4.0 hereof, the Parties, except the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, as part of their obligations under the Settlement Agreement, hereby

waive and release all common law claims for Injury or threat of Injury to Water Quality arising after December 31, 2002, against the United States in its own right and the United States acting in its capacity as trustee for the Community, Members or Allottees, where the Injury or threat of Injury to Water Quality arises from:

(a) the delivery of Water by the Community or, if the United States assumes operation of the Community's water delivery system, then the delivery of Water by the United States on behalf of the Community;

(b) the on-Reservation Diversion (other than Pumping) or ownership or operation of structures for the on-Reservation Diversion (other than Pumping) of Water;

(c) the on-Reservation Pumping, or ownership or operation of structures for the on-Reservation Pumping of Water in a manner not in violation of the Settlement Agreement or of any applicable Pumping limitations under State law;

(d) the Recharge, or ownership or operation of structures for Recharge, of Water pursuant to an applicable intergovernmental agreement between the Community and the Arizona Department of Water Resources; or

(e) the on-Reservation application of Water to land for irrigation.

2.2 The Waiver and Release of Claims provided in Subparagraph 2.1 shall extend to the United States in its own right only to the extent that the United States in its own right is engaged in an activity specified in Subparagraphs 2.1(a) through (e). The Waiver and Release of Claims provided in Subparagraph 2.1 shall extend to the United States acting as trustee for the Community, Members, or Allottees only to the extent that the Community, Members or Allottees, or the United States acting as trustee for the

Community, Members, or Allottees, are engaged in an activity specified in Subparagraph 2.1(a) through (e).

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers of claims and releases described in Paragraph 2.0 hereof, the Parties, other than the Community, the United States, the Franklin Irrigation District and the Gila Valley Irrigation District, shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, their rights under the Settlement Agreement or the Act in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injury to and seek enforcement of their rights under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A to the Settlement Agreement;

(c) Assert claims for injury to, and seek enforcement of, their rights under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as exhibit 25.18B to the Settlement Agreement;

(d) Assert any claims for Injury to Water Quality not specifically waived herein;

(e) With respect to Phelps Dodge only and no other party, Phelps Dodge may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the "Final Effective Date" of the Community/Phelps Dodge Agreement, as that term is defined therein, has not occurred;

(f) With respect to the City of Safford only and no other party, the City of Safford may assert any claim otherwise waived pursuant to Paragraph 2.0 hereof if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(g) Assert any past, present or future claims arising out of the actions that resulted in the remediations listed in exhibit 25.4.1.1 to the Settlement Agreement;

(h) Assert any past, present or future claims resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances; and

(i) Assert any claims for Injury to Water Rights, or any other claims, against the owners of any fee land located within the exterior boundaries of the Reservation.

3.2 Nothing in this Waiver and Release of Claims shall preclude the State from taking any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety or the environment.

3.3 This Waiver and Release of Claims shall not bind the State as to a waiver and release of claims, if any, for lands received by the State from the United States pursuant to the provisions of:

(a) The Act of September 9, 1850, 9 Stat. 446 (creating the Territory of New Mexico);

(b) The December 30, 1853 Treaty with Mexico, 10 Stat. 1031 (the Gadsden Purchase);

(c) The Act of 1863, 12 Stat. 664 (creating the Territory of Arizona);

(d) The Act of February 18, 1881, 21 Stat. 326 (University of Arizona 1881 Grant);

(e) The Arizona-New Mexico Enabling Act of June 20, 1910, 36 Stat. 557; and

(f) The Act of February 20, 1929, c. 280, § 2, 45 Stat. 1252 (land for miners' hospitals for disabled miners within said State).

3.4 Nothing in this Waiver and Release of Claims shall be construed in a manner to limit the Community's or the City of Chandler's rights, remedies, or defenses under the agreement between the Community and the City of Chandler, dated December 16, 1981, and any amendments or extensions thereof.

4.0 OTHER WAIVERS

4.1 To the extent a Party is also a UVD Agreement Beneficiary, this Waiver and Release of Claims does not constitute a waiver of claims by that Party in its capacity as a UVD Agreement Beneficiary.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 COUNTERPARTS AND DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument. This Waiver and Release of Claims also may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the Parties, except the Gila River Indian Community, the United States of America, the Gila Valley Irrigation District and the Franklin Irrigation District, have executed this Waiver and Release of Claims dated as of the day and year first written above.

Final Execution Version
October 21, 2005

THE STATE OF ARIZONA

By: _____
Dated:_____

Governor

Attest: _____
Secretary of State

Final Execution Version
October 21, 2005

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

Final Execution Version
October 21, 2005

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
Legal Counsel

Final Execution Version
October 21, 2005

ROOSEVELT IRRIGATION DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

THE ROOSEVELT WATER CONSERVATION DISTRICT

By:_____
Dated: _____
President

Attest:_____
Secretary
Approved as
To Form:_____
General Counsel

Final Execution Version
October 21, 2005

CITY OF CASA GRANDE

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF CHANDLER

By: _____
Dated:_____
Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF COOLIDGE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF GLENDALE

By: _____
Dated:_____
City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF GOODYEAR

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF MESA

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF PEORIA

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF PHOENIX

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF SAFFORD

By: _____
Dated:_____

City Manager

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF SCOTTSDALE

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

CITY OF TEMPE

By: _____
Dated:_____

Mayor

Attest: _____
City Clerk

Approved as
To Form: _____
City Attorney

Final Execution Version
October 21, 2005

TOWN OF FLORENCE

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF MAMMOTH

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF KEARNY

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF DUNCAN

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

TOWN OF GILBERT

By: _____
Dated:_____

Town Manager

Attest: _____
Town Clerk

Approved as
To Form: _____
Town Attorney

Final Execution Version
October 21, 2005

MARICOPA-STANFIELD IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

CENTRAL ARIZONA IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

SAN CARLOS IRRIGATION
AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

HOHOKAM IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____
President

Attest: _____
Secretary

Approved as
To Form: _____
District's Attorney

Final Execution Version
October 21, 2005

BUCKEYE IRRIGATION COMPANY

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

BUCKEYE WATER CONSERVATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form: _____
General Counsel

Final Execution Version
October 21, 2005

PHELPS DODGE CORPORATION

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

Final Execution Version
October 21, 2005

ARIZONA GAME AND FISH COMMISSION

By: _____
Dated:_____

Commissioner

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

Final Execution Version
October 21, 2005

ARIZONA WATER COMPANY

By: _____
Dated:_____

President

Attest: _____
Secretary

Approved as
To Form:_____
[Title]

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.1.5 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

EXHIBIT 25.2

WAIVER AND RELEASE OF CLAIMS FOR WATER RIGHTS AND INJURIES TO WATER RIGHTS BY THE COMMUNITY ON BEHALF OF ITSELF AND ITS MEMBERS (BUT NOT MEMBERS IN THEIR CAPACITY AS ALLOTTEES) AND THE UNITED STATES ON BEHALF OF THE COMMUNITY AND ITS MEMBERS (BUT NOT MEMBERS IN THEIR CAPACITY AS ALLOTTEES)

This Waiver and Release of Claims dated as of _____, is entered into by the Gila River Indian Community, on behalf of itself and Members (but not Members in their capacity as Allottees), and the United States on behalf of the Community and Members (but not Members in their capacity as Allottees), in consideration of the benefits realized under the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement , and in accordance with the commitments under subparagraph 25.2 of said Settlement Agreement and pursuant to the authorization granted in Section 207(a)(1)(A) of the Arizona Water Settlements Act, P.L. 108-451.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

Except as provided in Paragraphs 3.0 and 4.0, the Community, on behalf of itself and Members (but not Members in their capacity as Allottees), and the United States on behalf of the Community and Members (but not Members in their capacity as Allottees),

as part of the performance of their obligations under the Settlement Agreement, and pursuant to the authorization set forth in section 207(a)(1)(A) of the Act, hereby waive and release any claims against the State (or any agency or political subdivision of the State), or any other person, entity, corporation or municipal corporation under Federal, State or other law for:

(a) Past, present and future claims for Water Rights for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land arising from time immemorial and, thereafter, forever;

(b) Past, present and future claims for Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the Community and Members, or their predecessors;

(c) Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land arising from time immemorial through the Enforceability Date;

(d) Past, present and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the Community and Members, or their predecessors;

(e) Claims for Injury to Water Rights arising after the Enforceability Date for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land resulting from the off-Reservation Diversion or Use of Water in a manner not in violation of the Settlement Agreement or State law;

(f) Past, present and future claims arising out of or relating in any manner to the negotiation or execution of the Settlement Agreement or the negotiation or enactment of Titles I and II of the Act;

(g) Past and present claims for Subsidence Damage occurring to land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, or Fee Land arising from time immemorial through the Enforceability Date; and

(h) Claims for Subsidence Damage arising after the Enforceability Date occurring to land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, or Fee Land resulting from the Diversion of Underground Water in a manner not in violation of the Settlement Agreement or State law.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers of claims and releases described in Paragraph 2.0, the Community on behalf of itself and its Members (but not Members in their capacity as Allottees) and the United States on behalf of the Community and Members (but not Members in their capacity as Allottees) shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached to the Settlement Agreement as exhibit 25.18A;

(c) Subject to paragraph 26.0 and exhibits 26.1 through 26.5 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached to the Settlement Agreement as exhibit 25.18B;

(d) Object to any claims by or for any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(e) Assert past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, against any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(f) Participate in the Gila River Adjudication Proceedings to the extent provided in subparagraph 28.1 of the Settlement Agreement;

(g) Assert any claims arising after the Enforceability Date for Injury to Water Rights or Subsidence Damage not specifically waived herein;

(h) Assert any claims arising after the Enforceability Date for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, against any Non-GE 59 Water User Diverting or using Water upstream from the Ashurst-Hayden Dam in a manner in violation of or contrary to the terms, conditions, limitations, requirements or provisions of subparagraph 26.8.2 of the Settlement Agreement;

(i) Object to any claims for Water Rights by or for Phelps Dodge if the "Final Effective Date" of the Community/Phelps Dodge Agreement (as that term is defined therein) has not occurred;

(j) Assert against Phelps Dodge any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, if the "Final Effective Date" of the Community/Phelps Dodge Agreement (as that term is defined therein) has not occurred;

(k) Object to any claims for Water Rights by or for City of Safford if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1. thereof;

(l) Assert against the City of Safford any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(m) Object to any claims for Water Rights by or for BHP;

(n) Assert against BHP any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, arising from the Diversion or Use of Water in excess of the quantity specified in subparagraph 26.8.2.7.1 of the Settlement Agreement;

(o) Object to any claims for Water Rights by or for Asarco;

(p) Assert against Asarco any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights;

(q) Object to any claims for Water Rights by or for AWC as to the Use of Water in the Gila River Impact Zone and the San Pedro M&I and Domestic Purposes Impact Zone in excess of the quantities specified in subparagraphs 26.8.2.7.2 and 26.8.2.7.3 of the Settlement Agreement;

(r) Assert against AWC any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, arising from or relating in any way to Water Use in the San Pedro M&I and Domestic Purposes Impact Zone in excess of the quantity specified in subparagraph 26.8.2.7.2 of the Settlement Agreement;

(s) Assert against AWC any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights arising from or relating in any way to Water Use in the Gila River Impact Zone and San Pedro M&I and Domestic Purposes Impact Zone in excess of the quantity specified in subparagraph 26.8.2.7.3 of the Settlement Agreement;

(t) Object to any claims for Water Rights by or for the Town of Winkelman; and

(u) Assert against the Town of Winkelman any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, arising from or relating in any way to Water Use in excess of the quantity specified in subparagraph 26.8.2.7.3 of the Settlement Agreement.

3.2 Except as provided in Subparagraphs 2.0(b) and (d), nothing in this Waiver and Release of Claims shall affect any rights to Water of the Community, the United States, or any Member, Allottee or Successor in Interest to an Allottee for land outside the

exterior boundaries of the Reservation that is not Off-Reservation Trust Land or Fee Land.

3.3 Nothing in this Waiver and Release of Claims shall affect any rights of any Member to bring any action available under law for personal injury or personal property damage. For purposes of this Waiver and Release of Claims, personal property damage shall not include claims for Water Rights, Injury to Water Rights, or Injury to Water Quality.

4.0 OTHER WAIVERS

4.1 A UVD Agreement Beneficiary shall have the benefit of the waivers and retentions provided in paragraph 4.0 of the UVD Agreement pursuant to the terms, conditions, limitations and requirements provided in the UVD Agreement, but shall not have the benefit of the waivers set forth in this Waiver and Release of Claims.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 DUPLICATE ORIGINALS

This Waiver and Release of Claims also may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the United States and the Gila River Indian Community have executed this Waiver and Release of Claims dated as of the day and year first written above.

THE UNITED STATES OF AMERICA

By: _____
Dated:_____
Secretary of the Interior

GILA RIVER INDIAN COMMUNITY

By: _____
Dated:_____
Governor

Attest: _____

Approved as
To Form: _____
General Counsel

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 “Community/Phelps Dodge Agreement” shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 “Diversion” shall mean the act of Diverting.

1.11 “Divert” or “Diverting” shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 “Effluent” shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 “Enforceability Date” shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 “Fee Land” shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 “Gila River Adjudication Proceedings” shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 “Groundwater” shall mean all water beneath the surface of the Earth other than Surface Water. The term “Groundwater” includes Recharged Water.

1.22 “Groundwater Savings Facility” shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 “Impact Zone” or “Impact Zones” shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 “Injury to Water Quality” shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 “Injury to Water Rights” shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term “Injury to Water Rights” includes a change in the Underground Water table and any effect of such a change. The term “Injury to Water Rights” does not include Subsidence Damage or Injury to Water Quality.

1.26 “Irrigation Use” shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 “Member” or “Members” shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 “Non-GE 59 Water Users” shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 “Off-Reservation Trust Land” shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 “Paragraph” shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 “Party” shall mean an entity represented by a signatory to the Settlement Agreement and “Parties” shall mean more than one of such entities. The State’s participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 “Phelps Dodge Corporation” or “Phelps Dodge” shall mean the New York corporation of that name, Phelps Dodge’s subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge’s successors and assigns.

1.33 “Pump”, “Pumped” or “Pumping” shall mean the withdrawal of Underground Water from a well.

1.34 “Recharge”, “Recharged” or “Recharging” shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 “Recharged Water” shall mean Water that has been Recharged.

1.36 “Safford Agreement” shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 “San Carlos Irrigation and Drainage District” or “SCIDD” shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 “San Pedro Ag and New Large Industrial Use Impact Zone” shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 “San Pedro M&I and Domestic Purposes Impact Zone” shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 “SCIIP” or “SCIP” shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term “SCIIP” or “SCIP” includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 “Settlement Agreement” shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 “State” shall mean the State of Arizona.

1.43 “SRP” shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users’ Association, an Arizona Territorial corporation.

1.44 “SRRD” shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users’ Association.

1.45 “Subparagraph” shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 “Subsidence Damage” shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 “Surface Water” shall mean all water that is appropriable under State law. For purposes of the definition of “Water Right,” the term “Surface Water” also shall include Colorado River water.

1.48 “Underground Storage Facility” shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 “Underground Water” shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 “Use” shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 “UVD Agreement” shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 “UVD Agreement Beneficiary” means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 “UV Decreed Water Rights” means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 “Waiver and Release of Claims” shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.2 to the Settlement Agreement.

1.55 “Water”, when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 “Water Right” shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 “Water Storage Permit” shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 “WQARF” shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

EXHIBIT 25.3

WAIVER AND RELEASE OF CLAIMS FOR WATER RIGHTS AND INJURY TO WATER RIGHTS BY UNITED STATES AS TRUSTEE FOR ALLOTTEES

This Waiver and Release of Claims dated as of _____, is entered into by the United States of America as trustee for the Allottees, in consideration of the benefits realized under the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.3 of said Settlement Agreement and pursuant to the authorization granted in Section 207(a)(1)(B) of the Arizona Water Settlements Act, P.L. 108-451.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

Except as provided in Paragraphs 3.0 and 4.0, the United States, as trustee for the Allottees, as part of the performance of its obligations under the Settlement Agreement, and pursuant to the authorization set forth in section 207(a)(1)(B) of the Act, hereby waives and releases any claims against the State (or any agency or political subdivision of the State), or any other person, entity, corporation or municipal corporation under Federal, State or other law for:

(a) Past, present and future claims for Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial and, thereafter, forever;

(b) Past, present and future claims for Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by Allottees, or their predecessors;

(c) Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial through the Enforceability Date;

(d) Past, present and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by Allottees or their predecessors;

(e) Claims for Injury to Water Rights arising after the Enforceability Date for land within the exterior boundaries of the Reservation resulting from the off-Reservation Diversion or Use of Water in a manner not in violation of the Settlement Agreement or State law;

(f) Past, present and future claims arising out of or relating in any manner to the negotiation or execution of the Settlement Agreement or the negotiation or enactment of Titles I and II of the Act; and

(g) Past and present claims for Subsidence Damage occurring to land within the exterior boundaries of the Reservation arising from time immemorial through the Enforceability Date.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0, the United States as trustee for the Allottees shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights, if any, of Allottees under the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injuries to, and seek enforcement of, the rights, if any, of Allottees under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached to the Settlement Agreement as exhibit 25.18A;

(c) Subject to paragraph 26.0 and exhibits 26.1 through 26.5 to the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights. if any, of Allottees under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached to the Settlement Agreement as exhibit 25.18B;

(d) Object to any claims by or for any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(e) Assert past, present or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim to Water Rights, against any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(f) Participate in the Gila River Adjudication Proceedings to the extent provided in subparagraph 28.1 of the Settlement Agreement;

(g) Assert any claims arising after the Enforceability Date for Injury to Water Rights or for Subsidence Damage not specifically waived herein;

(h) Assert any claims arising after the Enforceability Date for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, against any Non-GE 59 Water User Diverting or using Water upstream from the Ashurst-Hayden Dam in a manner in violation of or contrary to the terms, conditions, limitations, requirements or provisions of subparagraph 26.8.2 of the Settlement Agreement;

(i) Object to any claims for Water Rights by or for Phelps Dodge if the "Final Effective Date" of the Community/Phelps Dodge Agreement (as that term is defined therein) has not occurred;

(j) Assert against Phelps Dodge any past, present or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, if the "Final Effective Date" of the Community/Phelps Dodge Agreement (as that term is defined therein) has not occurred;

(k) Object to any claims for Water Rights by or for the City of Safford if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(l) Assert against the City of Safford any past, present or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(m) Object to any claims of Water Rights by or for BHP;

(n) Assert against BHP any past, present or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, arising from the Diversion or Use of Water in excess of the quantity specified in subparagraph 26.8.2.7.1 of the Settlement Agreement;

(o) Object to any claims for Water Rights by or for Asarco;

(p) Assert against Asarco any past, present or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights;

(q) Object to any claims for Water Rights by or for AWC as to the use of Water in the Gila River Impact Zone and the San Pedro M&I and Domestic Purposes Impact Zone in excess of the quantities specified in subparagraphs 26.8.2.7.2 and 26.8.2.7.3 of the Settlement Agreement;

(r) Assert against AWC any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, arising from or relating in any way to Water Use in the San Pedro M&I and Domestic Purposes Impact Zone in excess of the quantity specified in subparagraph 26.8.2.7.2 of the Settlement Agreement.

(s) Assert against AWC any past, present, or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, arising from or relating in any way to Water Use in the Gila River Impact Zone and San Pedro M&I and Domestic Purposes Impact Zone in excess of the quantity specified in subparagraph 26.8.2.7.3 of the Settlement Agreement;

(t) Object to any claims for Water Rights by or for the Town of Winkelman; and

(u) Assert against the Town of Winkelman any past, present or future claims for Injury to Water Rights or Subsidence Damage, or any other claims other than a claim for Water Rights, arising from or relating in any way to Water Use in excess of the quantity specified in subparagraph 26.8.2.7.3 of the Settlement Agreement.

3.2 Except as provided in Subparagraphs 2.0(b) and (d), nothing in this Waiver and Release of Claims shall affect any rights to Water of the Community, the United States, or any Member, Allottee or Successor in Interest to an Allottee for land outside the exterior boundaries of the Reservation that is not Off-Reservation Trust Land or Fee Land.

3.3 Nothing in this Waiver and Release of Claims shall affect any rights of any Member to bring any action available under law for personal injury or personal property damage. For purposes of this Waiver and Release of Claims, personal property damage shall not include claims for Water Rights, Injury to Water Rights, or Injury to Water Quality.

4.0 <u>OTHER WAIVERS</u>

4.1 A UVD Agreement Beneficiary shall have the benefit of the waivers and retentions provided in paragraph 4.0 of the UVD Agreement pursuant to the terms, conditions, limitations and requirements provided in the UVD Agreement, but shall not have the benefit of the waivers set forth in this Waiver and Release of Claims.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in duplicate originals, each of which shall constitute an original Agreement.

IN WITNESS WHEREOF, the United States has executed this Waiver and Release of Claims dated as of the day and year first written above.

THE UNITED STATES OF AMERICA

By: _____
Dated:_____
Secretary of the Interior

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 “Community/Phelps Dodge Agreement” shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 “Diversion” shall mean the act of Diverting.

1.11 “Divert” or “Diverting” shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 “Effluent” shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 “Enforceability Date” shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 “Fee Land” shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 “Gila River Adjudication Proceedings” shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 “Groundwater” shall mean all water beneath the surface of the Earth other than Surface Water. The term “Groundwater” includes Recharged Water.

1.22 “Groundwater Savings Facility” shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 “Impact Zone” or “Impact Zones” shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 “Injury to Water Quality” shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 “Injury to Water Rights” shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term “Injury to Water Rights” includes a change in the Underground Water table and any effect of such a change. The term “Injury to Water Rights” does not include Subsidence Damage or Injury to Water Quality.

1.26 “Irrigation Use” shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 “Member” or “Members” shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 “Non-GE 59 Water Users” shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 “Off-Reservation Trust Land” shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 “Paragraph” shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 “Party” shall mean an entity represented by a signatory to the Settlement Agreement and “Parties” shall mean more than one of such entities. The State’s participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 “Phelps Dodge Corporation” or “Phelps Dodge” shall mean the New York corporation of that name, Phelps Dodge’s subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge’s successors and assigns.

1.33 “Pump”, “Pumped” or “Pumping” shall mean the withdrawal of Underground Water from a well.

1.34 “Recharge”, “Recharged” or “Recharging” shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 “Recharged Water” shall mean Water that has been Recharged.

1.36 “Safford Agreement” shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 “San Carlos Irrigation and Drainage District” or “SCIDD” shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 “San Pedro Ag and New Large Industrial Use Impact Zone” shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 “San Pedro M&I and Domestic Purposes Impact Zone” shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 “SCIIP” or “SCIP” shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term “SCIIP” or “SCIP” includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 “Settlement Agreement” shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 “State” shall mean the State of Arizona.

1.43 “SRP” shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users’ Association, an Arizona Territorial corporation.

1.44 “SRRD” shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users’ Association.

1.45 “Subparagraph” shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 “Subsidence Damage” shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 “Surface Water” shall mean all water that is appropriable under State law. For purposes of the definition of “Water Right,” the term “Surface Water” also shall include Colorado River water.

1.48 “Underground Storage Facility” shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 “Underground Water” shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 “Use” shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 “UVD Agreement” shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 “UVD Agreement Beneficiary” means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 “UV Decreed Water Rights” means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 “Waiver and Release of Claims” shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.3 to the Settlement Agreement.

1.55 “Water”, when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 “Water Right” shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 “Water Storage Permit” shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 “WQARF” shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Final Execution Version
October 21, 2005

EXHIBIT 25.4

WAIVER AND RELEASE OF CLAIMS BY THE COMMUNITY ON BEHALF OF ITSELF AND ITS MEMBERS (BUT NOT MEMBERS IN THEIR CAPACITY AS ALLOTTEES) FOR INJURY TO WATER QUALITY

This Waiver and Release of Claims dated as of _____, is entered into by the Gila River Indian Community, on behalf of itself and Members (but not Members in their capacity as Allottees), in consideration of the benefits realized under the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.4 of said Settlement Agreement and pursuant to the authorization granted in section 207(a)(1)(C) of the Arizona Water Settlements Act, P.L. 108-451.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

2.1 Except as provided in Paragraphs 3.0 and 4.0 hereof, the Community, on behalf of itself and Members (but not Members in their capacity as Allottees), as part of the performance of its obligations under the Settlement Agreement, and pursuant to the authorizations set forth in section 207(a)(1)(C) of the Act, hereby waives and releases any claims and waives its right to request the United States to bring any claims, against the

State (or any agency or political subdivision of the State), or any other person, entity, corporation, or municipal corporation under Federal, State, or other law for:

(a) past and present claims for Injury to Water Quality, including claims for trespass, nuisance, and real property damage and claims under all current and future Federal, State, and other environmental laws and regulations, including claims under CERCLA and WQARF, arising from time immemorial through December 31, 2002, for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land;

(b) Past, present, and future claims for Injury to Water Quality, including claims for trespass, nuisance, and real property damage and claims under all current and future Federal, State, and other environmental laws and regulations, including claims under CERCLA and WQARF, arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the Community and Members, or their predecessors;

(c) Claims for Injury to Water Quality arising after December 31, 2002, including claims for trespass, nuisance, and real property damage and claims under all current and future Federal, State, and other environmental laws and regulations, including claims under CERCLA and WQARF , that result from:

(1) the delivery of Water to the Community;

(2) the off-Reservation Diversion (other than Pumping), or ownership or operation of structures for the off-Reservation Diversion (other than Pumping), of Water;

(3) the off-Reservation Pumping, or ownership or operation of structures for the off-Reservation Pumping, of Water in a manner not in violation of the Settlement Agreement or of any applicable Pumping limitations under State law;

(4) the Recharge, or ownership or operation of structures for the Recharge, of Water under a State permit; and

(5) the off-Reservation application of Water to land for irrigation.

2.2. The waiver provided in Subparagraph 2.1(c) shall extend only to the State (or any agency or political subdivision of the State) or any other person, entity, or municipal or other corporation to the extent that the State (or any agency or political subdivision of the State) or any person, entity, or municipal or other corporation is engaged in an activity specified in Subparagraphs 2.1(c)(1) through (5).

2.3 The Community shall not request that the United States bring, on behalf of the Community and Members (but not Members in their capacity as Allottees), any of the claims waived pursuant to this Waiver and Release of Claims.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the Community on behalf of itself and Members (but not Members in their capacity as Allottees) shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under

the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached to the Settlement Agreement as exhibit 25.18A;

(c) Subject to paragraph 26.0 and exhibits 26.1 throught 26.5 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the Globe Equity Decree, including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached to the Settlement Agreement as exhibit 25.18B;

(d) Object to any claims by or for any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(e) Assert past, present, or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, against any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(f) Assert any past, present, or future claims arising out of the actions that resulted in the remediations listed in exhibit 25.4.1.1 of the Settlement Agreement;

(g) Assert any claims for Injury to Water Quality not specifically waived herein;

(h) Assert any claims arising after December 31, 2002, for Injury to Water Quality, or any other claims other than a claim for Water Rights, against any Non-GE 59 Water User Diverting or using Water upstream from the Ashurst-Hayden Diversion Dam in a manner in violation of or contrary to the terms, conditions, limitations, requirements or provisions of subparagraph 26.8.2 of the Settlement Agreement;

(i) Assert any past, present, or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising out of activities occurring within the exterior boundaries of the Reservation, Off-Reservation Trust Land or Fee Land undertaken by the parties to and pursuant to the contracts, agreements or business licenses listed in exhibits 25.12.1.10A through D of the Settlement Agreement;

(j) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising out of activities occurring within the exterior boundaries of the Reservation, Off-Reservation Trust Land or Fee Land undertaken by the parties to any contract or agreement with the Community or the United States entered into after December 31, 2002,that contemplates any of the following activities, services or transactions: (1) leases of land or other occupancy agreements for land located within the exterior boundaries of the Reservation, Off-Reservation Trust Land or Fee Land, (2) the provision of services or goods on, other than the delivery of Water to, land located within the exterior boundaries of the Reservation, Off-Reservation Trust Land or Fee Land, or (3) activities undertaken pursuant to a business license issued by the Community;

(k) Assert any past, present or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances;

(l) Assert against Phelps Dodge any past, present or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, if the "Final Effective Date" of the Community/Phelps Dodge Agreement (as that term is defined therein) has not occurred;

(m) Assert against the City of Safford any past, present, or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(n) Assert against BHP any past, present, or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights;

(o) Assert against Asarco any past, present, or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights;

(p) Assert against AWC any past, present, or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising from or relating in any way to Water Use in the Gila River Impact Zone and San Pedro River M&I and Domestic Purposes Impact Zone;

(q) Assert against the Town of Winkelman any past, present, or future claims for Injury to Water Quality, or any other claims other than claims for Water Rights;

(r) Assert any past, present, or future claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, against the owners of any fee lands located within the exterior boundaries of the Reservation, other than the State.

3.2 Nothing in this Waiver and Release of Claims affects any right of the United States to take any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety, or the environment.

3.3 Nothing in this Waiver and Release of Claims shall affect any rights of any Member to bring any action available under law for personal injury or personal property damage. For purposes of this Waiver and Release of Claims, personal property damage shall not include claims for Water Rights, Injury to Water Rights, or Injury to Water Quality.

4.0 OTHER WAIVERS

4.1 A UVD Agreement Beneficiary shall have the benefit of the waivers and retentions provided in paragraph 4.0 of the UVD Agreement pursuant to the terms, conditions, limitations and requirements provided in the UVD Agreement, but shall not have the benefit of the waivers set forth in this Waiver and Release of Claims.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 DUPLICATE ORIGINALS

This Waiver and Release of Claims may also be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the Gila River Indian Community has executed this Waiver and Release of Claims dated as of the day and year first written above.

GILA RIVER INDIAN COMMUNITY

By: _____
Dated:_____
Governor

Attest: _____

Approved as to form:

_____
General Counsel

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

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1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

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1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

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1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.4 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
Gila Floodway	All former and present leases at the Lone Butte Industrial Park, All former and present leases of the City of Chandler, Aero Dyne, and Van Waters and Rogers	N829120.4710 E682508.6890 Township 2 South, Range 4 East, Section 5.	Groundwater Plume	Discovered During Sampling June 8, 2000	Trichloroethylene (TCE),	TCE range 7.4 to 34 ug/l	Extent of Contamination Unknown. Found in Gila Floodway Well and two additional monitor wells installed in September 2002.
					1,1-Dichloroethylene (1,1-DCE)	1,1-DCE range 2.3 to 6.8 ug/l	
					Acetone	Acetone range non-detect to 30 ug/l	
Santa Fe Pacific Pipeline Release	Kinder Morgan Energy Partners, L.P., SFPP, L.P. 1100 Town and Country Rd., Orange,CA.92868 (714) 560-4867 and Santa Fe Pacific Pipeline Corporation.	Township 2 South, Range 4 East, Section 4. Lone Butte Industrial Park	Buried 6-inch high pressure Fuel Line	Discovered September 1990	Benzene, Toluene, Ethylbenzene, xylene (BTEX)	Benzene range non-detect to 1000ug/l	Characterization continues. Soil Removal complete 1990. Bioremediation Nov. 1999-June 2000. Groundwater pump and treat 1996 to 2002.
					Methyl-Tertiary-Butyl-Ether (MTBE)	MTBE range non-detect to 2400 ug/l	

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
Gila River Sand and Gravel (San Tan Site)	All former leases at the accompanying location	Township 3 South, Range 5 East, Section 22.	Surface water and groundwater discharges and normal operations chemical use.	Unknown	Unknown	Unknown	Assessment pending
Gila River Sand and Gravel (Maricopa Site)	All former leases at the accompanying location	Township 3 South, Range 4 East, Section 18.	Surface water and groundwater discharges and normal operations chemical use.	Unknown	Unknown	Unknown	Assessment pending
Toxaphene site	All farmers and crop dusters that used the site	adjacent to the east boundary of Lone Butte Industrial Park	pesticide application crop dusting airstrip	Discovered December 1998 - Site used in 1960s to mid 1980s	Toxaphene	Soil contamination range 40-24,000 mg/l	Emergency Removal by EPA - currently in process of bio-remediation

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
Memorial Air Park	Department of Defense; Biegert Aviation; TG Aviation, Department of Defense	Queen Creek Road and Old Price Road	air park and past military operations	site used from 1940s to present date -	metals, Volatile Organic Compounds, Hydrocarbons	unknown	undergoing pre-remedial investigation
Electro Treatment	Electro Treatment Inc.	San Tan Industrial Park	mineral tailings	Discovered 2000, site used since 1996	Metals, Cyanide	Arsenic Soil contamination range of Non-detect to 1300 mg/l	Complaint filed in Tribal Court
Tannery	All insurance carriers of the Tannery	San Tan Industrial Park	tannery operation	discovered in 1980s, site used in 1960s to 1980s	metals, Volatile Organic Compounds	possible soil and groundwater contamination	undergoing pre-remedial investigation
Arizona Traders	Arizona Traders	Pima Road in Sacaton	leaking underground storage tanks	discovered in 2000, site used in 1960s to1980s	Hydrocarbons	Groundwater - more than 5 mg/l Soil - more than 5,000 mg/l	site characterization in progress

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
Sacaton Service Station	GRIC and petroleum suppliers; possible Chevron and Texaco	Pima and Sacaton Road in Sacaton	underground storage tank	discovered in 2000, site used 1970s and 1990s	Hydrocarbons	unknown for groundwater Soil - more than 1000 mg/l	assessment pending
Boundary Site	All farmers and crop dusters that used the site.	S/W corner of 51st Avenue and northern GRIC Boundary	pesticide airstrip	discovered in 1980s, site used 1960s to 1980s	toxaphene	Soil - more than 100 mg/l	remediation pending
Dele Tec	All insurance carriers of Dele Tec	Blackwater industrial Park	explosive manufacture	site used 1960s to 1980s	explosives	unknown	assessment pending
Lone Butte Partnership Farms	Lone Butte Partnership Farms	Riggs Road and 16th Street	farming operation	2000	Hydrocarbons, lead batteries, unknown debris	unknown	assessment pending
Ramona Farms	Ramona Farms	Highway 87	farming operation	2000	Hydrocarbons, lead batteries, unknown debris	unknown	assessment pending

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATIO NRANGE (ug/l)	SITE STATUS
Don Pew Farms	Don Pew Farms	Casa Blanca Road	farming operation	2000	Hydrocarbons, lead batteries, unknown debris	unknown	assessment pending
Stoneville Pedigreed Seed Company	Stoneville Pedigreed Seed Company	District 5, Casa Blanca Road and Beaver Road	cotton seed delinting facility	unknown, potential soil contaminatio n	Hydrocarbons	unknown	assessment pending
St. John's Mission	All petroleum suppliers	St. John's Mission	leaking underground storage tank	discovered in 2000, site used 1930s to 1980s	hydrocarbons	unknown for groundwater Soil - more than 10,000 mg/l	assessment in progress
Williams Gateway Airport Landfill	Department of Defense	Williams Gateway Airport	landfill	discovered in 1990s, site used in 1940s to 1980s	metals, pesticides, Volatile Organic Compounds	Groundwater - VOCs above 5ug/l Soil - Metals and Pesticides above 5 mg/l	site characterization in progress
Aerodyne	Aerodyne; All insurance carriers	approximately 1/8 mile S/E of Lone Butte Industrial Park	rocket fuel burn sites and dump sites rocket	Discovered in 1998, site used 1960s to 1980s	Perchlorate and possible metals and Volatile Organic Compounds	TCE above MCL in groundwater and Perchlorate in soil	Five monitoring wells constructed and developed - wells will be sampled quarterly

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
Honeywell	Honeywell	District 4	jet engine testing	1980s	potential soil, groundwater contamination	Possible VOCs and metals	assessment in progress
STS	STS	Lone Butte Industrial Park	waste transfer station	unknown	potential soil, groundwater contamination	possible VOCs and metals	assessment pending
Allen Moore	Allen Moore, all insurance carriers of Allen Moore, all generators and transporters bringing waste to Allen Moore	Lone Butte Industrial Park	waste oil facility	1990s	soil contamination, possible groundwater contamination	possible VOCs, metals and hydrocarbons	Site characterization being conducted
Kaiser Aluminum (formerly Plymouth Tube)	Kaiser Aluminum and former lease holders	Lone Butte Industrial Park	Aluminum tube manufacturer	1980s	potential soil, groundwater contamination	TCE in soil vapors	limited assessment requires additional work
Stericycle	Stericycle and former lease holders	Lone Butte Industrial Park	Medical waste treatment and incineration	1990s	potential soil contamination	metals	site assessment pending

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
Romic	Romic and former lease holders	Lone Butte Industrial Park	Hazardous Waste Treat., Storage & Disposal Fac.	1980s	potential soil, groundwater contamination	VOCs, metals and hydrocarbons	EPA TSD Permit Application under review
Arizona Processing	Arizona Processing and successors	Riggs road and Maricopa Road	cotton delinting facility	unknown	potential soil, groundwater contamination	hydrocarbons	site closure pending
Fertizona	Fertizona	San Tan Industrial Park	Fertilizer distributor	unknown,	potential soil contamination	reactive waste, Pesticides	assessment pending
Fertizona	Fertizona	Blackwater Industrial Park	Fertilizer distributor	unknown,	potential soil contamination	reactive waste, Pesticides	assessment pending
Wilbur Ellis	Wilbur Ellis	San Tan Industrial Park	pesticide distributor	unknown,	potential soil and groundwater contamination	pesticides	assessment pending
Trimuph Thermo Processing	Trimuph Thermo Processing	Lone Butte Industrial Park	plating	unknown,	potential soil and groundwater contamination	metals, VOCs	assessment pending

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
Bob Bondurant School of HPD	Bob Bondurant	Maricopa Road/ I-10	driving school	unknown,	potential soil and groundwater contamination	hydrocarbons, VOCs	assessment pending
Case Corporation	Case Corporation	District 4, San Tan Mountains	farm equipment testing site	unknown,	potential soil and groundwater contamination	hydrocarbons	assessment pending
Waste Management Inc.	Waste Management Inc.	Lone Butte Industrial Park	Waste Transfer Station	unknown,	potential soil and groundwater contamination	possible VOCs and metals	assessment pending
Pimalco	Pimalco	Lone Butte Industrial Park	Aluminum intrusion manufacture	unknown	potential soil and groundwater contamination	possible VOCs and metals	assessment pending
MTD Southwest	MTD Southwest	Lone Butte Industrial Park	equipment refurbishing	unknown	potential soil and groundwater contamination	possible hydrocarbons and VOCs	assessment pending
Pacific Scientific	Pacific Scientific	Lone Butte Industrial Park	explosive manufacture	unknown	potential soil contamination	possible explosive residuals	assessment pending

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
BIA Road Maintenance Yard	BIA	Church Street and Pima Street, Sacaton	road maintenance facility	unknown,	potential soil and groundwater contamination	possible VOCs, hydrocarbons, metals	assessment pending
Pima Valve	Pima Valve	Lone butte Industrial Park	manufacturer	unknown	potential soil and groundwater contamination	possible VOCs and metals	assessment pending
Firbird Raceway	Firebird Raceway	Maricopa Road and I-10	auto and boat racing	unknown	potential soil and groundwater contamination	possible VOCs, metals and hydrocarbons	assessment pending
Former BIA irrigation Rehabilitation site	BIA	Sacaton Road and Canal Street, Sacaton	equipment maintenance	unknown	potential soil and groundwater contamination	possible VOCs	assessment pending
Arizona Box	Arizona Box	Lone Butte Industrial Park	Mining laboratory	metals	potential soil and groundwater contamination	metals, possible VOCs	assessment pending

Gila River Indian Community Department of Environmental Quality
Potential and Documented Contamination Sites

March 5, 2003

SITE NAME	POTENTIAL RESPONSIBLE PARTIES	LOCATION	SOURCE TYPE	RELEASE DATE	CONTAMINANT TYPE	GROUNDWATER CONCENTRATION RANGE (ug/l)	SITE STATUS
Pacific Livestock	Pacific Livestock	Pecos Road and Rural Road	livestock and farm type operation, underground storage tank	unknown	potential soil and groundwater contamination	possible hydrocarbons,	assessment pending
Santa Pacific Pipeline break	Kinder Morgan	Pecos Road and Price Road	petroleum pipeline	2002	soil and potential groundwater contamination	hydrocarbons	assessment pending
Komatke Market	petroleum suppliers	51st Avenue and St. Johns Road	underground storage tank	unknown	potential soil and groundwater contamination	hydrocarbons	assessment pending

Final Execution Version
October 21, 2005

EXHIBIT 25.5

WAIVER AND RELEASE OF PAST AND PRESENT CLAIMS FOR INJURY TO WATER QUALITY BY UNITED STATES ACTING AS TRUSTEE FOR THE COMMUNITY, MEMBERS AND ALLOTTEES

This Waiver and Release of Claims dated as of _____, is entered into by the United States of America acting as trustee for the Community, Members and Allottees, in consideration of the benefits realized under the Gila River Indian Community Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.5 of said Settlement Agreement and pursuant to the authorization granted in section 207(a)(1)(D) of the Arizona Water Settlements Act, P.L. 108-451.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

Except as provided in Paragraphs 3.0 and 4.0 hereof, the United States, acting as trustee for the Community, Members and Allottees, as part of the performance of its obligations under the Settlement Agreement, and pursuant to the authorization set forth in section 207(a)(1)(D) of the Act, hereby waives and releases any claims arising from time immemorial through December 31, 2002, for Injury to Water Quality where all of the following conditions are met:

(a) The claims are brought solely on behalf of the Community, Members or Allottees;

(b) The claims are brought against the State (or any agency or political subdivision of the State) or any person, entity, corporation, or municipal corporation;

(c) The claims arise under Federal, State, or other law, including claims, if any, for trespass, nuisance, and real property damage, and claims, if any, under any current or future Federal, State, or other environmental laws or regulation, including under CERCLA or WQARF; and

(d) The claimed injury is to land, Water, or natural resources located on trust land within the exterior boundaries of the Reservation or on Off-Reservation Trust Land.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the United States, acting as trustee for the Community, Members and Allottees, shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees under the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached to the Settlement Agreement as exhibit 25.18A;

(c) Subject to paragraph 26.0 and exhibits 26.1 through 26.5 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees under the Globe Equity Decree, including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached to the Settlement Agreement as exhibit 25.18B;

(d) Object to any claims by or for any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(e) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003, against any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(f) Assert any claims arising prior to January 1, 2003, out of the actions that resulted in the remediations listed in exhibit 25.4.1.1 of the Settlement Agreement;

(g) Assert any claims arising prior to January 1, 2003, for Injury to Water Quality not otherwise waived herein;

(h) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003, out of activities occurring within the exterior boundaries of the Reservation or Off-Reservation Trust Land undertaken by the parties to and pursuant to the contracts, agreements or business licenses listed in exhibits 25.12.1.10A through D of the Settlement Agreement;

(i) Assert any claims for Injury to Water Quality arising prior to January 1, 2003, out of activities occurring within the exterior boundaries of the Reservation or Off-Reservation Trust Land undertaken by the parties to any contract or agreement with the Community or the United States that contemplates any of the following activities, services or transactions: (1) leases of land or other occupancy agreements for land located within the exterior boundaries of the Reservation or Off-Reservation Trust Land, (2) the provision of services or goods on, other than the delivery of Water to, land located within the exterior boundaries of the Reservation or Off-

Reservation Trust Land, or (3) activities undertaken pursuant to a business license issued by the Community;

(j) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003, resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances on land located within the exterior boundaries of the Reservation or Off-Reservation Trust Land;

(k) Assert any claims arising prior to January 1, 2003 for Injury to Water Quality, or any other claims other than a claim for Water Rights, against any Non-GE 59 Water User Diverting or using Water upstream from the Ashurst-Hayden Diversion Dam in a manner in violation of or contrary to the terms, conditions, limitations, requirements or provisions of subparagraph 26.8.2 of the Settlement Agreement;

(l) Assert against Phelps Dodge any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003, if the "Final Effective Date" of the Community/Phelps Dodge Agreement (as that term is defined therein) has not occurred;

(m) Assert against the City of Safford any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003, if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(n) Assert against BHP any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003;

(o) Assert against Asarco any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003;

(p) Assert against AWC any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003, resulting from or relating in any way to Water Use in the Gila River Impact Zone and the San Pedro M&I and Domestic Purposes Impact Zone;

(q) Assert against the Town of Winkelman any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003;

(r) Assert any claims for Injuries to Water Quality, or any other claims other than a claim for Water Rights, arising prior to January 1, 2003, against the owners of any fee land located within the exterior boundaries of the Reservation, other than the State.

3.2 Nothing in this Waiver and Release of Claims affects any right of the State, to take any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety, or the environment.

3.3 Nothing in this Waiver and Release of Claims shall affect any rights of any Member to bring any action available under law for personal injury or personal property damage. For purposes of this Waiver and Release of Claims, personal property damage shall not include claims for Water Rights, Injury to Water Rights, or Injury to Water Quality.

4.0 <u>OTHER WAIVERS</u>

4.1 A UVD Agreement Beneficiary shall have the benefit of the waivers and retentions provided in paragraph 4.0 of the UVD Agreement pursuant to the terms, conditions, limitations and requirements provided in the UVD Agreement, but shall not have the benefit of the waivers set forth in this Waiver and Release of Claims.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the United States has executed this Waiver and Release of Claims dated as of the day and year written above.

THE UNITED STATES OF AMERICA

By: _____
Dated:_____
Secretary of the Interior

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated*).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San

Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.5 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

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October 21, 2005

EXHIBIT 25.6

WAIVER AND RELEASE OF FUTURE CLAIMS FOR INJURY TO WATER QUALITY BY THE UNITED STATES IN ITS OWN RIGHT AND AS TRUSTEE FOR THE COMMUNITY, MEMBERS AND ALLOTTEES

This Waiver and Release of Claims dated as of _____, is entered into by the United States of America in its own right and as trustee for the Community, Members and Allottees, in consideration of the benefits realized under the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.6 of said Settlement Agreement and pursuant to the authorization granted in section 207(a)(1)(E) of the Arizona Water Settlements Act, P.L. 108-451.

1.0 **DEFINITIONS**

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

2.1 Except as provided in Paragraphs 3.0 and 4.0 hereof, the United States, in its own right and as trustee for the Community, Members and Allottees, as part of the performance of its obligations under the Settlement Agreement, and pursuant to the authorization set forth in section 207(a)(1)(E) of the Act, waives and releases the following claims for Injury or threat of Injury to Water Quality arising after December 31, 2002, against the State (or any agency or political

subdivision of the State), or any other person, entity, corporation, or municipal corporation under Federal, State, or other law:

(a) All common law claims for Injury or threat of Injury to Water Quality where the injury or threat of injury asserted is to the Community's, Members' or Allottees' interests in trust land, Water, or natural resources located within the exterior boundaries of the Reservation or within Off-Reservation Trust Land caused by:

1. the delivery of Water to the Community;

2. the off-Reservation Diversion (other than Pumping), or ownership or operation of structures for the off-Reservation Diversion (other than Pumping), of Water;

3. the off-Reservation Pumping, or ownership or operation of structures for the off-Reservation Pumping, of Water in a manner not in violation of the Settlement Agreement or of any applicable Pumping limitations under State law;

4. the Recharge, or ownership or operation of structures for the Recharge, of Water under a State permit; and

5. the off-Reservation application of Water to land for irrigation.

(b) All natural resource damage claims for Injury or threat of Injury to Water Quality where the United States, through the Secretary of the Interior or other designated officials, would act on behalf of the Community, its Members or Allottees as a natural resource trustee pursuant to the National Contingency Plan, (as currently set forth in section 300.600(b)(2) of title 40, Code of Federal Regulations, or as it may hereafter be amended), and where the claim is based on injury to natural resources or threat of injury to natural resources within the exterior boundaries of the Reservation or Off-Reservation Trust Land, caused by:

1. the delivery of Water to the Community;

2. the off-Reservation Diversion (other than Pumping), or ownership or operation of structures for the off-Reservation Diversion (other than Pumping), of Water;

3. the off-Reservation Pumping, or ownership or operation of structures for the off-Reservation Pumping, of Water in a manner not in violation of the Settlement Agreement or of any applicable Pumping limitations under State law;

4. the Recharge, or ownership or operation of structures for the Recharge, of Water under a State permit; and

5. the off-Reservation application of Water to land for irrigation.

2.2 The waiver of claims and release provided in Subparagraph 2.1(a) shall extend only to the State (or any agency or political subdivision of the State) or any other person, entity, corporation, or municipal corporation to the extent that the State (or any agency or political subdivision of the State) or any other person, entity, corporation, or municipal or other corporation is engaged in an activity specified in Subparagraphs 2.1(a)(1) through (5).

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the United States, in its own right and as trustee for the Community, Members and Allottees, shall retain any right to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees under the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached to the Settlement Agreement as exhibit 25.18A;

(c) Subject to paragraph 26.0 and exhibits 26.1 through 26.5 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees under the Globe Equity Decree, including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached to the Settlement Agreement as exhibit 25.18B;

(d) Object to any claims by or for any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(e) Assert claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002, against any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(f) Assert any claims arising after December 31, 2002, out of the actions that resulted in the remediations listed in Exhibit 25.4.1.1 of the Settlement Agreement;

(g) Assert any claims arising after December 31, 2002, for Injury to Water Quality not specifically waived herein;

(h) Assert any claims arising after December 31, 2002 for Injury to Water Quality, or any other claim other than a claim for Water Rights, against any Non-GE 59 Water User Diverting or using Water upstream from the Ashurst-Hayden Diversion Dam in a manner in

violation of or contrary to the terms, conditions, limitations, requirements or provisions of subparagraph 26.8.2 of the Settlement Agreement;

(i) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002, out of activities occurring within the exterior boundaries of the Reservation or Off-Reservation Trust Land undertaken by the parties to and pursuant to the contracts, agreements or business licenses listed in exhibits 25.12.1.10A through D of the Settlement Agreement;

(j) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002, out of activities occurring within the exterior boundaries of the Reservation or Off-Reservation Trust Land undertaken by the parties to any contract or agreement with the Community or the United States that contemplates any of the following activities, services or transactions: (1) leases of land or other occupancy agreements for land located within the exterior boundaries of the Reservation or Off-Reservation Trust Land (2) the provision of services or goods on, other than the delivery of Water to, land located within the exterior boundaries of the Reservation or Off-Reservation Trust Land, or (3) activities undertaken pursuant to a business license issued by the Community;

(k) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002, resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances on land located within the exterior boundaries of the Reservation or Off-Reservation Trust Land;

(l) Assert against Phelps Dodge any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002, if the "Final

Effective Date" of the Community/Phelps Dodge Agreement (as that term is defined therein) has not occurred;

(m) Assert against the City of Safford any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002, if the City of Safford elects to terminate the Safford Agreement pursuant to subparagraph 18.1 thereof;

(n) Assert against BHP any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002;

(o) Assert against Asarco any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002;

(p) Assert against AWC any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002, resulting from or relating in any way to Water Use in the Gila River Impact Zone and the San Pedro M&I and Domestic Purposes Impact Zone;

(q) Assert against the Town of Winkelman any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002; and

(r) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising after December 31, 2002, against the owners of any fee land located within the exterior boundaries of the Reservation, other than the State.

3.2 Nothing in this Waiver and Release of Claims affects any right of the State to take any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety, or the environment.

3.3 Nothing in this Waiver and Release of Claims shall affect any rights of any Member to bring any action available under law for personal injury or personal

property damage. For purposes of this Waiver and Release of Claims, personal property damage shall not include claims for Water Rights, Injury to Water Rights, or Injury to Water Quality.

4.0 OTHER WAIVERS

4.1 A UVD Agreement Beneficiary shall have the benefit of the waivers and retentions provided in paragraph 4.0 of the UVD Agreement pursuant to the terms, conditions, limitations and requirements provided in the UVD Agreement, but shall not have the benefit of the waivers set forth in this Waiver and Release of Claims.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the United States has executed this Waiver and Release of Claims dated as of the day and year written above.

THE UNITED STATES OF AMERICA

By: _____
Dated:_____
Secretary of the Interior

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated*).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San

Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.6 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

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October 21, 2005

EXHIBIT 25.7

WAIVER AND RELEASE OF CLAIMS BY THE COMMUNITY ON BEHALF OF ITSELF AND MEMBERS (BUT NOT MEMBERS IN THEIR CAPACITY AS ALLOTTEES) AS TO SRP

This Waiver and Release of Claims dated as of _____, is entered into by the Gila River Indian Community, on behalf of itself and Members (but not Members in their capacity as Allottees) in consideration of the benefits realized under the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.7 of said Settlement Agreement and pursuant to the authorization granted in section 207(a)(1)(F) of the Arizona Water Settlements Act, P.L. 108-451.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

2.1 Except as provided in Paragraph 3.0 hereof, the Community, on behalf of itself and Members (but not Members in their capacity as Allottees), as part of the performance of its obligations under the Settlement Agreement, and pursuant to the authorization set forth in section 207(a)(1)(F) of the Act, hereby waives and releases claims against SRP

(or its successors or assigns, or its officers, governors, directors, employees, agents, or shareholders) where all of the following conditions are met:

(a) The claims are brought solely on behalf of the Community or Members.

(b) The claims arise from the discharge, transportation, seepage, or other movement of Water in, through, or from drains, canals, or other facilities or land in the SRRD to trust land located within the exterior boundaries of the Reservation.

(c) The claims arise from time immemorial through the Enforceability Date.

(d) The claims assert a past or present Injury to Water Rights, Injury on the Reservation to Water Quality, or injury to trust property located within the exterior boundaries of the Reservation.

2.2 The waiver and release of claims provided for in Subparagraph 2.1 is effective as of December 31, 2002, and shall continue to preclude claims as they may arise until the Enforceability Date, or until such time as SRP alters its historical operations of the drains, canals, or other facilities within the SRRD in a manner that would cause significant harm to trust lands within the exterior boundaries of the Reservation, whichever occurs earlier.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the Community, on behalf of itself and Members (but not Members in their capacity as

Allottees), shall retain any right against SRP (or its successors or assigns, or its officers, governors, directors, employees, agents, or shareholders) to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached to the Settlement Agreement as exhibit 25.18A;

(c) Subject to paragraph 26.0 and exhibits 26.1 through 26.5 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the Globe Equity Decree, including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached to the Settlement Agreement as exhibit 25.18B;

(d) Assert any claims arising prior to the Enforceability Date out of the actions that resulted in the remediations listed in exhibit 25.4.1.1 of the Settlement Agreement;

(e) Assert any claims arising prior to the Enforceability Date for Injury to Water Quality not specifically waived herein;

(f) Assert any claims for Injury to Water Quality arising prior to the Enforceability Date out of activities occurring within the exterior boundaries of the

Reservation undertaken by the parties to and pursuant to the contracts, agreements or business licenses listed in exhibits 25.12.1.10A through D of the Settlement Agreement;

(g) Assert any claims for Injury to Water Quality arising prior to the Enforceability Date out of activities occurring within the exterior boundaries of the Reservation undertaken by the parties to any contract or agreement with the Community or the United States that contemplates any of the following activities, services or transactions: (1) leases of land or other occupancy agreements for land located within the exterior boundaries of the Reservation, (2) the provision of services or goods on, other than the delivery of Water to, land located within the exterior boundaries of the Reservation, or (3) activities undertaken pursuant to a business license issued by the Community; and

(h) Assert any claims for Injury to Water Quality, or any other claims other than a claim for Water Rights, arising prior to the Enforceability Date resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances on land located within the exterior boundaries of the Reservation.

3.2 Nothing in this Waiver and Release of Claims affects any right of the United States, or the State, to take any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety, or the environment.

3.3 Nothing in this Waiver and Release of Claims shall affect any rights of any Allottee to bring any action available under law for personal injury or personal property damage. For purposes of this Waiver and Release of Claims, personal property damage

shall not include claims for Water Rights, Injury to Water Rights, or Injury to Water Quality.

4.0 WAIVER ADDITIONAL TO OTHER WAIVERS GRANTED

The benefits granted to SRP pursuant to this Waiver and Release of Claims shall be in addition to, and not in substitution for, the benefits granted to SRP and other Parties pursuant to the Waivers of Claims and Releases set forth in Exhibits 25.2, 25.3, 25.4, 25.5, 25.6 and 25.8 of the Settlement Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the Gila River Indian Community has executed this Waiver and Release of Claims dated as of the day and year first written above.

GILA RIVER INDIAN COMMUNITY

By: _____
Dated:_____
Governor

Attest: _____

Approved as to form:
_____

Final Execution Version
October 21, 2005

General Counsel

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.7 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Final Execution Version
October 21, 2005

EXHIBIT 25.8

WAIVER AND RELEASE OF CLAIMS
BY THE UNITED STATES ACTING AS TRUSTEE FOR THE COMMUNITY, MEMBERS AND ALLOTTEES AGAINST THE SALT RIVER PROJECT

This Waiver and Release of Claims dated as of _____, is entered into by the United States in consideration of the benefits realized under the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, and in accordance with the commitments under subparagraph 25.8 of said Agreement and pursuant to the authorization granted in section 207(a)(1)(G) of the Arizona Water Settlements Act, P.L. 108-451 .

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

2.1 Except as provided in Paragraph 3.0 hereof, the United States, acting as trustee for the Community, Members, and Allottees, as part of the performance of its obligations under the Settlement Agreement, and pursuant to the authorization set forth in section 207(a)(1)(G) of the Act, hereby waives and releases claims against SRP (or its successors or assigns, or its officers, governors, directors, employees, agents, or shareholders), where all of the following conditions are met:

(a) The claims are brought solely on behalf of the Community, Members, or Allottees;

(b) The claims arise from the discharge, transportation, seepage, or other movement of Water in, through, or from drains, canals, or other facilities or land in the SRRD to trust land located within the exterior boundaries of the Reservation;

(c) The claims arise from time immemorial through the Enforceability Date; and

(d) The claims assert a past or present Injury to Water Rights, Injury on the Reservation to Water Quality, or injury to trust property located within the exterior boundaries of the Reservation.

2.2 The waiver and release of claims provided for in Subparagraph 2.1 is effective as of December 31, 2002, and shall continue to preclude claims as they may arise until the Enforceability Date, or until such time as SRP alters its historical operations of the drains, canals, or other facilities within the SRRD in a manner that would cause significant harm to trust land within the exterior boundaries of the Reservation, whichever occurs earlier.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the United States, acting as trustee for the Community, Members and Allottees, shall retain any right against SRP (or its successors or assigns, or its officers, governors, directors, employees, agents, or shareholders) to:

(a) Subject to subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees, under the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees, under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached to the Settlement Agreement as exhibit 25.18A;

(c) Subject to paragraph 26.0 and exhibits 26.1 through 26.5 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members, as well as the rights, if any, of Allottees, under the Globe Equity Decree, including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached to the Settlement Agreement as exhibit 25.18B;

(d) Assert any claims arising prior to the Enforceability Date out of the actions that resulted in the remediations listed in exhibit 25.4.1.1 to the Settlement Agreement;

(e) Assert any claims arising prior to the Enforceability Date for Injury to Water Quality not specifically waived herein;

(f) Assert any claims for Injury to Water Quality arising prior to the Enforceability Date out of activities occurring within the exterior boundaries of the Reservation undertaken by the parties to and pursuant to the contracts, agreements or business licenses listed in exhibits 25.12.1.10A through D of the Settlement Agreement;

(g) Assert any claims for Injury to Water Quality arising prior to the Enforceability Date out of activities occurring within the exterior boundaries of the Reservation undertaken by the parties to any contract or agreement with the Community or the United States that contemplates any of the following activities, services or transactions: (1) leases of land or other occupancy agreements for land located within the exterior boundaries of the Reservation, (2) the provision of services or goods on, other than the delivery of Water to, lands located within the exterior boundaries of the Reservation, or (3) activities undertaken pursuant to a business license issued by the Community; and

(h) Assert any claims for Injuries to Water Quality, or any other claims other than a claim for Water Rights, arising prior to the Enforceability Date resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances on land located within the exterior boundaries of the Reservation;

3.2 Nothing in this Waiver and Release of Claims affects any right of the State to take any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety, or the environment.

3.3 Nothing in this Waiver and Release of Claims shall affect any rights of any Allottee to bring any action available under law for personal injury or personal property damage. For purposes of this Waiver and Release of Claims, personal property damage shall not include claims for Water Rights, Injury to Water Rights, or Injury to Water Quality.

4.0 WAIVER ADDITIONAL TO OTHER WAIVERS GRANTED

The benefits granted to SRP pursuant to this Waiver and Release of Claims shall be in addition to, and not in substitution for, the benefits granted to SRP and other Parties pursuant to the Waivers and Releases of Claims set forth in exhibits 25.2, 25.3, 25.4, 25.5, 25.6, and 25.7 of the Settlement Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 DUPLICATE ORIGINALS

This Waiver and Release of Claims may be executed in duplicate originals, each of which shall constitute an original Waiver and Release of Claims.

IN WITNESS WHEREOF, the United States of America has executed this Waiver and Release of Claims dated as of the day and year first written above.

UNITED STATES OF AMERICA

By: _____
Secretary of Interior
Dated:_____

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.8 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Final Execution Version
October 21, 2005

EXHIBIT 25.9.1

FORM OF WAIVER OF CLAIMS AND RELEASE FOR SUBSIDENCE DAMAGE BY THE GILA RIVER INDIAN COMMUNITY, AN ALLOTTEE OR A MEMBER

This Waiver and Release of Claims dated as of _____, is entered into by _____, (the Community, an Allottee, or a Member), in consideration of the benefits realized under the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the United States of America as trustee for the Community , Allottee or Member that has executed this Waiver and Release of Claims and in accordance with the commitments under subparagraph 25.9.1 of said Settlement Agreement and pursuant to the authorization granted in section 207(a)(2) of the Arizona Water Settlements Act, P.L. 108-451.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER AND RELEASE OF CLAIMS

As a condition of receiving remediation from the subsidence remediation program established pursuant to section 209 of the Act for a claim for Subsidence Damages to his or her allotted land or related personal property claims arising after the Enforceability Date, the undersigned in its respective capacity as the Community, a Member or an Allottee, and the United States, as trustee for the Community, or such Member or Allottee, hereby waive and release all claims against the State and any agency or political subdivision thereof, or any other person, entity, corporation or municipal corporation under Federal, State or other law for the Subsidence Damages for which the Allottee has made a claim.

3.0 WAIVER EFFECTIVE UPON SATISFACTORY COMPLETION OF REMEDIATION

This Waiver of Claims and Release shall become effective upon satisfactory completion by the United States of the remediation. The remediation shall be deemed satisfactory upon conclusion of any applicable appeal process available to the Community, the Member or the Allottee for contesting whether the repair or remediation is satisfactory.

IN WITNESS WHEREOF, the [Community, Member or Allottee] and the United States have executed this Waiver of Claims and Release dated as of the day and year written above.

THE UNITED STATES OF AMERICA

By: _____
Dated:_____
Secretary of the Interior

[SIGNATURE BLOCK FOR COMMUNITY, MEMBER AND OR ALLOTTEE AS APPROPRIATE]

By: _____

Dated: _____

Attest: _____

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use*

Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the

Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.9.1 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Final Execution Version
October 21, 2005

EXHIBIT 25.10

WAIVER AND RELEASE OF CLAIMS BY THE UNITED STATES IN ALL OF ITS CAPACITIES AGAINST THE COMMUNITY

This Waiver of Claims and Release dated as of _____, is executed by the Secretary of the Interior of the United States, on behalf of the United States in all of its capacities (except as trustee for an Indian tribe other than the Community) in consideration of the benefits realized under the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and in accordance with the commitments under said Settlement Agreement and pursuant to the authorization granted in section 207(a)(3) of the Arizona Water Settlements Act, P.L.108-451.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER OF CLAIMS AND RELEASE

2.1 Except as provided in Subparagraph 25.12.8 of the Settlement Agreement the United States, in all of its capacities (except as trustee for an Indian tribe other than the Community), as part of its performance of obligations under the Settlement Agreement, hereby waives and releases and any all claims against the Community, or

any agency, official, or employee of the Community under Federal, State, or other law for:

(a) Past and present claims for Subsidence Damage to trust land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land arising from time immemorial through the Enforceability Date, and

(b) Past, present, and future claims arising out of or relating in any manner to the negotiation or execution of the Settlement Agreement or the negotiation or enactment of Titles I or II of the Act.

3.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver of Claims and Release shall become effective upon the Enforceability Date.

IN WITNESS WHEREOF, the Secretary of the Interior has executed this Waiver and Release of Claims as of the day and year indicated below:

THE UNITED STATES OF AMERICA

By: _____
Dated: _____

The Secretary of the Interior

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated).* This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated*).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a

change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila

River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 "Recharge", "Recharged" or "Recharging" shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 "Recharged Water" shall mean Water that has been Recharged.

1.36 "Safford Agreement" shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 "San Carlos Irrigation and Drainage District" or "SCIDD" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 "San Pedro Ag and New Large Industrial Use Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 "San Pedro M&I and Domestic Purposes Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 "SCIIP" or "SCIP" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.10 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

Final Execution Version
October 21, 2005

EXHIBIT 25.11

WAIVER AND RELEASE OF CLAIMS BY THE COMMUNITY AGAINST THE UNITED STATES

This Waiver and Release of Claims dated as of _____, is executed by the Community, on behalf of the Community and Members (but not Members in their capacity as Allottees), in consideration of the benefits realized under the Settlement Agreement and in accordance with the commitments under said Settlement Agreement and pursuant to the authorization granted in section 207(a)(4) of the Arizona Water Settlements Act, P.L.108-451.

1.0 DEFINITIONS

For purposes of this Waiver and Release of Claims, the capitalized terms used herein shall have the meanings set forth in Attachment 1 hereto. In the event a capitalized term used herein is not listed on Attachment 1, such term shall have the meaning set forth for such term in the Settlement Agreement.

2.0 WAIVER OF CLAIMS AND RELEASE

2.1 Except as provided in Paragraphs 3.0 and 4.0 hereof, the Community, on behalf of the Community and Members (but not Members in their capacity as Allottees), as part of its performance of its obligations under the Settlement Agreement, hereby waives and releases any claim against the United States, its agencies, officials and employees under Federal, State or other law for:

(a) Past, present, and future claims for Water Rights for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land and Fee Land arising from time immemorial and, thereafter, forever;

(b) Past, present, and future claims for Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the Community and Members, or their predecessors;

(c) Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land and Fee Land arising from time immemorial through the Enforceability Date;

(d) Past, present and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the Community and Members, or their predecessors;

(e) Claims for Injury to Water Rights arising after the Enforceability Date for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land or Fee Land resulting from the off-Reservation Diversion or Use of Water in a manner not in violation of the Settlement Agreement or applicable law;

(f) Past, present, and future claims arising out of or relating in any manner to the negotiation or execution of the Settlement Agreement, or the negotiation or enactment of Titles I and II of the Act;

(g) Past and present claims for Subsidence Damage occurring to land within the exterior boundaries of the Reservation, Off-Reservation Trust Land or Fee Land arising from time immemorial through the Enforceability Date;

(h) Claims for Subsidence Damage arising after the Enforceability Date occurring to land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, or Fee Land resulting from the Diversion of Underground Water in a manner not in violation of the Settlement Agreement or applicable law;

(i) Past and present claims for failure to protect, acquire, or develop Water Rights for or on behalf of the Community and its Members arising before December 31, 2002; and,

(j) Past, present, and future claims relating to failure to assert any claims expressly waived pursuant to section 207(a)(1)(C) through (E) of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers of claims and releases described in Paragraph 2.0 hereof, the Community on behalf of itself and Members (but not Members in their capacity as Allottees) shall retain any right to:

(a) Subject to Subparagraph 30.9 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Assert claims for injuries to, and seek enforcement of, the rights of the Community and Members under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached to the Settlement Agreement as exhibit 25.18A;

(c) Subject to paragraph 26.0 of the Settlement Agreement and exhibits 26.1 through 26.5 thereto, assert claims for injuries to, and seek enforcement of, the rights of the

Community and Members under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached to the Settlement Agreement as exhibit 25.18B;

(d) Object to any claims by or for any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(e) Assert past, present, or future claims for Injury to Water Rights, Injuries to Water Quality or Subsidence Damage, or any other claims other than a claim for Water Rights, against any other Indian tribe, community, nation or dependent Indian community (as defined in 25 U.S.C. § 450b(e)), or the United States on behalf thereof;

(f) Assert any claims not specifically waived herein;

(g) Assert any past, present, or future claims arising out of the actions that resulted in the remediations listed in exhibit 25.4.1.1 of the Settlement Agreement;

(h) Assert any past, present or future claims arising out of activities occurring within the exterior boundaries of the Reservation, Off-Reservation Trust Lands or Fee Lands undertaken by the parties to and pursuant to the contracts, agreements or business licenses listed in exhibits 25.12.1.10A through D of the Settlement Agreement;

(i) Assert any claims arising out of activities occurring within the exterior boundaries of the Reservation, Off-Reservation Trust Land or Fee Land undertaken by the parties to any contract or agreement with the Community or the United States that contemplates any of the following activities, services or transactions: (1) leases of land or other occupancy agreements for land located within the exterior boundaries of the Reservation, Off-Reservation Trust Lands or Fee Lands, (2) the provision of services or goods on,

other than the delivery of Water to, land located within the exterior boundaries of the Reservation, Off-Reservation Trust Lands or Fee Lands, or (3) activities undertaken pursuant to a business license issued by the Community.

(j) Assert any past, present or future claims resulting from the illicit placement (other than through the delivery, Diversion or Use of Water) of hazardous substances on lands located within the exterior boundaries of the Reservation, Off-Reservation Trust Lands or Fee Lands;

(k) Assert any claims arising after the Enforceability Date for Injury to Water Rights, Injury to Water Quality or Subsidence Damage, or any other claim other than a claim for Water Rights against any Non-GE 59 Water User Diverting or using water upstream from the Ashurst-Hayden Dam in a manner in violation of or contrary to the terms, conditions, limitations, requirements or provisions of Subparagraph 26.8.2.; and

(l) Assert any past, present, or future claims for Injury to Water Quality against the owners of any fee lands located within the exterior boundaries of the Reservation, other than the State.

3.3 Except as provided in Subparagraphs 2.1(b) and (d), nothing in this Waiver and Release of Claims shall affect any rights to Water of the Community, the United States, or any Member, Allottee or Successor in Interest to an Allottee for land outside the exterior boundaries of the Reservation that is not Off-Reservation Trust Land or Fee Land.

3.4 Nothing in this Waiver of Claims and Release shall affect any rights of any Member to bring any action available under law for personal injury or personal

property damage. For purposes of this Waiver of Claims and Release, personal property damage shall not include claims for Water Rights, Injury to Water Rights, or Injury to Water Quality.

3.5 Nothing in this Waiver and Release of Claims affects any right of the United States to take any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety, or the environment.

4.0 OTHER WAIVERS

4.1 A UVD Agreement Beneficiary shall have the benefit of the waivers and retentions provided in paragraph 4.0 of the UVD Agreement pursuant to the terms, conditions, limitations and requirements provided in the UVD Agreement, but shall not have the benefit of the waivers set forth in this Waiver and Release of Claims.

4.2 Nothing in this Waiver and Release of Claims shall be construed to alter, amend, modify or otherwise diminish any waiver or retention provided in paragraph 4.0 of the UVD Agreement.

5.0 WAIVER EFFECTIVE UPON ENFORCEABILITY DATE

This Waiver and Release of Claims shall become effective upon the Enforceability Date.

6.0 DUPLICATE ORIGINALS

This Waiver and Release of Claims may also be executed in duplicate originals, each of which shall constitute an original Agreement.

IN WITNESS WHEREOF, the Gila River Indian Community has executed this Waiver and Release of Claims dated as of the day and year first written above.

GILA RIVER INDIAN COMMUNITY

By: _____
Dated:_____
Governor

Attest: _____

Approved as
To Form: _____
General Counsel

ATTACHMENT 1
DEFINITIONS

1.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

1.3 "Arizona Department of Water Resources" or "ADWR" shall mean the entity established pursuant to Title 45 of the Arizona Revised Statutes, or its successor agency or entity.

1.4 "Arizona Water Company" or "AWC" shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

1.5 "Asarco Incorporated", "ASARCO" or "Asarco" shall mean the New Jersey corporation of that name, and its subsidiaries operating mining operations in the State.

1.6 "BHP" shall mean the corporation of that name, its subsidiaries, successors and assigns.

1.7 "CAP" or "Central Arizona Project" shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq.*).

1.8 "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 1994 (42 U.S.C. §§ 9601-9675) 94 Stat. 2767, as amended.

1.9 "Community/Phelps Dodge Agreement" shall mean that contract between the Community and Phelps Dodge, as amended and restated, a copy of which is attached as exhibit 10.1 to the Settlement Agreement.

1.10 "Diversion" shall mean the act of Diverting.

1.11 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act.

1.12 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes and that is available for reuse for any purpose, but water shall not become Effluent solely as a result of having been used for hydropower generation off-Reservation.

1.13 "Enforceability Date" shall be the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.14 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.15 "Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*. This is the same case referred to in the Act as *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-091 (Salt), W-092 (Verde), W-093 (Upper Gila), W-094 (San Pedro) (Consolidated*).

1.16 "Gila River Impact Zone" shall mean the lands identified as such on the maps set forth in exhibit 2.84A to the Settlement Agreement.

1.17 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe and organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

1.18 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.19 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

1.20 "Globe Equity Decree Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.21 "Groundwater" shall mean all water beneath the surface of the Earth other than Surface Water. The term "Groundwater" includes Recharged Water.

1.22 "Groundwater Savings Facility" shall mean a facility as described in section 45-802.01(8), Arizona Revised Statutes, as amended.

1.23 "Impact Zone" or "Impact Zones" shall mean the Gila River Impact Zone, the San Pedro Ag and New Large Industrial Use Impact Zone, or the San Pedro M&I and Domestic Purposes Impact Zone, or any combination thereof, as the context requires.

1.24 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of Water quality under Federal, State or other law.

1.25 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, State or other law. The term "Injury to Water Rights" includes a

change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality.

1.26 "Irrigation Use" shall mean the use of Water on two (2) or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock or poultry.

1.27 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.28 "Non-GE 59 Water Users" shall mean: (1) the Arizona State Land Department, to the extent that it Diverts Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam the Diversion of which is not specifically authorized by the Globe Equity Decree; (2) all persons, entities, corporations or municipal corporations under Federal, State or other law in the Gila River Watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Watershed above Ashurst-Hayden Diversion Dam, which Diversion is not specifically authorized by the Globe Equity Decree; (3) any successor in interest to any persons, entities, corporations or municipal corporations under Federal, State or other law that otherwise meet the definition of Non-GE 59 Water User set forth in this Subparagraphs 1.28(1) or 1.28(2) above.

Notwithstanding anything to the contrary in the first paragraph of this definition, the term "Non-GE 59 Water User" shall not include: (i) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from within the Gila River Impact Zone for Irrigation Use with respect to such Diversion; (ii) persons, entities, corporations or municipal corporations under Federal, State or other law located in the Gila

River watershed above Ashurst-Hayden Diversion Dam who now or in the future Divert Water from outside an Impact Zone with respect to such Diversion; (iii) Asarco; (iv) the San Carlos Apache Tribe, its members, allottees, or the United States on behalf of each; and (v) any Party whose use of Water is governed by an Exhibit to this Agreement. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

1.29 "Off-Reservation Trust Land" shall mean land located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.30 "Paragraph" shall mean a numbered paragraph of this Waiver and Release of Claims including all Subparagraphs in such Paragraph, except as otherwise specified.

1.31 "Party" shall mean an entity represented by a signatory to the Settlement Agreement and "Parties" shall mean more than one of such entities. The State's participation as a party shall be as described in subparagraph 30.4 to the Settlement Agreement.

1.32 "Phelps Dodge Corporation" or "Phelps Dodge" shall mean the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name) and Phelps Dodge's successors and assigns.

1.33 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.34 “Recharge”, “Recharged” or “Recharging” shall mean the storage of Water in a Groundwater Savings Facility or an Underground Storage Facility pursuant to a Water Storage Permit.

1.35 “Recharged Water” shall mean Water that has been Recharged.

1.36 “Safford Agreement” shall mean that agreement among the Community, SCIDD, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

1.37 “San Carlos Irrigation and Drainage District” or “SCIDD” shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

1.38 “San Pedro Ag and New Large Industrial Use Impact Zone” shall mean the lands identified as such on the maps set forth in exhibit 2.146B of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the border with the Republic of Mexico and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.39 “San Pedro M&I and Domestic Purposes Impact Zone” shall mean the lands identified as such on the maps set forth in exhibit 2.146C of the Settlement Agreement contiguous to the San Pedro River from its confluence with the Gila River to the Cochise County line and contiguous to Aravaipa Creek from its confluence with the San Pedro River to its source.

1.40 “SCIIP” or “SCIP” shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term “SCIIP” or “SCIP” includes any modifications to such irrigation project authorized by any amendments or supplements to the act described in the preceding sentence.

1.41 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement and the exhibits attached thereto.

1.42 "State" shall mean the State of Arizona.

1.43 "SRP" shall mean the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial corporation.

1.44 "SRRD" shall mean the Salt River Reservoir District as defined, on December 31, 2002, in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users' Association.

1.45 "Subparagraph" shall mean a numbered subparagraph of this Waiver and Release of Claims, except as otherwise specified.

1.46 "Subsidence Damage" shall mean any injury to land, Water, or other real property resulting from the settling of geologic strata or cracking in the surface of the Earth of any length or depth, which settling or cracking is caused by the Pumping of Underground Water.

1.47 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right," the term "Surface Water" also shall include Colorado River water.

1.48 "Underground Storage Facility" shall mean a facility as described in section 45-802.01(20), Arizona Revised Statutes, as amended.

1.49 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.50 "Use" shall mean any beneficial use including instream flows, Recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

1.51 "UVD Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, Phelps Dodge and Certain Other Parties Located in the Upper Valley of the Gila River, a copy of which is attached as exhibit 26.2 to the Settlement Agreement.

1.52 "UVD Agreement Beneficiary" means the State, or any agency or political subdivision of the State, or any other person, entity, corporation or municipal corporation that is a UV Signatory or UV Non-Signatory, as those terms are defined in the UVD Agreement, but only as to the extent of their respective capacity as a holder of UV Decreed Water Rights.

1.53 "UV Decreed Water Rights" means the rights to divert Water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.54 "Waiver and Release of Claims" shall mean this waiver and release of claims among the undersigned Parties, a copy of which is attached as exhibit 25.11 to the Settlement Agreement.

1.55 "Water", when used without a modifying adjective, shall mean Groundwater, Surface Water, CAP water, Recharged Water or Effluent.

1.56 "Water Right" shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State or other law.

1.57 "Water Storage Permit" shall mean a permit issued by the State pursuant to section 45-831.01, Arizona Revised Statutes, as amended.

1.58 "WQARF" shall mean the Arizona Water Quality Assurance Revolving Fund, established pursuant to sections 49-281, *et seq.*, Arizona Revised Statutes, as amended.

EXHIBIT 25.12.1.9A

LONE BUTTE INDUSTRIAL DEVELOPMENT CORPORATION

Tenant Listing

AIR PRODUCTS SOLKATRIONIC CHEMICALS Box 5064 7007 W. Sundust Chandler, AZ 85226 (520) 796-2447 (602) 437-0144 PHX (520) 796-2388 FAX **Contact:** Dick Dykman	**AKIMEL O'OTHHAM** SMOKE SHOP Box 5034 1188 S. 56th St. Chandler, AZ 85226 (520) 796-3930 (520) 796-3932 FAX **Contact**: David Montiel	**ALEXCO** Box 5032 6520 W. Allison Rd. Chandler, AZ 85226 (520) 796-1206 (520) 796-1214 FAX **Contact:** Bob or Perry Fraley
***ANIMAL NUTRITION** DAIRY NUTITION 6901 W. Sundust Chandler, AZ 85226 (520) 796-9162 (520) 796-9189 FAX **Contact:** Bill Bailey	**ARIZONA BOX** TRIAD Box 5003 1371 S. Nelson Chandler, AZ 85226 (520) 796-1833 (520) 796-4328 FAX **Contact:** Bill Caruth	**CLASSY CLOSETS** Box 5063 1235 S. Akimel Ln. Chandler, AZ 85226 (480) 967-2200 (602) 438-2304 FAX **Contact:** Duane Standage
CONTAINER DISTRIBUTION (C.D.I.) Box 5030 6633 W. Willis Chandler, AZ 85226 (520) 796-2700 (520) 796-2707 FAX **Contact:** Mike Burns	**CSU TRANSPORT** S.T.S Box 5072 7011 W. Allison Rd. Chandler, AZ 85226 (520) 796-1258 (520) 796-7313 FAX **Contact:** Dale DeValk	**CUNNINGHAM COMMERICAL PROPERTIES** 1230 S. Akimel Ln. Chandler, AZ 85226 **Contact:** LBIP Office
DBCI DOORS/BUILDING COMPONENTS Box 5066 6535 W. Germann Chandler, AZ 85226 (520) 796-0502 (520) 796-0515 FAX **Contact:** Scott Shed	**FERRELL GAS** 6672 W. Sundust (602) 278-8511 (602) 455-8404 FAX **Contact:** Mike Wilson	***FILLMORE PROPERTIES** 1251 S. Nelson Drive Chandler, AZ 85226 (520) 326-3200 (520) 327-7906 FAX **Contact:** George Volk
GILA RIVER CASINO LONE BUTTE 1200 South 56th Street Chandler, AZ 85226 (520) 796-7777 (800) 956-4452	**GILA RIVER TELECOMM.** GRTI Box 5015 7065 W. Allison Rd. Chandler, AZ 85226 (520) 796-3333 (520) 796-7534 FAX **Contact:** Belinda Nelson	**GILA RIVER UTILITY AUTHORITY** GRICUA Box 5091 1189 S. 56th St. Suite A (520) 796-0666 (520) 796-0672 FAX **Contact:** Mark Michael
K.T FABRICATION CUSTOM LINES Box 5033 6872 W. Willis Chandler, AZ 85226 (520) 796-1818 (520) 796-1820 FAX **Contact:** Betsey Tidwell	**KAISER ALUMINUM** PLYMOUTH TUBE Box 5011 6573 W. Willis Chandler, AZ 85226 (520) 796-1097 (520) 796-0596 FAX **Contact:** Dave Kendall	**KBI COMPONENTS** *BMC WEST Box 5013 6800 W. Sundust Chandler, AZ 85226 (520) 796-0070 (602) 438-6092 FAX **Contact:** Duncan Hossack

01/03 *Has different Mailing address Please contact office

EXHIBIT 25.12.1.9A

LONE BUTTE INDUSTRIAL DEVELOPMENT CORPORATION

Tenant Listing

LUMBER PRODUCTS D & J WOOD RESOURCES PREVIOUS PAYLESS PARCEL Box 5040 6920 W. Allison Chandler, AZ 85226 (520) 796-9663 (520) 796-1999 FAX **Contact:** Mike Stump	**McNEIL BROTHERS** INTERMOUNTAIN ROADBUILDERS Box 5045 6681 W. Allison Chandler, AZ 85226 (480) 940-4232 (480) 940-4233 FAX **Contact:** Greg McNeil	**MTD** RYOBI 6725 W. Allison Chandler, AZ 85226 (480) 961-1002 (480) 961-7510 FAX **Contact:** Donnie Sines
P & H MINEPRO Box 5096 6640 W. Sundust Chandler, AZ 85226 (520) 796-1192 (520) 796-1114 FAX **Contact:** Darrell Heaton	**PALM HARBOR HOMES** Box 5012 1200 S. Akimel Ln. Chandler, AZ 85226 (520) 796-5967 (877) 542-9663 (520) 796-5974 FAX **Contact:** Melissa/Chad	**PACIFIC SCIENTIFIC** Box 5002 7073 W. Willis Chandler, AZ 85226 (520) 796-1100 (520) 796-0754 FAX **Contact:** Carl Reynolds
PIMA VALVE Box 5010 6525 W. Allison Chandler, AZ 85226 (520) 796-1095 (520) 796-4012 FAX **Contact:** Al Link	**PIMALCO** *(See Next page for Pimalco and related company listings.)* **Contact:** Bill Pottgen	**REDMAN HOMES** CHAMPION HOMES Box 5075 6420 W. Allison Rd. Chandler, Az 85226 (480) 963-8164 (520) 796-4300 (480) 899-2689 FAX **Contact:** Gary Abbate
ROBERT EWING GENERAL CONTRACTOR 1351 S. Nelson Chandler, AZ 85226 (602) 264-3469 (602) 264-3645 FAX **Contact**: Steve Davis	**ROCK SOLID** 1025 S. Kyrene Chandler, AZ 85226 (480) 496-9633 (520) 796-7625 FAX **Contact:** Craig Tanner	**ROCK N ROLL TRUCKING** DESERT DIRECTIONS/G & S Box 5094 1401 S. Nader Dr. Chandler, AZ, 85226 (480) 759-6432 / (520) 796-0758 (480) 759-4312 FAX **Contact:** Ed Timmerman

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EXHIBIT 25.12.1.9A

LONE BUTTE INDUSTRIAL DEVELOPMENT CORPORATION

Tenant Listing

ROMIC Box 5004 6760 W. Allison Rd. Chandler, AZ 85226 (520) 796-1040 (520) 796-6211 FAX **Contact:** Michael Therrien	**SAN CARLOS IRRIGATION PROJECT** SCIP P.O. Box 250 Coolidge, AZ 85228 (520) 723-1179 (602) 253-2210 PHX line (520) 723-5770 FAX **Contact:** Bob Carolin	**STERICYCLE** WMI MEDICAL Box 5016 1251 S. Nelson Chandler, AZ 85226 (602) 437-4010 (602) 437-2260 FAX **Contact:** George Taylor
SUPERLITE BLOCK Box 5086 6741 W. Germann Rd. Chandler, AZ 85226 (602) 352-3500 (602) 352-3813 FAX **Contact:** Cliff Rogers	**THERM-O-ROCK WEST** Box 5014 6732 W. Willis Chandler, AZ 85226 (520) 796-1000 (520) 796-0223 FAX **Contact:** Ron Dobkin	**TRIANGLE TRUSS** Box 5036 6740 W. Germann Chandler, AZ 85226 (520) 796-4420 (480) 990-8253 PHX Line (480) 990-8545 FAX **Contact:** Jeff Campbell

TRIUMPH INDUSTRIAL GAS TURBINE SERVICES Box 5054 6733 W. Willis Chandler, AZ 85226 (520) 796-6300 (520) 796-6301 **Contact**: Richard Stuber/ Jay Donkersloot	**TRIUMPH PRECISION CASTINGS** Box 5026 6519 W. Allison Chandler, AZ 85226 (520) 796-6300 (520) 796-6301/6315 FAX **Contact:** Chuck Banner	**TRIUMPH THERMAL PROCESSING CO.** Box 5055 6520 W. Willis Rd. Chandler, AZ 85226 (520) 796-3000 (520) 796-3002 Fax
***U.S. WEST NEWVECTOR GROUP** Willis, Tract 9 Chandler, AZ 85226 (602) 747-4900 (602) 603-2531 FAX	**VALLEY TRUSS FABRICATORS** PREVIOUS HOME DEPOT PARCEL Box 5001 6744 W. Germann Chandler, AZ 85226 (480) 961-1700 (480) 961-0729 FAX **Contact:** J.R. Rodgers	**WASTE MANAGEMENT** Lone Butte Transfer Station Box 5071 1000 S. Kyrene Rd. Chandler, AZ 85226 (520) 796-0036 (602) 454-2070 FAX **Contact**: Dan Vermeer
***WRIGHT'S EXCAVATING** 1401 S. Nader Chandler, AZ 85226 (480) 961-2940 (480) 961-2954 FAX **Contact**: Jim Wright		

PIMALCO RELATED COMPANIES

01/03 *Has different Mailing address Please contact office

EXHIBIT 25.12.1.9A

LONE BUTTE INDUSTRIAL DEVELOPMENT CORPORATION

Tenant Listing

ALCOA	**IBC**	**PIMALCO**
Box 5050 6833 W. Willis Rd. Chandler, AZ 85226 (480) 598-2232 (480) 598-2266 FAX	Box 5025 6770 W. Willis Chandler, AZ 85226 (480) 598-2241 (480) 598-8259 FAX	Box 5050 6833 W. Willis Chandler, AZ 85226 (520) 796-1098 (480) 598-2266 FAX
PSI Box 5050 6770 W. Willis Chandler, AZ 85226 (480) 598-2232		

OTHER TRIBAL ENTITIES IN THE LONE BUTTE/CHANDLER AREA

GILA RIVER FIRE DEPARTMENT	**GILA RIVER OFFICE OF WATER RIGHTS**	**GILA RIVER GAMING COMMISSION**
P.O. Box 5083 5002 N. Maricopa Rd. Chandler, AZ 85226 (520) 796-5900 (520) 796-5919 FAX	P.O. Box 5090 Chandler, AZ 85226 (520) 796-1344 (520) 796-1347	Box 5081 Chandler, AZ 85226 (520) 796-5110 (520) 796-5515 FAX
GILA RIVER CHAMBER OF COMMERCE Box 5076 Chandler, AZ 85226 (520) 560-2128 (520) 568-4962 FAX	**SHERATON WILDHORSE PASS RESORT** Box 5082 (520) 796-8100 (602) 225-0100 (602) 225-0300 FAX 5718 W. North Loop Rd. Chandler, AZ 85226 **Contact:** Carol Toelthoester	**MARICOPA QUEEN CREEK/LANDOWNERS ASSOC.** Box 5095 1189 s. 56th St. Suite E Chandler, AZ 85226 (520) 562-6023 (520) 562-3422 FAX
WILD HORSEPASS DEV. AUTHORITY Box 5080 5718 W. North Loop Rd. Chandler, AZ 85226 (520) 796-5389 (520) 796-5543		

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Exhibit 25.12.1.9B

Former Tenants of Lone Butte Industrial Park

1. AJM Farms
2. Amerind Agrotech Laboratory
3. All States Asphalt
4. Arizona Golf Outfitters
5. Casa De Manuel
6. Desanno Foundry Machine
7. Ed Waln Construction
8. Gaston Copper Recycling
9. Genstar
10. Great Western Container
11. Greenleaf Paper Inc.
12. IBC
13. Ida Mont Transport
14. International Rubber
15. XDK Enterprises
16. Mountain Bell Right of Way
17. Paragon Steel
18. Philip Environmental/Waxman Resources
19. Ram Nav L.L.C./Wingate Hotel
20. R & R Fireworks
21. Salt River Sand & Rock
22. San Carlos Irrigation Project Agreement
23. San Juan Industrial Inc.
24. Sonoma Pacific/Pal Ex
25. Southwest Microwave Inc.
26. Southwest Solvents
27. Specialty Forest Products
28. Tek-Pak

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
Abell & Associates Architects Amend # 2	K00097	Design Multi-Purpose Facility Dist # 1
Able Software Company	C20126	Provide Software License
Ace Asphalt	C20109	Re-pave Turnkey Subdivision Roads
Adams Distributing Company	C20101	Fuel Delivery / Purchase
AdrIan Hendricks	RD0389	Construct Round House
AG Services Amend # 2	C00156	Conduct Land Studies/Testing -Future Irrigation Purposes
Ag Services Co	C10058	Agronomy and soil science consultant
Against Abuse, Inc	C2TSS-13	Residential Care- Abused Children
Ak-Chin Indian Community	C20102	Elderly Meals
Akin, Gump, Strauss, Hauer & Feld	C10078	Counsel to the Gaming Commission, advice and representation
Akin, Gump, Strauss, Hauer & Feld	C10067	Water Settlement negotiation, Legislative Priororities,Political Action, Etc
Alberta Lopez A#3	C20072	Obtain signatures needed for Right-Of-Way
Alisha Green	C20103	Evaluate child w/special needs
Amadeo M. Rea	C10064	Agriculture, Irrigation, Ethnobilogy, Ethnobotany, & Community's historic water use
American Tower, Inc. Amend # 1	C20028	Construct New Communications Tower - Sacaton Site
Amil Pedro	RD0377	Artwork for Resort
Amil Pedro	RD0390	Gila River Dreams Blanket
Amil Pedro	RD0383	Artwork for Resort
Amil Pedro	RD0382	Artwork for Resort
Amil Pedro	RD0369	Artwork for Resort
Amil Pedro	RD0350	Artwork for Resort
Amil Pedro	RD0329	Artwork for Resort
Amil Pedro	RD0330	Artwork for Resort
Amil Pedro	RD0331	Artwork for Resort
Amil Pedro	RD0342	Artwork for Resort
Amil Pedro	RD0343	Artwork for Resort
Amil Pedro	RD0355	Artwork for Resort
Aparia Design	C00301	WHP- Spa
Arrowhead Consultants	K00032	GRIC Boys & Girls Club Facility
ASU-Office of American Indians, School of Social Work	C20114	Evaluate GRIC Substance Abuse Plan
Automated Election Services	C10053	Training, Equipment, Ballots and Oversight of election
Basic Drilling, Inc.	C20002	Individual Septic Tank Installation
Basic Drilling, Inc.	C20002	Individual Septic Tank Installation
Basic Drilling, Inc.	C20002	Individual Septic Tank Installation
Basic Drilling, Inc. A # 1	C20002	Individual Septic Tank Installation
Battelle Memorial Institute	C00210	Analysis of Environmental Samples

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
Beecroft Trenching	C20113	Install 6", 8" & 12" waterlines
Beecroft Trenching	C00299	Trenching services WHP
Beecroft Trenching, Inc.	C20062	Governance Center
Beryl Lewis	C20110	Obtain signatures needed for Right-Of-Way
Brooks & Hersey & Assoicates	C20118	D3 Residential Area
Brooks, Hersey, & Associates A#1	C20036	Improvement of water distribution system
BRW, Inc	K00061	Resort Complex- Landscape Design
BRW, Inc	C00196	Resort- Club House
BRW, Inc.	RD0311	Landscape architectual services for spa
BRW, Inc.	K00091	Resort Hotel- Civil Engineering
Bunker Family Funeral Homes	C2TSS-03	Burial Services
Cameron Rivers	C10036	Renovation/ Repairs Residential Housing
Cameron Rivers A# 1	C10036	Renovation/ Repairs Residential Housing
Carole Penefield	C10074	Provide legal services regarding personnel issues
Casino Excitement Inc. dba Mikohn Lighting	RD0388	Mfg. & Install Display Sign
Casper Baca Rodeo	C20125	Provide livestock & Personnel for all Indian Rodeo
Catholic Social Services	C2TSS-04	Residential Treatment Services
Causey's Site Grading/Underground L.L.C.	RD0385	Excavation services for WHP Drainage improvement project
CH2M Hill Consultants AOS# 6-co# 4	C00046-6	Design Southside Canal
CH2M Hill Consultants AOS # 7-co# 3	C00046-7	Design of Blackwater main canal
Charles Schiffner & Assoc	C10054	Design Community homes and construction management
Charles Schiffner & Assoc	C10054	Design Community homes and construction management
Charles Schiffner & Assoc	C10054	Design Community homes and construction management
Charles Schiffner & Assoc	C10054	Design Community homes and construction management
Child Crisis Center- East Valley Inc	TSS14	Residential Care- Abused Children
Comark Building Systems, Inc.	C20070	DPH Modular Building
Computerworks NFP Solutions	C20112	System Re-design/Fundware Implementation
Contact- Behavior Health System	C00133	Employee Mental Health Assistance Program
Corporate Art West	RD0318	Resort-Professional Art Consult
Cunningham Commercial Vehicles	C20063	Purchase a truck
Curtain Wall Design	RD0391	Consultant regarding the EFIS dispute
Dan Jenkins	RD0341	Artwork for Resort
David Bury & Company	C00261	Resort Spa & outside area
Deborah Brackin	C20041	Professional Training Services
Design Goes	RD0345	Graphic Design for interior signage
Design Goes	RD0358	Graphic Design for exterior signage

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
Dibble & Associates	C20037	Water Transmission Design
Digital Data Tech	C20116	GPS / Mapping Roads Centerlines
Dorsey & Whitney	C10068	Development of Community governmental programs, tax code, and other matters
Dorsey & Whitney A# 1	C10068	Development of Community governmental programs, tax code, and other matters
Douglas Miles	RD0384	Artwork for Resort
Earl Kai Chan	C20042	Diabetes Education Center
Earl Kai Chann & Assoc A# 1	C00232	Design GRIC Tribal Court Complex
Earl Kai Chann Associates Ltd	C20120	Alcohol & Drug Abuse Center (16th Dt & Beltline)
Economic Research Associates	C00300	Feasibility Study-Executive Golf Course
Ecoplan Assoc. AOS # 4-co # 3	C00038-4	Environmental Assessment- Blackwater area
Ecoplan Assoc. AOS # 6-co #3	C00038-6	Environmental assesment of Broadacres area/Desert Pigmy Owl
Ecoplan Assoc. AOS # 8-co # 2	C00038-8	Environmental assesment- Off reservation Pima canal
Elaine Shelde	RD0379	Artwork for Resort
Elaine Shelde	RD0372	Artwork for Resort
Elaine Shelde	RD0326	Artwork for Resort
Elaine Shelde	RD0365	Artwork for Resort
Elaine Shelde	RD0337	Artwork for Resort
Emmit White	C00243	Cultural Theme for WHP Resort Complex
Empire Machinery	C20047	Purchase a truck
Entranco	C20107	Engineer Services
Equis LLC Amend # 3	C10046	Streamline Farm Enterprise organizational functions
Ferrell Gas Services, Inc.	RD0354	Gas Storage Services
Franzoy Consulting	C10056	Wtaer Rights Consultant
Gary Merkley	C10020	Modify Model Root Canal/Training and prep of report document
Gary Panks Associates	K00041	Resort -Design (2) 18 hole Golf Courses
GE Capital Modular Space	C00134	Lease of Modular Office Space / GRIC Accounting Dept
GE Capital Modular Space	C00325	Lease of Modular Office Space for Internal Audit
GE Capital Modular Space	C10051	Office Space- Finance Department
General Modular Leasing	C00279	Lease of Modular Office Space
Gila River Farms	C00346	Construction of Southside Canal- Reach BW-IIB
Gila River Health Care Corp	C20010	Shared Data Network Project
Gila River Health Care Corp	C20067	Run Diabetes Prevention Program
Gila River Health Care Corp	C20064	Hire Case Manager for Diabetes Prevention Prgm
Gila River Indian Care Center	C2TSS-10	Nursing Home Care
GIS Southwest	C10055	Geographic Information System consultant
Glenn R Johnson Scale Models	C00302	WHP- Scale Model
Gookin Engineers.LTD	C10060	Hydrology and civil engineering consultant
Greshman & Beach	C20029	Design & Construction Admin E & W end Dialysis Clinics

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
Greshman & Beach Ammend #1	C20029	Design & Construction Admin E & W end Dialysis Clinics
Gruber Power Services	C20057	911 Server Rooms Modifications
Gruber Power Services	C20057	911 Server Rooms Modifications
Gruber Power Services	C20057	911 Server Rooms Modifications
Gruber Power Services	C20057	911 Server Rooms Modifications
Gruber Power Services	C20057	911 Server Rooms Modifications
Gruber Power Services	C20057	911 Server Rooms Modifications
Hardee Consulting	C10061	Technical consultant for agriculture engineering and water rights
HDR Engineering	C20025	Engineering Report Magnitude & location of Storm Flows
HDR Engineering Amed # 4 CANCEL 247,394	K00048	Resort- Road Construction
HDR Engineering Amend # 1	K00073	Dist. 1 Roads
Hector Soto	C20074	Obtain signatures needed for Right-Of-Way
Henry Dobyns	C10057	Community water settlement conultant
HKA Elevator Consulting, Inc	C00246	Acoustical Consulting/ Overall design WHP Resort
Hunt Construction	RD0303	Construction of Wildhorse Pass resort
Hunt Construction	C00252	Construct Model Room for Hotel
Hunt Construction	C00311	Construction of Cart Tunnel/ WHP golf Course
Hunter Contracting Co A# 1	C20003	St Johns Wastewater Treatment Plant/ Dist 6
James D Hill	C10062	Protection and enforcement of rights of the Community to use water
Janos Wilder	RD0313	Restaurant Consultant
Joe E Woods, Inc CO # 8	C10002	Huhugam Heritage Center/PMIP Control Center
John H Wright & Co	C10085	Residential Room Addition
Katherine Livingston	RD0380	Artwork for Resort
Katherine Livingston	RD0339	Design of Logo for Wild Horse Pass Development Authority
Katherine Livingston	RD0344	Artwork for Resort
Katherine Livingston	RD0357	Artwork for Resort
Katherine Livingston	RD0363	Artwork for Resort
Keller- Bliesner Engineering	C00087-2	Phase II of Water Resources Management Plan
Kenny Aerial Mapping	C20122	Photogrammetric services D1, D4 & D5
Kenny's Aerial Mapping A#2	C20058	Aerial Photogrammetric Services
Kenny's Aerial Mapping A#2	C20058	Aerial Photogrammetric Services
Kevin O'Grady	C10080	Counsel to the Community/prosecution of cases with conflict of interest
Kimley-Horn & Associates	C20123	Master Drainage Plan D3
Leonard Chana	RD0373	Artwork for Resort
Leonard Chana	RD0364	Artwork for Resort
Lighting Design Alliance, Inc	C00234	WHP- Resort -Common Areas
Lloyd Construction	C00351	Juvenile Detention & Rehabilitation Center

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
Lloyd Construction CO# 4	C00350	Tribal Courts Complex
Lloyd Construction. Inc.	C20068	Bldg G JDRC
Louis Soto	C20076	Obtain signatures needed for Right-Of-Way
Lurlene Jose	C20075	Obtain signatures needed for Right-Of-Way
Mallicoat Engineering	C10052	Review of plans, specifications, designs and tasks as directed
Mandan Inc A# 2	C10001	Renovation of 6 partialy completed houses
Marant Group	C00260	Web Site Design & Development
Maricopa County Dept of Trans-IGA	C20106	Maintain/Operate 8 Traffice Lights
Mark Allen Foundation	C2TSS-11	Residential Care
Mark Higgins	C10072	Legal services as needed by the Community Court
Michael Chiago	RD0328	Artwork for Resort
Michael Chiago	RD0346	Artwork for Resort
Michael Chiago	RD0351	Artwork for Resort
Michael Chiago	RD0368	Artwork for Resort
Michael Zillioux	RD0305	Purchase of 8 Paintings
Michael Zillioux	RD0370	Artwork for Resort
Michael Zillioux	RD0366	Artwork for Resort
Mike Zillioux	RD0327	Artwork for Resort
Morrison & Marile	C10026	Design, Plan, Engineer &Const Admin-Residential Sub-Divisions
Motorola, Inc	C00337	Community emergency Response system
Motorola, Inc	C00337	Community Emergency Response system
Motorola, Inc	C00337	Community Emergency Response system
Motorola, Inc	C00337	Community Emergency Response system
Motorola, Inc	C00337	Community Emergency Response system
Natural Resources Spa # 1	K00103	Resort-Feasibility/Design Development Svc-proposed Spa
Network Infrastructure Corp. (NIC)	RD0333	Audio, Visual and Security Systems
Olen Perkins	RD0378	Artwork for Resort
Olen Perkins	RD0371	Artwork for Resort
Olen Perkins	RD0367	Artwork for Resort
Olen Perkins	RD0325	Artwork for Resort
Olen Perkins	RD0360	Artwork for Resort
O'Neal/Gaj International, Inc	C00249	Review design, procurement& implement. of Telecommunications
Osborne Maledon PA	C10073	Legal assistance and represent Community re: storage of shredded tires
Overby Architects, Inc	K00056	Fire Station # 51 Dist # 1
Overby Architects, Inc	K00057	Fire Station # 55 Dist# 5
PAA Architechs	C20066	Architectural and Structural Analysis of Gov Complex
PAA Architects	C20040	Building Assesment of Tribal Annex

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
Pacific Advanced Civil Engineering	C00247	WHP Pool Design
Pacific Advanced Civil Engineering	K00102	Resort-Water Feature
Park West Landscape, Inc. Thru CO#5	C00238	WHP Resort- N. Loop Rd., 48th St S. & Inner Loop, Clubhouse
Parson Engineering AOS#4-co# 2	C00029-4	Design Main Irrigation System SanTan Area
Paul Matte III	C10079	Cases involving the ICWA, court appearances, research, etc
Pence Chiropractic A#1	C20031	Medical/General Exams
Penrose Fulwilder	RD0338	Artwork for Resort
Peter Mock Groundwater Consulting	C10063	Hydrology Consultant and Hydrology Modeling
Phyllis Gagnier	C20027	Turning Point Initiative
PMIP	C20050	Realty Services
Polese, Pietzsch, Williams & Nolan PA	C10083	Legal services to the Pension Committee re: the Pension Plan
Presnell Engineer's Inc Amend# 1	C00103	JDRC Phase I & II
Price Waterhouse Cooper /Ext Option	C10019	Audit Services
Price Waterhouse Cooper /Ext Option	C10019	Audit Services
Prime Pointe National Construction Svcs.	RD0353	Design Build of Equestrian Center
Public Policy Partners	C10075	Lobbyist to inform Community of Legislation that affects the interests of Community
QK4	C20065	Building G Criminal Justice Facility
QK4	C20117	D5 Elderly Center
QK4 Amend # 1	C00216	Prototype Design for Early Education/Childcare Facilities
QK4 Amend # 1	C00216	Prototype Design for Early Education/Childcare Facilities
QK4 Amend C/O #2	C00216	Prototype Design for Early Education/Childcare Facilities
Quarles & Bradey Striech Lang- Roger Ferland	C20034	Provide legal counsel and advice on Clean-air act
R & T Builders Inc Amend # 5	C00198	Residential [2] Homes
R. D. Publishing, Inc.	RD0392	Production & Publication of a coffee table book
R.C. Mercer Livestock & Rodeo	C20124	Provide livestock & Personnel for Junior Rodeo
Resun Leasing, Inc	C00308	Modular Office Space
Reuben Naranjo	RD0356	Artwork for Resort
Reuben Naranjo	RD0361	Artwork for Resort
Rimmer Computer, Inc. A# 2	C20001	Computer Upgrades
Rimmer Computer, Inc. A# 2	C20001	Computer Upgrades
Rimmer Computer, Inc. A# 2	C20001	Computer Upgrades
Rimmer Computer, Inc. A# 3	C20001	Computer Upgrades-Time Matters Law Office
Rogers Engineering Amend# 1	C00276	Review, Planning, Drafting as assigned
Rothstein, Donatelli Hughes A# 1	C10066	Negotiation of Gaming Compact & other Gaming Related matters
Rothstein, Donatelli, Hughes	C10077	Gaming Issues, State and Federal regulatory agencies
Rothstein, Donatelli, Hughes	C10066	Negotiation of Gaming Compact & other Gaming Related

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
		matters
Russell Blackwater Sr.	RD0304	Artwork for Golf Clubhouse
Russell Blackwater Sr.	RD0340	Artwork for Resort
Ryan, Woodrow & Rapp	C10071	Provide legal counsel and advice re: liquor license applications
Sandra Nasewytewa	RD0376	Artwork for Resort
Sandra Nasewytewa	RD0324	Artwork for Resort
Sandra Nasewytewa	RD0359	Artwork for Resort
Scot Butlar III	C10076	Consultant services include lobbing and related matters
SDC Consulting Services	C10065	Historical and archival research re: Community water interests
Shari Antone A#1	C20111	Obtain signatures needed for Right-Of-Way
Shugart, Thomas, Kilroy, Goodwin	C10069	Represent GRIC Employees of the Community's Corporate enities
Shugart, Thomas, Kilroy, Goodwin # 1	C10069	Represent GRIC Employees of the Community's Corporate enities
SICON co # 3	C10030	Completion of Komatke Centers
Southwest Computer	C20061	Technical Advisor, Project Coordinator
Southwest Computer Consulting	C20104	Develop automated Dbase System
Southwest Computer Consulting	C20108	Enrollment Census Data Network
Southwest Computers	C10086	Provide computer related consultation and services
Southwest Mapping Tech	C20071	Photogrammetric, topographic, & mapping services
Stantec Consulting, Inc	C00204	Design of Outfall System and Storm Drain System
Stantec Consulting, Inc	RDO362	Modifications to drainage improvement design
Stantec Consulting, Inc AOS 3-co# 13	C00047-3	Design West Side Area - Pima Maricopa Irrigation Canal
Stantec Consulting, Inc, AOS 4-co# 4	C00047-4	Pre-Design & Design of Lone Butte Delivery system
Star Towing	C20121	Tow stolen vehicle back to the Community.
Starwoods Hotel & Resort	K00101	Hotel Management & Pre-opening Technical Svcs. Plus pre-opening exp.
StastnyBrun Architects Inc Amend #3	C00090	Construction Document phase /Huhugam Heritage Center
Steven's Custom	RD0349	Construction services for Cattail restrooms and pump house
Summit Builders Construction Co.	C20105	Early Education Child Care Centers
The Blake Foundation	C2TSS-02	Shelter Services
The Villapando Copr.	C10087	Completion of Home Renovation
The Villapando Copr.	C10084	Complete three unfinished houses
The Villapando Corp	C10088	Completion of Home Renovation
Thomas Ricca Associates	K00117	Resort Hotel- Design of Laundry & Food Services
Thomas, Warren & Associates, LLC	C10059	Economic principals, cost-benefits and economic impact consultant
Timothy Terry	RD0381	Artwork for Resort
Timothy Terry	RD0348	Artwork for Resort

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
Tobias Manual	RD0332	Artwork for Resort
Tobias Manual	RD0347	Artwork for Resort
Troon Golf- Management PH II Cattail	RD0315	Ph II Golf-Cattail Management contract
Tynan Group	K00105	Resort Complex
Valley of the Sun	C2TSS-09	Residential Care
Veneklasen Associates	C00245	Acoustical Consulting/ Overall design WHP Resort
Wadsworth Golf Construction	RD0322	Construction agreement for the Cattail Golf Course
Waste Management of Phoenix	C20100	Waste Disposal
WDC Explorations & Wells formerly THF Drilling	C00342	Drilling Services
WDC Explorations & Wells formerly THF Drilling	C00342	Drilling Services
WDC Explorations & Wells formerly THF Drilling	C00342	Drilling Services
Wescon Pipeline Contractors	RD0320	Provide water & sewer services to the planned project
WesPac Construction	RD0323	Construction of Wild Horse Pass Spa
Western Technologies	C00298	Supplemental Inspection/ Resort Construction
Western Technologies AOS#3-co# 6	C00076-3	Geotechnical Investigations along Santan Area Canals
Western Technologies AOS#7-co# 1	C00076-7	Geotechnical Investigations along Lone Butte Delivery System
Western Technologies Inc. AOS # 6 co# 3	C00076-6	Geotechnical Investigations onlong Southside Canal
Western Technologies Inc. AOS # 8 co# 1	C00076-8	Construction materials observation & testing services
Western Techonology	C10082	Take soil samples of 164 home sites, test, analyze and report
Western Techonology	C10082	Take soil samples of 164 home sites, test, analyze and report
Western Techonology	C10082	Take soil samples of 164 home sites, test, analyze and report
Western Techonology	C10082	Take soil samples of 164 home sites, test, analyze and report
White Shield, Inc A#7	C00223	Develop Pavement Mgt System & Transp. Improve. Program
Wild Horse Pass Horse partners, L.L.C.	RD0386	Manage and operate the equestrian facilities
Willdan	RD0374	Resort Dome
William Talbow	C10081	Boundry discrepency/historical research/negotiations
Willis of Arizona	C10070	Insurance consulting svc, Medical, dental, life, disability, and vision marketing
Wimberly, Allison, Tong & Goo	K00074	Resort- Hotel Design
Wimberly, Allison, Tong & Goo	K00095	Resort Hotel
WLB Group	C20052	Design of District 7 Lagoon Expansion
WLB Group	C20026	Sub-division Design
Wormer & Associates	C20051	Design of two transfer stations
Yolanda Hart Stevens	RD0334	Artwork for Resort

EXHIBIT 25.12.1.9C
Contracts Between the Community and Third Parties

Contractor Name	Contract #	Description of Service
Yolanda Hart Stevens	RD0335	Artwork for Resort
Yolanda Hart Stevens	RD0336	Artwork for Resort

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11332	Affordable Movers	PO Box 1266	Arizona City	AZ	85223	520-466-5083	Move Furniture
10328	AG Service Company	16423 G. Fair-view Lane	Higley	AZ	85236	602-531-4600	Agricultural Consulting, Soil Classification
10604	Agate Inc.	P.O. Box 117	Scottsdale	AZ		480-994-9455	Design, Build Pre-Eng, Metal Buildings
10452	Agree Incorporated	1937 Ramrod Ave Suite B	Henderson	NV	89014	702-307-5573	Gaming Gifts and Memorabilia
10421	AHA-Tha-Botcha Muella/L	10795 N. Ft. McDowell Rd	Scottsdale	AZ	85264	480-837-0714	Misc. Items
10151	Aidant Fire Protection Corn	15836 N. 77th Street	Scottsdale	AZ		480-607-4600	Sales & Service Fire Protection Equipment
1995	Aihday O:S Newsletter	P.O. Box 98	Sacaton	AZ	85247	520-562-3339	Sale of Watches and T-shirts
9581	AIM Motivational Seminars	5410 S. Lakeshore Drive S	Tempe	AZ	85283	602-730-0165	Conducting Seminars
11561	Aim2Learn	1334 E. Chandler Blvd, Ste	Phoenix	AZ	85048	480-460-7287	Online Educational Software
10279	Air Conditioning by Robert	1421 E. McDowell Rd	Phoenix	AZ	85006	602-258-6650	Air Conditioning Contractor
11184	Air Filters Southwest	5002 S 40th St., Suite M	Phoenix	AZ	85040		HVAC Air Filtration Sales
10754	Akimel O'O tham Ak Chin	P.O. Box 536	Sacaton	AZ	85247	520-705-7666	Fund Raising Activities
9366	Akimel O'Othham # 1	8001 E. McKellips Rd	Scottsdale	AZ	85257	520-796-3930	Smoke shop and general merchandise
9365	Akimel O'Othham #2	8001 E. McKellips Rd	Scottsdale	AZ	85257	5207963930	Smoke shop and general merchandise
11397	Albert Santos	5819 W. Orange Wood Ave	Glendale	AZ	85301	623-570-7060	Furniture Sales
11251	Alberta Kisto & Family	PO Box 1039	Sacaton	AZ	85247	520-418-2477	Food Sales/ Fund Raising
9924	Albright, Larry S.	305 W. 3rd Street	Casa Grande	AZ	85222	520-316-0352	Sale of Chicken Scratch Tapes and Cds
8945	ALCOA (Pimalco Gila Riv	6833 W. Willis Rd, Box 50	Chandler	AZ	85226	520-796-1098	Aluminum manufacturing
10141	Aldecoa Hay Specialists	12653 E. Chandler Heights	Chandler	AZ	85249	480-895-O180	Hay Broker & Trucking
8874	Alexco	6520 West Allison Road	Chandler	AZ		520-796-1206	Manufacturing of Aerospace Extrusions
9751	Alignment Technologies, In	P.O. Box 7060	Chandler	AZ	85246	480-899-0771	General Consulting, training, development, evalua
10825	All Our Relations Dancers	39 North Cactus Street	Sacaton	AZ	85247		Fund Raisers
11614	All Pro Fence Co.	1055 S. Center Street	Mesa	AZ	85210	480-464-7702	Fence Company
7876	All Tribes Church of God	P.O. Box 134	Laveen	AZ	85339	520-430-2274	Food Sales
11290	Allen & Reva Crowell	PO Box 2955	Tuba City	AZ	86045	928-606-8741	Jewelry Assembly & Sales
10348	Alliance Service & Control	4846 S. 40th Street	Phoenix	AZ	85040	602-431-8434	Electrical Contractor
9790	Allied Acoustics, Inc.	1730 W. Buchanan St.	Phoenix	AZ	85007	602-254-7341	Sub-Contracting
11143	Allied Fire Protection, Inc	466 South 31 st St	Mesa	AZ	85204	480-R30-4163	
10800	Allison, LaQuinta	1'.O. Box 15828	Sacaton	AZ,	85247	520-418-1170	Defense Counsel Services
10327	Allstate Rent A Fence Inc	210 S. 55th Avenue	Phocnix	AZ	85043	00?-211-1-113	Temporary Fence Rental
11332	Affordable Movers	PO Box 1266	Arizona City	AZ	85223	520-466-5083	Move Furniture
10328	AG Service Company	16423 G. Fair-view Lane	Higley	AZ	85236	602-531-4600	Agricultural Consulting, Soil Classification
10604	Agate Inc.	P.O. Box 117	Scottsdale	AZ		480-994-9455	Design, Build Pre-Eng, Metal Buildings
10452	Agree Incorporated	1937 Ramrod Ave Suite B	Henderson	NV	89014	702-307-5573	Gaming Gifts and Memorabilia
10421	AHA-Tha-Botcha Muella/L	10795 N. Ft. McDowell Rd	Scottsdale	AZ	85264	480-837-0714	Misc. Items
10151	Aidant Fire Protection Corn	15836 N. 77th Street	Scottsdale	AZ		480-607-4600	Sales & Service Fire Protection Equipment
1995	Aihday O:S Newsletter	P.O. Box 98	Sacaton	AZ	85247	520-562-3339	Sale of Watches and T-shirts
9581	AIM Motivational Seminars	5410 S. Lakeshore Drive S	Tempe	AZ	85283	602-730-0165	Conducting Seminars
11561	Aim2Learn	1334 E. Chandler Blvd, Ste	Phoenix	AZ	85048	480-460-7287	Online Educational Software
10279	Air Conditioning by Robert	1421 E. McDowell Rd	Phoenix	AZ	85006	602-258-6650	Air Conditioning Contractor

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11184	Air Filters Southwest	5002 S 40th St., Suite M	Phoenix	AZ	85040		HVAC Air Filtration Sales
10754	Akimel O'O tham Ak Chin	P.O. Box 536	Sacaton	AZ	85247	520-705-7666	Fund Raising Activities
9366	Akimel O'Othham # 1	8001 E. McKellips Rd	Scottsdale	AZ	85257	520-796-3930	Smoke shop and general merchandise
9365	Akimel O'Othham #2	8001 E. McKellips Rd	Scottsdale	AZ	85257	5207963930	Smoke shop and general merchandise
11397	Albert Santos	5819 W. Orange Wood Ave	Glendale	AZ	85301	623-570-7060	Furniture Sales
11251	Alberta Kisto & Family	PO Box 1039	Sacaton	AZ	85247	520-418-2477	Food Sales/ Fund Raising
9924	Albright, Larry S.	305 W. 3rd Street	Casa Grande	AZ	85222	520-316-0352	Sale of Chicken Scratch Tapes and Cds
8945	ALCOA (Pimalco Gila Riv	6833 W. Willis Rd, Box 50	Chandler	AZ	85226	520-796-1098	Aluminum manufacturing
10141	Aldecoa Hay Specialists	12653 E. Chandler Heights	Chandler	AZ	85249	480-895-O180	Hay Broker & Trucking
8874	Alexco	6520 West Allison Road	Chandler	AZ		520-796-1206	Manufacturing of Aerospace Extrusions
9751	Alignment Technologies, In	P.O. Box 7060	Chandler	AZ	85246	480-899-0771	General Consulting, training, development, evalua
10825	All Our Relations Dancers	39 North Cactus Street	Sacaton	AZ	85247		Fund Raisers
11614	All Pro Fence Co.	1055 S. Center Street	Mesa	AZ	85210	480-464-7702	Fence Company
7876	All Tribes Church of God	P.O. Box 134	Laveen	AZ	85339	520-430-2274	Food Sales
11290	Allen & Reva Crowell	PO Box 2955	Tuba City	AZ	86045	928-606-8741	Jewelry Assembly & Sales
10348	Alliance Service & Control	4846 S. 40th Street	Phoenix	AZ	85040	602-431-8434	Electrical Contractor
9790	Allied Acoustics, Inc.	1730 W. Buchanan St.	Phoenix	AZ	85007	602-254-7341	Sub-Contracting
11143	Allied Fire Protection, Inc	466 South 31 st St	Mesa	AZ	85204	480-R30-4163	
10800	Allison, LaQuinta	1'.O. Box 15828	Sacaton	AZ,	85247	520-418-1170	Defense Counsel Services
10327	Allstate Rent A Fence Inc	210 S. 55th Avenue	Phocnix	AZ	85043	00?-211-1-113	Temporary Fence Rental
11332	Affordable Movers	PO Box 1266	Arizona City	AZ	85223	520-466-5083	Move Furniture
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10452	Agree Incorporated	1937 Ramrod Ave Suite B	Henderson	NV	89014	702-307-5573	Gaming Gifts and Memorabilia
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11561	Aim2Learn	1334 E. Chandler Blvd, Ste	Phoenix	AZ	85048	480-460-7287	Online Educational Software
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11251	Alberta Kisto & Family	PO Box 1039	Sacaton	AZ	85247	520-418-2477	Food Sales/ Fund Raising
9924	Albright, Larry S.	305 W. 3rd Street	Casa Grande	AZ	85222	520-316-0352	Sale of Chicken Scratch Tapes and Cds
8945	ALCOA (Pimalco Gila Riv	6833 W. Willis Rd, Box 50	Chandler	AZ	85226	520-796-1098	Aluminum manufacturing
10141	Aldecoa Hay Specialists	12653 E. Chandler Heights	Chandler	AZ	85249	480-895-O180	Hay Broker & Trucking
8874	Alexco	6520 West Allison Road	Chandler	AZ		520-796-1206	Manufacturing of Aerospace Extrusions
9751	Alignment Technologies, In	P.O. Box 7060	Chandler	AZ	85246	480-899-0771	General Consulting, training, development, evalua

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
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11614	All Pro Fence Co.	1055 S. Center Street	Mesa	AZ	85210	480-464-7702	Fence Company
7876	All Tribes Church of God	P.O. Box 134	Laveen	AZ	85339	520-430-2274	Food Sales
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10348	Alliance Service & Control	4846 S. 40th Street	Phoenix	AZ	85040	602-431-8434	Electrical Contractor
9790	Allied Acoustics, Inc.	1730 W. Buchanan St.	Phoenix	AZ	85007	602-254-7341	Sub-Contracting
11143	Allied Fire Protection, Inc	466 South 31 st St	Mesa	AZ	85204	480-R30-4163	
10800	Allison, LaQuinta	1'.O. Box 15828	Sacaton	AZ,	85247	520-418-1170	Defense Counsel Services
10327	Allstate Rent A Fence Inc	210 S. 55th Avenue	Phocnix	AZ	85043	00?-211-1-113	Temporary Fence Rental
11456	47 Steel Company, Inc.	2450 West Poppy Ave	Tucson	AZ	85705	520-293-4747	Erection of Steel
10814	6920 West Allison LLC	3800 N. Central Ave., Suite	Phoenix,	AZ	85012	602-264-4336	Sub-Leasing
10919	A R Graphix	445 S. Dobson Rd #2010	Mesa	AZ	85202	6U2-696-8142	Graphic Design
10740	A-1 Golf Cart Leasing Inc.	25950 S. Arizona Ave	Chandler	AZ	85248	480-855-7800	Utility/ Golf Cart Sales, Service and Leasing
11012	A-1 Leasing Inc.	2217 E. Washington	Phoenix	AZ	85034	602-275-7300	Vehicle Leasing
9964	A-1 Plumbing Contractors,	5200 W. Bethany I Ionic Rd	Glendale	AZ	85301	623-915-5502	Plumbing Contractor
11032	AAA Cab Service, Inc.	PO Box 591	Tempe	AZ	85280	480-9fi6-8377	Transportation Services
10137	AAA Landscape	3747 G. Southern	Phoenix	AZ	85040	602-437-2690	Landscape Services
9494	A'akimel A'al Enterprises	P.O. Box 10790	Bapchule	AZ	85221	520-315-1204	Sale of miscellaneous items
10648	Aar/Thompson Designers, I	1201 S. Alma School Rd., 7	Mesa	AZ	85210	480-649-8935	Architecture/ Engineering
11605	AARA Construction, Inc.	4328 E. Magnolia Street	Phoenix	AZ	85034	602-437-9323	Metal Roofing Fabricator/Installer
10353	Abell & Associates Archite	Two West Alameda Drive	Tempe	AZ	85282	480-968-3023	Architectural & Engineering Consulting Services
9252	ABS School Services	2133 W. Peoria Ave #102	Phoenix	AZ	85029	520-639-1281	Finance & Business Service
10986	Absolute Fastener Products	4206 S. Alamandas Way	Gold Canyon	AZ	85218	480-474-2249	Sale of fasteners and related items
10873	Accounting & Finance Pers	1702 E. Highland, Ste 200	Phoenix	AZ	85016	602-277-3700	Accounting & Finance Consulting
9334	Accounting Services of Gre	840 E. Bethany Home Road	Phoenix	AZ	85014	602-265-3133	Financial services/ Computer & office equipment
10182	Ace Asphalt of Arizona Inc	2819 West Grovers Avenue	Phoenix	AZ	85053	fi02-997-1492	Earthwork and Paving
9382	Ace Vending	7000 N. 16th St., Ste 120-5	Phoenix	AZ	85021	602-453-0304	Snack vending machines
10966	ACME Transportation, Inc.	13927 C.R. #4	Bristol	IN	46507	219-825-7796	Hauling
18	Act Container Company	116 E. Broadway	Mesa	AZ	85202		Diamond Drum Service
10414	Action Termite & Pest Cont	305 W. Marco Polo Road	Phoenix	AZ	85027	623-780-3132	Pest Control
11038	Acuity Specialty Products	1420 Pcachtrec Street, NE	Atlanta	GA	30309	404-853-1400	Janitorial and Maintenance Supplies
11265	Adams Distributing Compa	PO Box 11076	Casa Grande	AZ	85230	520-836-7570	Petroleum Products
11256	Adaptive CM LLC	67 E. Wcldon Ave., Ste 240	Phoenix	AZ	85012	602-923-1000	Construction Management, Gen. Contractor
11238	Adolph Sanchez Jr.	PO Box 202	Stanfield	AZ	85272	520-424-3423	Harvesting
11026	Advent Electric	PO Box 1053	Arizona City	AZ	85228	520-450-1148	Electrical Contracting
10150	AFRO Automatic Sprinkler	21605 N. Central Ave.	Phoenix	AZ	85024	623-580-7800	Installation of Fire Protection Systems
9696	Aero Rental Inc.	3808 E. Golf Links Rd.	Tucson	AZ	85713	520-748-8776	Equipment Rental
11159	Arrowhead Contracting, Inc	12920 Metcalf Ave. Suite 1	Overland Park	KS	66213	913-814-9994	Engineering & Construction
10216	Arrowhead Mountain Sprin	777 West Putnam Avc	Greenwich	CT	6830	203-863-0442	Bottled Water Sales and Delivery
9391	Aspect Consulting, Inc.	179 Madrone Lane North	Bainbridge Isle	WA	98110	206-780-9370	Consulting Engineer

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
10466	Asphalt Service Of Arizona	3243 W. Pima Street	Phoenix	AZ	85009	602-245-1327	Earthwork and paving
10734	Asplundh Tree Expert Co.	5070 W. Bethany I{ome Rd	Glendale	AZ	85301	623-930-0930	Tree Trimming
10523	AT&T Communications	One AT&T Way, Rm 4A23	Bedminster	NJ	7921	908-234-8388	Telecommunication Services
11197	ATL Inc	2912 W Clarendon Ave	Phoenix	AZ	85017		Geotehnical Investiations, Materials Testing
10205	Atlantic City Coin & Slot S	201 W. Decatur Avenue	Pleasantville	NJ	8232	609-641-7811	Gaming Equipment & Supplies
10204	Atlas Match LLC.	P.O. Box 1227	Euless	TX	76039	817-354-7474	Advertising Matchbooks/Box Matches Manufactu
10083	Atlasta Catering Inc.	10021 N. 19th Ave	Phoenix	AZ	85021	602-242-8185	Catering Company
10296	Atronic Americas LLC.	15500 Greenway- Hayden	Scottsdale	AZ		480-922-0707	Manufacturer/ Distributor of Legalized Gaming D
10600	A-United Restaurant Equip	1225 W. Miracle Mile	Tucson	AZ	85705	520-662-1010	Retailing Restaurant Equipment & Supplies
10099	Authorized Commercial Fo	4832 South 35th Street	Phoenix	AZ	85040	60'2-234-2443	Kitchen equipment parts, service & installation
10056	Automatic Data Processing,	7474 W. Chandler Blvd.	Chandler	AZ	85224	480-961-4553	Payroll Services
10993	Avalon Gaming Inc.	821 27 1/4 Road	Grand Junction	CO	81506		Sale of Casino Supplies & Consumable items
10928	Awnings and More Store	13006 N. 26th Drive	Phoenix	AZ	85029	602-439-1048	Awnings, Canopies, Shade Structures, Carports
10385	AZTEC Engineering	3747 E. Grove Street	Phoenix	AZ	85040	602-454-0402	Engineering & Surveying
10985	Aztec Printing Solutions In	2700 W. Baseline #114	Tempe	AZ	85283	602-431-1121	Printing, business cards, ect.
10134	B & D Telecommunications	507 E. Glade	Mesa	AZ	85204	480-833-4435	Voice & Data Communications
11481	B & H Maintenance and Co	PO Box 970	Eunice	NM	88231	505-394-2588	Install Gas Lines
11626	B & R Foundation Repair, I	PO Box 158	Ada	OK	74821	580-436-3838	Foundation Repair
9695	B & S Distribution	5515 N. 7th Street	Phoenix	AZ	85014	602-631-9920	Wholesale gifts, logo mdse.
10224	B & T Catering	Rt. 2 Box 601A	Casa Grande	AZ	85222	520-361-2414	Catering Services
11245	Baardsen Krahn Ent.	1625 E. Jefferson	Phoenix	AZ	85034	602-258-9601	HVAC Contractor & Sheet Metal
10720	Back & Bodywoks Chiropr	1940 W. Chandler Blvd., St	Chandler	AZ	85224	480-726-2614	Chiropractic & Rehad Services
10844	Bahe, Shirley	PO Box 1467	Gap	AZ	86020		Sale of Silver Jewelry and Beadwork
10008	Bally Gaming	6601 South Bermuda Road	Las Vegas	NV	89119	702-896-7700	Gaming Devices and Slot Accounting Systems
10042	Banker Insulation, Inc.	201 S. 42nd Place	Phoenix	AZ	85034	602-273-1261	Insulation Installation
2155	Baptist Indian Chapel	P.O. Box 960	Bapchute	AZ	85221	520-562-3708	Bake and Rummage Sale
11376	Barbara Ramon	PO Box 703	Florence	AZ	85232	520-868-5666	Food Sales
11116	Baring Industries	17901 N.W. Miami Court	Miami	FL	33169	800-736-5464	Installation of Laundry Equipment
9330	Basic Drilling	P.O. Box 1660	Apache Junction	AZ	85217	480-983-6787	Installation of Septic Tanks
11366	Basically Blinds LLC	PO Box 86003	Tucson	AZ	85754	520-884-1353	Window Coverings
11271	Baskets From Home	PO Box 194	Sacaton	AZ	85247	520-562-3544	Food & Craft Sales
10771	BCD Low Voltage Systems	16605 E. Palisades Blvd #I	Fountain Hills	AZ	85268	480-836-7208	Security-Survellance-Service-Parts
10264	Beach, William	251 Wolfe Street	Cohutta	GA	30710	706-694-8885	Rug Sales
10680	Bee Control Specialists	14045 S. 40th Street	Phoenix	AZ	85044	602-803-6852	Bee Colony Removal
10801	Beecroft, L.L.C.	2902 E. Jones Ave.	Phoenix	AZ	85040	602-243-5212	Installation & Excavation of Underground Utilitie
10310	Benson Security Systems, I	310 N. Pasadena Street	Gilbert	AZ	85233	480-892-8688	Design, Sell & Install Low Voltage Materials
11369	Bessie Chief	PO Box 1236	Kayenta	AZ	86033	928-697-3704	Jewelry
10777	Best Candy & Tobacco	P.O. Box 8036	Phoenix	AZ	85066	602-276-2444	Wholesale Candy & Tobacco
10256	Best Inc.	3 Greenwich Office Park	Greenwich	CT	6831	800-545-5561	Food Service, Commissary & Laundry

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11384	Betty Taryole	PO Box 404	Page	AZ	86040	602-781-8427	Sell Jewelry
10140	Beus, Rod	1024 E Ivy Glen	Mesa	AZ	85203	602-510-1757	Fertilizing Fields
10016	Beverly Rivas	PO Box 2119	Sells	AZ	85634	520-560-5448	Flowers, Plants and Candles
11229	Bill Cox Plastering, Inc.	PO Box 450	Sahuarita	AZ	85269	520-393-0366	Lath & Stucco
11302	Bill Luke Chrysler-Jeep &	2425 W. Camelback Road	Phoenix	AZ	85015	602-249-1234	Automobile Sales & Service
9326	Bill's Barber Shop	9508 E. Riggs Rd., Ste B 11	Sun Lakes	AZ	85248	602-796-7502	Barber shop
11314	Bill's Key & Lock Service,	148 W. Orion St., Ste C-2	Tempe	AZ	85283	480-831-8959	Locksmith
10877	Bingo King and Trade Prod	2807 Lincoln Way	Lynwood	WA	98037	800-426-1307	Manufacturer of Charitable Bingo and Supplies
10470	Bird Above, LLC.	2501 W. Behrend Drive #4	Phoenix	AZ	85027	623-582-2005	Information Technology and Telecommunications
11510	Blackrock, Irene	PO Box 2511	Tuba City	AZ	86045	928-606-4153	Arts & Crafts/ Jewelry
9406	Blacktop Services Co.	P.O. Box 4165	Mesa	AZ	85211	602-461-1571	Grading & Paving
2801	Blackwater Baptist Church	Route 1 Box 103-B	Coolidge	AZ		520-215-4851	Rummage and Food Sale
9931	Blackwater Community Sch	Rt. 1 Box 95	Coolidge	AZ		520-215-5859	Food Sales
3310	Blackwater Head Start	P.O. Box 851	Coolidge	AZ		520-723-3332	Food Sale
11360	Blanca Garcia	2121 W. McDowell Rd.	Phoenix	AZ	85009	602-258-9616	Catering Truck
10760	Blounts Manufatured Housi	19617 E. Ocotillo Rd	Queen Creek	AZ	85242	480-987-3108	Mobile Home Installation
10524	BLS Construction	949 W. Obispo Ave	Mesa	AZ	85210	602-777-0624	General Contractor
10046	Blucor Contracting Inc.	402 East Campbell	Gilbert	AZ	85234	480-813-6465	Cast In Place Pipe - Specialty Trade
334	Blue Circle Arizona, Inc.	1366 E. Thomas road, Suit	Phoenix	AZ	85014		Ready Mix Concrete
9436	Bob Barker Company, Inc.	P.O. Box 429	Fuquay Varina	NC	27526	919-552-3431	Institutional supplies-manufacturer/distributor
10119	Bob Bondurant School of H	P.O. Box 51980	Phoenix	AZ	85076	800-842-7223	Driver Education
11195	Bonnett, Fairbourn, Friedm	2901 N. Central Ave. # 100	Phoenix	AZ	85012	602-274-1100	Law Firm
10456	Boo, Renee; Saltwater, Jarv	P.O. Box 1476	Kayenta	AZ	86033	928-697-4716	Indian Jewelry
11587	Borbon, Juan/Cruz	1520 E. Wood Street	Phoenix	AZ	85040	602-243-4249	Selling Tamales & Burritos
11487	Bound Tree Medical, LLC	PO Box 300	Galloway	OH	43119	614-878-8581	Emergency Medical Equipment & Supplies
11208	Bowman & Smith, PC	290 S. First Ave, Stc l	Yuma	AZ	85364	928-783-8879	Attorney
9443	Bowman Brothers	949 W. Birchwood Ave	Mesa	AZ	85210	480-835-1094	Cast-in-place concrete
1813	Boy Scouts of America Tro	P.O. Box 1336	Sacaton	AZ	85247	520-562-3661	Food Sales
11268	Boys & Girls Clubs ofthe	1405 E. Guadalupe Rd., Ste	Tempe	AZ	85283	520-562-3890	Youth Development
11512	Bradley Glass Contractors,	3757 E Broadway Rd #6	Phoenix	AZ	85040	602-414-0810	Glazing and Aluminum Subcontractor
9614	Brady, Aulerich & Associat	1030 E. Guadalupe Rd.	Tempe	AZ	85283	480-839-4000	Land surveying and civil engineering
11284	Brams Electric, Inc.	PO Box 80525	Phoenix	AZ	85060	602-952-0929	Electrical Construction
11392	Brian Preston	1031 S. Stewart St, #1041	Mesa	AZ	85202	602-799-0601	Screen Printing(T-Shirts)
10175	Brooks Plumbing & Mecha	P.O. Box 30676	Phoenix	AZ		602-242-9660	Mechanical HVAC and Plumbing
11281	Brooks, Hersey & Assoc., I	4602 E. Elwood St., #16	Phoenix	AZ	85040	602-437-3733	Civil Engineering/ Land Survey
9771	Brown's Custom Fence	3215 South 7th Street Ste 1	Phoenix	AZ	85040	602-243-0993	Fencing/ Fabrication
10306	Brown's Partsmaster Inc.	2631 N. 37th Drive	Phoenix	AZ	85009	602-278-9101	Plumbing Specialty Distribution
10032	Brundage Bone/ HCPI	1025 S. 48th Street	Tempe	AZ	85281	480-317-1200	Concrete Pumping
9407	Brutinel Plumbing & Electr	P.O. Box 12 100	Casa Grande	AZ	85230	520-836-5802	Plumbing & Electrical Service & Supplies
9657	BRW Inc.	7720 N 16th Street, Ste 100	Phoenix	AZ	85020	602-234-1591	Engineering, planning & transportation planning
9938	Bud Jones Company (The)	3640 South Valley View B	Las Vegas	NV	89103	702-876-2782	Casino Equipment Manufacturer/Distributor

EXHIBIT 25.12.1.9D
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License	Name	Address	City	State	Zip	Telephone	Activity
11532	Buds Electric	942 W. 1stAve	Mesa	AZ	85210	480-835-5426	Electrical Contracting
9278	Burnette, Rita	P.O. Box 1198	Sacaton	AZ	85247		Food sales
11235	Burshia Law Office	PO Box 598	San Carlos	AZ	85550	928-475-3792	Legal Services
9900	Business Information Soluti	4939 W. Ray Rd #338	Chandler	AZ	85244	480-857-6372	Training Consultant
10167	C & C Concessions	I 101 W McKinley Ave	famona	CA	91768	520-796-1378	Concession at Firebird Raceway
11276	C & M Carpet Cleaning	10564 Little Wind Way	Casa Grande	AZ	85222	520-431-0384	Cleaning
9970	C & S Construction, Inc.	PO Box 42930	Phoenix	AZ	85080	623-780-2221	Concrete Work
11442	C.A.S.M., INC.	1230 N. Mondel Drive	tiilbcrt	AZ	85233	480-633-9559	Air Conditioning, Heating, Refrigeration Service
11253	C.P. Contractors, Inc.	4523 W. Fallen Leaf Lane	Glcndale	AZ	85310	623-434-9746	Door/Hardware Installation
11348	CAB Installs, LLC	PO Box 16773	Phoenix	AZ	85011	602-339-1457	Office Design Furniture and Svcs.
9777	Cactus Bingo Supply, Inc.	3210 East Roser #15	Phoenix	AZ	85040	602-268-2848	Bingo products
11255	Cactus Rose Construction	208 S. River Drive	Tempe	AZ	85281	480-804-0144	Firestopping, Sealants
10324	CADDO Design & Office P	2760 W. 5th Ave	Deer	CO	80204	303-534-3252	Office Supplies & Furniture
11615	California Concepts Inc.	16600 Sprague Rd., Ste 80	Middleburg Hts	OH	44130	440-234-0300	Leasing Bingo Equipment/Insurance
9595	Callicutt Polygraph	3821 E. Holmes Ave	Mesa	AZ	85206	480-830-7419	Polygraph Services
11135	Camelback Concrete Co., I	4051 E Van Buren	Phoenix	AZ	85008	602-952-1622	Concrete Work
11070	Camelback Janitor Supply	4648 N. 7th Avenue	Phoenix	AZ	85013	602-277-5419	Janitorial, Paper Goods and Supplies
9550	Cameron, Ralph	Rt. 4 Box 92A	Laveen	AZ	85339	520-430-2686	Food sales, arts & crafts
11568	Campillo, Guillermo	535 W. Windsor	Phoenix	AZ	85003	480-809-6604	Food Sales
10095	Cannon & Wendt Electric	4020 N 16th Street	Phoenix	AZ	85016	602-279-1681	Electrical Contractors
11359	Canyon Country Contractin	1452 E. Alameda Rd	Phoenix	AZ	85024	602-867-7777	Contracting
11274	Carlson Glass Inc.	7825 E. Evans Rd #300	Scottsdale	AZ	85260	602-620-3988	Glass Contractor
10245	Carmine's Catering	7327 W. Villa Hermosa	Glendale	AZ	85310	602-790-1189	Mobil Catering
11089	Carol Buckles	P.O. Box 11	Laveen	AZ	85339	480-861-5428	General Rummage, Sewing
11313	Carol Parra-Joseph Jackson	PO Box 879	Sacaton	AZ	85247	520-562-2083	Crafts, Food, Wood and Mary Kay
11222	Carpet Mender, The	PO Box 2245	Florence	AZ	85232	480-213-1465	Flooring
10629	Carpets Plus of America	314 E. Florence Blvd.	Casa Grande	AZ	85222	520-836-7220	Floor Covering
9759	Carrillo, Enrique & Maria	P.O. Box 382	Coolidge	AZ	85228	520-723-9881	Food Sales
11623	Carson Construction Co., In	2037 W. Ironwood Dr.	Phoenix	AZ	85021	602-943-5190	Commercial Construction
10461	Carter-Schubert Architects	1901 E. University #330	Mesa	AZ	85203	602-668-8015	Architectural Services
1411	Casa Blanca Assembly of G	P.O. Box 957	Bapchule	AZ	85221		Food Sales
6538	Casa Blanca Community Sc	P.O. Box 10940	Casa Blanca	AZ		520-315-3489	Fundraising
3559	Casa Blanca Day School P	P.O. Box 1212	Sacaton	AZ	85247	520-315-3441	Food Sales
10509	Casa Blanca Market	P.O. Box 299	Sacaton	AZ	85247	520-562-3391	Gasoline and Convenience Market
980	Casa Blanca R.V. Park	P.O. Box 176	Sacaton	AZ	85247		Recreational Park & Concessions
11413	Casa Grande Renta-Jon Cor	P.O. Box 10032	Casa Grande	AZ	85222	520-836-5393	Portable Toilet Rentals
9509	Casino Data Systems	7230 Amigo St.	Las Vegas	NV	89119	702-270-1000	Design and manufacture of casino equip
11279	Castaldi & Gower Inc.	4040 W. Whitton	Phoenix	AZ	85019	602-278-0054	Cabinet/Trim Mfg Install
9810	CB Richard Ellis, Inc.	2415 E Camelback Rd.	Phoenix	AZ	85016	602-735-5000	Leasing Tribal Land- Leasing Agent
11299	Ceiling King, Inc.	11529 N. 99th Street	Scottsdale	AZ	85260	480-348-1057	Ceiling, cleaning and restoration

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License	Name	Address	City	State	Zip	Telephone	Activity
9530	Ceniceros, Anavelia	P.O. Box 1203	Sacaton	AZ	85247	520-418-3158	Sale of food
10932	Centennial Contractors Ente	8500 Leesburg Pike, Ste500	Vienna	VA	22182	703-902-9082	General Conracting-Construction
10409	Century HVAC Inc.	P.O. Box 1664	Chandler	AZ	85224	480-507-3980	Air Conditioning & Heating
11259	Chacon's Landscaping & Irr	18628 W. Susan Ave	Casa Grande	AZ	85222	520-421-3489	Landscaping
863	Chalum, Inc	P.O. Box 70	Sacaton	AZ	85247		Manufacturer - Liquid Alum
11260	Chameleon Coatings, LLC	PMB 363, 4727 E. Bell Rd,	Phoenix	AZ	85032	602-499-6564	Painting
10166	Champion Waste & Recycli	2550 W. Coronado	Phoenix	AZ	85009	602-353-9411	Hauling Waste and Recyclable Material
11292	Chapman Chevrolet L.L.C.	1717 E. Baseline Rd.	Tempe	AZ	85283	480-838-1234	Auto Sales & Service
10638	Charles Court Construction	11036 North 23rd Avenue	Phoenix	AZ	85029	602-944-8601	Waterproofing Performed at Wildhorse Pass
11388	Charles Robert Schiffner, A	2944 N. 44th Street, Ste 10	Phoenix	AZ	85018	602-954-7442	Architecture, Interior Design, Planning
10384	Chase Pipeline	38639 N. 27th Avenue	Phoenix	AZ	85086	602-561-5990	Water & Sewer Pipelines
11231	Chem-Aqua, Inc.	PO Box 152170	Irving	TX	75015	972-438-0166	Water Treatment
3359	Chemawa Indian Boarding	P.O. Box 791	Sacaton	AZ	85247	520-562-9292	Food Sales
11234	Cheri L. McCracken	2402 N. 24th Street	Phoenix	AZ	85008	602-231-0595	Legal Representation
10412	Cherokee Fire Protection	1642 W. Tuckey Lane	Phoenix	AZ	85015	602-249-3492	Installing Fire Sprinklers
10896	Chloe Escobedo	4501 N. 40th Street #112	Phoenix	AZ	85018	602-667-5457	Selling Indian Jewelry
9287	Christopher Drake -- Holsu	4133 E. Ashurst Drive	Phoenix	AZ	85048	480-343-0419	Bread, buns and rolls
11365	Christy Custom Masonry In	2541 N. 76th Place	Mesa	AZ	85207	480-357-6825	All phases of masonry
10433	Cintas Corporation No.2	5600 W. 73rd Street	Chicago	IL	60638	708-563-2626	Industrial Launderer
11352	Clarence Baptisto	PO Box 776	Sacaton	AZ	85247	520-562-2898	Arts & Crafts, Food Sales
8943	Classy Closets Etc., Inc.	1235 South Akimel Lane, B	Chandler	AZ	85226	602-967-2200	Manufacturer of cabinets
10161	Clearcut Media	25225 North 49th Drive	Glendale	AZ	85310	623-516-9511	Video, Public Relations & Promotions
11050	Clopay Building Projects	9230 S. Farmer Avenue	Tempe	AZ	85284	480-598-6557	Install Commercial Overhead Doors
99998	CMF Leasing	1000 Kiewit Plaza	Omaha	NE	68131	407-342-2052	
9716	Coin & Professional Equip	3120 W. Wcldon Ave.	Phoenix	AZ	85017	602-248-0808	Commercial Laundry Equipment Distributor
9356	College House, Inc. (The)	1400 Chamberlayne Ave	Richmond	VA	23222	804-643-4240	Mfg of imprinted/embroidered sportswear
11334	Collies Enterprises #1	17829 W. Hopi Drive	Casa Grande	AZ	85222	520-836-3197	Ice Cream/ Vending
11335	Collies Enterprises #2	17829 W. Hopi Drive	Casa Grande	AZ	85222	520-836-3197	Ice Cream/ Vending
11406	ColorCor Painting, Inc.	2801 W. Medlock Drive	Phoenix	AZ	85017	602-246-2600	Painting & Wallcovering
10098	Combs Construction Comp	PO Box 10789	Glendale	AZ	85318	602-237-4029	Construction
10620	Commander Produce, Inc.	6423 E. Thomas Rd Bldg C	Scottsdale	AZ	85251	480-994-3429	Wholesale produce delivery
9932	Commercial Wallboard Sys	2451 W. Birchwood, Suite	Mesa	AZ	85202	480-921-8211	Drywall Subcontractor
11471	Commonwealth Electric Co	2050 E. 19th Street	Tucson	AZ	85719	520-792-3332	Electrical Construction
11396	Communications Integrator	1835 S. MacDonald Ste 10	Mesa	AZ	85210	480-464-8101	Modular electrical distribution systems
10287	Communications Supply Co	200 East Lies Road	Carol Stream	IL	60188	630-221-6400	Distributor of Wire, Cable & Network Systems Pr
422	Compton Terrace	P.O. Box 51595	Phoenix	AZ	85076	602-796-0240	Entertainment
10299	Computer Works Software	2623 E. Foothill Blvd. Ste 1	Pasadena	CA	91 107	626-792-4044	Accounting Software Sales & Consulting
11178	Concrete Placement, Inc	6527 W Northview	Glendale	AZ	85301		Commercial Conrete Subcontractor
11269	Conquering Computers	2679 E. Arabian Dr.	Gilbert	AZ	85296	480-633-9828	Software Training
9834	Construction Alliance	2601 N. 3rd Street Ste 308	Phoenix	AZ	85004	602-274-9903	General Construction
10804	Construction Connection In	8834 W Mission Lane	Peoria	AZ	85345	623-878-1928	Remodeling New Construction

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License	Name	Address	City	State	Zip	Telephone	Activity
11179	Consultant Engineering, Inc	P.O. Box 37167	Phoenix	AZ	85069		Civil Engineering
8882	Container Distribution, Inc.	6633 West Willis Road, Bo	Chandler	AZ	85226	520-796-2700	Trucking Company
9582	Continental Flooring Co.	5 111 N. Scottsdale Rd, Ste	Scottsdale	AZ	85250	480-949-8509	Flooring supplies and installation
10624	Continental Research Corp.	P.O. Box 15204	St. Louis	MO	63110	800-325-4869	Sales of Specialty Chemicals
9115	Contractors Termite & Pest	23015 N. 15th Ave, Ste101	Phoenix	AZ	85027	623-780-0908	Pest and Termite Control
11357	Contractors West., Inc.	1830 W. Broadway Rd.	Mesa	AZ	86202	480-969-6300	Signs, Lights, Traffic Signals
9707	Control Engineering, Inc.	2430 S. 20th Street #E	Phoenix	AZ	85034	602-253-5533	Energy Management Systems Installation & Servi
10037	Conwest Group Inc.	3700 E. Anne Street	Phoenix	AZ	85040	602-470-1400	Plumbing and HVAC
10468	Cookson Door Sale of AZ	705 W. 22nd Street	Tempe	AZ	85282	480-377-8777	Install Commercial Doors
10836	Cooley Industries, Inc.	1405 W. Broadway/ PO Bo	Phoenix	AZ	85041	602-276-2424	Hardware & Lumber Store
388	Coolidge Indian Assembly	N. 3rd and Pima	Coolidge	AZ			Food Sales
10899	Coolidge Security Systems	122 W. Pinkley	Coolidge	AZ	85228	520-723-4053	Installing Iron Security Bars
2880	CO-OP Indian Assembly of	P.O. Box 37	Lavcen	AZ		520-430-3452	Food & rummage sales
10857	Cooperative Installations	316 California Ave, Ste 100	Reno	NV	89509	775-853-0353	FF & E Installation Services
10430	Copperstate Cash Register	3125 E. McDowell Road	Phoenix	AZ	85008	602-244-9391	Sales/ Service Equipment Hospitality Industry
10830	Corinthian Colleges, Inc.	2525 W. Beryl Ave	Phoenix	AZ	85021	602-942-4141	Educational Institute
11315	Corporate Air Mechanical S	2240 W. Desert Cove, Stc 1	Phoenix	AZ	85029	602-331-5455	Service & Repair of HVAC Systems
10663	Corporate Art West	12360 NE 8th Street	Bcllevuc	WA	98005	425-454-2595	Art Consulting
10290	Corporate Express	2655 W. Georgia	Phoenix	AZ	85017	602-242-2200	Office Products
11257	Corporate Transportation N'	2352 E. University Dr., Ste	Phoenix	AZ	85034	602-528-3848	Ground Transportation
11041	Cosmic Control Company	4421 W Acoma Drive	Glendale	AZ	85306	602-329-2873	Low Voltage Installation
10479	Courtesy Chevrolet	1233 East Camelback Road	Phoenix	AZ		602-279-3232	Auto Dealership
9456	Coyote Kids	Rt. 4 Box 873	Laveen	AZ	85339	520-430-3453	Children's clothing
9316	Creative Ideas & Design, L	HC 1 Box S270J	Payson	AZ	85541	520-479-2930	Sale of General Merchandise
10054	Creative Resources Unlimit	P.O. Box 104	Ganado	AZ	86505	520-688-2696	Financial Management and Construction Consulti
10305	Cress Insurance Consultants	6 101 Moon St., NE Ste 100	Albuquerque	NM	87111	505-822-8114	Insurance Agent
11188	Crime Busters of America	8010 E. McDowell Rd, Suit	Scottsdale	AZ	85257	480-836-9360	Security Guards for Construction Sites
10410	Crop First Aviation, Inc.	35620 W. Carranza	Stanfield	AZ	85272	520-424A764	Aerial application service to agriculture
11603	Cross Bros. Contracting, In	PO Box 1918	Black Canyon Cit	AZ	85324	623-374-5586	Highway Construction
10810	Crown Interiors, Inc.	3550 E. Drexel	Tucson	AZ	85706	520-742-1232	Custom Cabinets Counter Tops
10203	Crown Systems, Inc.	3844 North 24th Street	Phoenix	AZ	85016	602-381-8855	Manufacturer's Representative/ Distributor
10797	Cruz, Rosa	1106 N. G Street	Eloy	AZ	85231	520-466-4705	Plants & Misc. Items
10707	CSU Transport, Inc.	5965 McCasland Ave	Portage	IN	46368	219-764-9938	Terminal for Trucking Operation
11103	Cummings Plumbing, Inc	P.O. Box 89910	Tucson	AZ	85752	520-293-6900	Plumbing & Heating & Cooling Gen Contractor
9470	Cummins-Allison Corp.	891 Feehanville Drive	Mt. Prospect	IL	60056	847-299-9550	Coin & Currency counting/sorting equipment
11258	Cupertino Electric., Inc.	202 W. Guadalupe Rd., #1	Gilbert	AZ	85233	480-503-2530	Electric Contractor
10340	Custom Food Service	719 E. Jackson St	Phoenix	AZ	85034	602-254-1876	Food Distributor
10333	Custom Tillage & Spray	P.O. Box 1913	Coolidge	AZ	85228		Custom Tillage and Spraying Crop
10643	Cyber Metrics Corporation	7500 East Butherus Drive #	Scottsdale	AZ	85260	480-922-7300	Software and Hardware Sales
10925	D & D Sales	PO Box 4	Sacaton	AZ	85247	520-418-3834	Food Sales

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License	Name	Address	City	State	Zip	Telephone	Activity
11380	D& O Contractors	7591 N. 74th Ave	Glendale	AZ	85303	623-463-0555	Earthwork and Paving
10673	D. Sloan Architects, PC	8008 Pennsylvania Circle N	Albuquerque	NM	87110	505-268-4313	Professional Architectural & Engineering Sves
9601	D.H. Blattner & Sons Inc.	400 County Road SO	Avon	MN	56310	320-356-7351	General engineering
10393	D.L. Sales Corp.	3119 W. Clarendon Ave	Phoenix	AZ	85017	602-264-5100	Sales and Service of HVAC Filters
320	Dairy Nutrition Services, In	283 North Arizona Avenue	Chandler	AZ	85224		Dairy Nutrition Consulting & Laboratory Analysis
11347	Daniel & Uschi Sickler	5757 N. Begonia St.	Casa Grande	AZ	85222		Self-Made Beadwork
11169	Daniel W. Evans	8084 E Del Trigo	Scottsdale	AZ	85258	480-668-6000	
10730	Danny Jenkins	2229 E. Garfield Street	Phoenix	AZ	85006	602-275-3457	Hand Carved Pima/Maricopa Dolls
11306	Danny White "Painting" Inc	2250 W. Desert Cove, Ste F	Phoenix	AZ	85029	602-942-2244	Painting Contractor
11497	Dan's Wood Sales	PO Box 464	Laveen	AZ	85339	520-550-2012	Wood Sales and Arts and Crafts
11389	David Allan Dick & Associ	343 W. Central	Coolidge	AZ	85228	520-723-5410	Attorney
11567	David Allen Dick & Associ	343 West Central Ave	Coolidge	AZ	85228	520-723-5410	Law Firm
11059	David J. Bury	209 E Matilija St	Ojai	CA	93023	805-646-4817	Architecture
9401	Day Auto Supply Inc.	403 W. Central	Coolidge	AZ	85228	520-723-9551	Automotive Parts
10599	De La Fuente, Teodoro	82 N. Cameron	Casa Grande	AZ	85222	520-836-3645	Sale of miscellaneous items
314	De Sanno Foundry & Mach	P.O. Box 5030	Chandler	AZ	85224		Manufacturing of Marine Valves & Fittings
11189	Deborah M. Lyons	P.O. Box 11252	Bapchule	AZ	85221	520-315-3323	Food/Rummage Sales
11250	DeeAnne Warwick dba Dee	415 W. l Oth Street #10	Casa Grande	AZ	85222	520-423-2659	Crafts
20	Dela-Tek, Ine	200 N. Vavages Ave,	Coolidge	AZ	85228		Manufacturing-Ordnance Items, Wood Products,
10133	Demand Printing Solutions	1716 W. 4th Street	Tempe	AZ	85281	480-921-7894	Printing
11459	Desert Ambulance Service,	20000 Maricopa Rd/ P.O. B	Chandler	AZ	85226	602-268-0200	Ambulance Service
11566	Desert Masonry Company	4350 S. 18th Ave	Phoenix	AZ	85041	602-276-0300	Masonry Subcontractor
10790	Desert Plains	12153 Moline Street	Henderson	CO	80640	303-659-7871	Applied Fire Proofing to Steel Structures
9543	Desert Travel	1201 N. Pinal Ave Ste B	Casa Grande	AZ	85222	520-426-9264	Airline ticket delivery - vacation packages
9336	Desert Weed Control	P.O. Box 239	Arlington	AZ	85322	602-386-4063	Weed Control
10111	Desierto Verde, Inc.	1011 S. McClintock	Tempe	AZ	85281	480-820-2970	Native Tree Nursery & Salvage Co.
11148	Design Pastering, Inc	8502 E Via de Ventura #14	Scottsdale	AZ	85258	480-951-4169	Stucco Sub-Contractor
9577	Details Contract Furnishing	15111 N. Hayden Rd. #160	Scottsdale	AZ	85260	480-483-1990	Furniture
11394	DiamondBack Marble & Ti	5633 W. Greenbriar	Glendale	AZ	85308	602-942-4056	Ceramic Tile Contractor
11270	Dibble & Associates Consu	2633 E. Indian School Rd.,	Phoenix	AZ	85016	602-957-1155	Consulting Civil Engineering Services
10171	Dick Taggart Enterprises	3754 W. Hidalgo	Phoenix	AZ	85041	602-243-0477	Miscellaneous items
10722	Digigroup, Inc.	414 S. Mill Ave #219	Tempe	AZ	85281	480-821-0344	Document Management, Digital Imaging
10596	District #3 Elderly	P.O. Box 297	Sacaton	AZ	85247	520-562-3588	Food Sales & Misc. Items
3023	District #6 Community/Ser	P.O. Box 54	Lavcen	AZ	85339		Fundraisers - Food & Yard Sales
9559	District #7 Elders	Rt. 4 Box 186	Laveen	AZ	85339	520-430-4780	Food Sales
3382	District#3 Community Volu	P.O. Box 845	Sacaton	AZ	85247	520-562-3334	Fund Raisers
11453	Diversified Human Resourc	7002 E. Ist Ave	Scottsdale	A7.	85048	480-941-5588	Employee Leasing
9235	Diversified Interiors Inc.	4122 W. Venus Way Ste B	Chandler	A7,	85226	480-961-5930	Plastering
10940	Dixon Handyman Services	PO Box 1 1365	Bapchule	AZ	85221	520-315-1368	General Construction
11597	Domingo, Louella	PO Box 700	Sacaton	AZ	85247	520-562-4496	Food/ Yard Sales
10683	Don White Construction Co	9512 E. McDonald Drive	Scottsdale	AZ	85256	602-497-6072	Home Repair/ Plumbing and Painting

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License	Name	Address	City	State	Zip	Telephone	Activity
11361	Donald L. Hall Jr.	3815 W. Alta Vista Rd.	Phoenix	AZ	85041	602-871-0507	Retail Sales
10403	Donway Corporation	6826 East Monterey	Scottsdale	AZ	85251	480-990-1232	Site work, Paving, Sealcoating, Patching, Tennis
10090	Doorco Inc.	3116 E. Shea Blvd., Ste 1	Phoenix	AZ	85028	602-252-6282	Install Doors
8961	Doors & Buildings Compon	6535 W. Germann Rd	Chandler	AZ	85226	520-796-0502	Mftr & sell metal roll-up doors,door systems,com
11398	Dougherty Painting Compa	PO Box 16701	Phoenix	AZ	85011	602-265-3578	Painting Subcontractor
10869	Douglas E. Evans/ Karen K	PO Box 828	Sacaton	AZ	85247	520-418-2095	Snacks
9384	Dove Towing Service	3299 E. Chandler Blvd	Phoenix	AZ	85044	602-237-3494	Towing services
11071	DPI Epicurean Fine Foods,	P.O. Box 5940	Mesa	AZ	85210	480-834-6081	Wholesale Food Distribution
9939	Drummond American	600 Corporate Woods Pkw	Vernon Hills	IL	60061	602-209-6168	Maintenance Supplies
11628	DS Murphy & Company	6901 E. Orange Blossom D	Scottsdale	AZ	85253	602-647-1356	General Contractor/Consultant
9647	Dunn-Edwards Corporation	4885 E. 52nd Place	Los Angeles	CA	90040	323-771-3330	Paint & Wall Coverings
11145	Durham Communications, I	4611 E Virginia St	Mesa	AZ	85215	480-981-8875	
10988	Dust Devil Legal Service L	PO Box 67913	Phoenix	AZ	85082	602-348-6565	Tribal Court Advocate
10029	Eagle Gaming Inc.	13231 N. El Pueblo Blvd.	Fountain Hills	AZ	85268	480-816-1919	Distributor of Gaming Equipment
11013	Eagle Steel Erectors Inc.	2400 S. 55th Street, Suite I	Tempe	AZ		480-894-1597	Steel Erection
9802	Earl Kai Charm Associates	3050 N. Country Club Road	Tucson	AZ	85716	520-325-5847	Architecture
11318	Eamhardt Gilbert Dodge In	1301 N. Arizona Ave	Gilbert	AZ	85233	480-926-4000	Automobile Dealer
9485	East Valley Office Supply I	3344 N. Delaware Street	Chandler	AZ	85225	480-497-0407	Office supplies & services
3511	Echoes of Calvary Church	P.O. Box 1239	Bapchule	AZ	85221		Food Sales
10208	Ecolab Inc.	370 North Wabasha St	St. Paul	MN	55102	651-293-2496	Sales of Institutional Cleaning Products
9511	Ecolab Pest Elimination	370 North Wabasha St	St. Paul	MN	55102	651-293-2496	Exterminating services
9591	EcoPlan Associates Inc.	701 W. Southern Avenue, S	Mesa	AZ	85210	480-733-6666	Environmental & Economic Planning
11339	EDAW Phoenix	502 S. College #201	Tempe	AZ	85281	480-968-6514	Planning/Landscape, Consulting
10669	Edward Kraemer & Sons, I	PO Box 220	Plain	WI	53577	608-546-2311	I lcavy Highway Construction
1254	EHS Contractor Supply, Inc	6773 W. Willis	Chandler	AZ	85224		
9574	El Paso Corporation	Two North Nevada Ave	ColoradoSprings	CO	80903	719-520-4813	Natural Gas Delivery
10959	Eleanor M. Williams	4501 N. 2nd Ave	Phoenix	AZ	85013	602-264-9877	Princess House-In house Party Sales
10116	Electrical District #2 (ED#2	P.O. Box 3362 EMCRB	Casa Grande	AZ	85222	520-836-4820	Heating, Ventilation, Air Conditioning & Electric
6464	Electro Systems, LLC	P.O. Box 338	Sacaton	AZ	84247	520-418-2164	Metals Recovery
11625	Eleno Tovias	315 E. Desert Drive	Phoenix	AZ	85042	602-304-0630	Misc. Items
11559	Eliason & Knuth of Arizon	3875 N. 28th Ave	Phoenix	AZ	85017	602-269-9887	Subcontractor Painting
11079	Elvira Yucupicio	P.O. Box 11375	Bapachule	AZ	85221	520-315-1608	Arts & Crafts
11221	Emjay Corporation	3702 W. Vista Ave	Phoenix	AZ	85051	602-841-4502	Carpentry Construction
10109	Empire Fence	600 E. Chandler Blvd.	Chandler	AZ	85225	480-820-4595	Fence Contractor
11432	Employee Action Committe	P.O. Box 528	Sacaton	AZ	85247	520-562-3904	Employee Fundraisers
10996	Employment Resource, Inc.	2108 E. Thomas Road #209	Phoenix	AZ	85016	602-840-5889	Temporary Staffing
10193	England, Kenny	2845 N. Price Road	Chandler	AZ	85224	602-505-7775	Discing & Grading/ Trenching
9537	Enos, Melva & Vernon	P.O. Box 11037	Bapchule	AZ	85221	520-315-3534	Food and Wood Sales
10495	Ensle Tech Inc.	150 E. Alamo Drive. #9	Chandler	AZ	85225	480-539-9101	Sales & Service of Commercial Phone Systems
10908	Enterprise Leasing Compan	1444 W. Auto Drive	Tempe	AZ	85284	480-705-5005	CarNehicle Rental

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11356	Entrance, Inc.	7740 N. 16th St., Ste 200	Phoenix	AZ	85020	602-889-7000	Consulting Engineers
10359	Environmental Care, Inc.	2902 E. Illini Street	Phoenix	AZ	85040	602-276-5900	Landscape Maintenance
9411	Environmental Earthscapes,	P.O. Box 43820	Tucson	AZ		520-318-6760	Landscape Contractor
10821	Environmental Enginnering	4530 E Muirwood Dr., Suit	Phoenix	AZ	85048		Engineering Services
11053	Environmental Filtration In	4216 S. 37th Street	Phoenix	AZ	85040		Air Filtration Products
11128	Erica Sundust	P.O. Box 1433	Sacaton	AZ	85247	520-562-4074	Child Care Provider
10424	ESS International Corporati	P.O. Box 686	Gilbert	AZ	85299	480-926-0166	Electrical Construction
3188	Estrella Mountain High Sch	Rt. 2 Box 809	Laveen	AZ	85339	520-550-2515	Food Sales
11227	European Imports LTD	2475 N. Elston	Chicago	II	60647	723-227-0600	Specialty Foods
10061	Ever-Ready Glass Inc.	2525 E. Indian School Roa	Phoenix	AZ	85016	602-235-6002	Installing Windows
10581	Executive Sports	2973 Harbor Blvd., Ste 458	Costa Mesa	CA	92626	562-427-7400	Promotional Items
10585	Ezell, Clara M.	2221 W. Pecan Road	Phoenix	AZ	85041	602-268-5314	Misc. Items
10101	Farfan's	PO Box 353	Corrales	NM	87048	505-898-0548	Indian Arts & Jewelry
11346	Fat & Happy	PO Box 501	Buckeye	AZ	85326	623-386-4840	Selling Beans and Fruits
11383	Faylene S. Haskie	PO Box 4445	Page	AZ	86040	928-890-0143	Selling Jewelry
9615	Federal Express Corporatio	3630 Hacks Cross Rd., Bid	Memphis	TX	38125	901-434-7285	Express Mail Services
9622	Felix, Johnny & Doris; Sab	P.O. Box 1402	Sacaton	A7,	85247		Food sales
11244	Fernando Reams	PO Box 890	Sacaton	AZ	85247	520-610-0550	Food Service and Consultant
10082	Ferrellgas, L.P.	3111 N.W. Grande Ave	Phoenix	AZ	85017	602-279-8511	Propane
7718	Fertilizer Co. of AZ	2850 S. Peart Road	Casa Grande	AZ	85222	520-836-7477	Fertilizer/AG Chemical Sale
9737	Fiesta Business Forms, Inc.	PO Box 51750	Phoenix	AZ	85076	480-940-0600	Printing and Sign Sales
10322	Figueroa, Maria T.	P.O. Box 344	Maricopa	AZ	85239	520-568-5012	Misc. Items/ Food Sales
10508	Fillmore Partnership	2730 E. Broadway #200	Tucson	AZ	85716	520-326-3200	Real Estate Rental
30	Firebird International Race	P.O. Box 5023; 20000 Mari	Chandler	AZ	85224	602-268-0200	Race Promotion
803	Firestone Central Research	1200 Firestone Parkway	Akron	OH	44317		R&D Program on Guayule Rubberr
9746	Fireworks Productions of A	1932 E. Rio Salado Parkwa	Tempe	AZ	85281	480-948-0090	Fireworks Displays
10630	First Copy Inc.	2202 W. Huntington Drive	Tempe	AZ	85282	602-470-8870	Copier, Fax, Printer, Sales and Supplies
1808	First Presbyterian Church	P.O. Box 10	Sacaton	AZ	85247	520-562-9203	Food Sales
10493	Fishel Company, The	1810 Arlingate Lane	Columbus	OH	43228	614-274-8100	Utility Construction
11107	Fitzgibbons Law Offices, P	P.O. Box 11208	Casa Grande	AZ	85230	520-426-3824	Law Practice
10263	Five G, Inc.	3801 E. Superior Ave.	Phoenix	AZ		602-437-0201	Steel Fencing and Guardrails
11108	Five Star Carpet Cleaning	1116 N. Olive Ave	Casa Grande	AZ	85222	520-836-2152	Carpet Cleaning
11090	Flint Energy Services Inc.	P.O. Box 3044	Tulsa	OK	74101	918-294-3030	Pipeline Maintenance
9965	Flooring Consultants, Inc.	2601 North 16th Street	Phoenix	AZ	85006	602-256-2862	Floor Covering Contractor
11065	Floyd L. James	P.O. Box 365	Sacaton	AZ	85247	520-562-3524	Snacks
33	FM 103 Broadcasting Co -	P.O. Box 1437	Coolidge	AZ	85228		Radio Station
9264	FNF Construction, Inc.	115 S. 48th St.	Tempe	AZ	85281	480-784-2910	Road Construction Project
10631	Fohrenkam, Keith Rockford	P.O. Box 57	Laveen	AZ	85339	520-430-2711	Renovating Homes
11076	Forge Contracting of Arizo	P.O. Box 5143	Scottsdale	AZ	85261	480-829-3706	Construction
10753	Four Bears	P.O. Box 335	Sacaton	AZ	85247	520-562-4044	Catalog Distribution and Wholesale Merchandise
10253	Four Winds Trading Compa	6355 Joyce Drive	Arvada	CO	80403	720-890-8000	Distributor of Native American Music & Books

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
10304	Foxworth Galbraith Lumbe	P.O. Box 10100	Casa Grande	AZ		520-83fi-8781	Building Materials
9277	Francisco, Rikki	P.O. Box 812	Sacaton	AZ	85247	520-315-2051	Baskets/ Arts & Crafts
10285	Frank Lee Imports	2532 Strozier Ave	South El Monte	CA	91733	626-448-8000	Playing Cards and Promotional Items
11390	Franzoy Consulting Inc.	1392 W. Stacey Lane	Tempe	AZ	85284	480-961-4961	Engineering/ Hydrology Consulting
11216	Freddie Reams and Sons	PO Box 1265	Sacaton	AZ	85247	520-705-7461	Misc. items, towing
10469	Friar Tux Shop	1711 S. Claudina Way	Anaheim	CA	92805	714-635-1262	Uniform sales, promotional & formal wear rentals
10252	Fronteras Nuevas, Inc.	6710 E. Calle Redondo	Scottsdale	AZ	85251	480-947-5290	Agriculture- Farming- Haying
8506	Fry Bread City	P.O. Box 3771	Phoenix	AZ	85030	247-2080	Food and Crafts
318	Fullmers Supply	P.O. Box 570	Logan	UT	84321	801-753-1112	Lumber Yard
11534	Funky but Chic	4950 W. Wescott Dr.	Glendale	AZ	85308	623-780-8884	Clothing
11002	G & C Glass, Inc.	P.O. Box 593	Gilbert	AZ	85299	480-497-6608	Installation of Shower Doors and Accessories
10692	G & K Services, Inc.	4804 W. Rossevelt	Phoenix	AZ	85043	602-353-3100	Textile Leasing
11569	G. Stone Firewood	PO Box 11082	Bapchule	AZ	85221		Firewood
10251	G.H.C. Hay Sales	3752 W. Rolls Road	Queen Creek	AZ	85242	480-987-0283	Buy, Chop Hay/Bale Cotton
10916	GAC Construction, Dev.,Fi	PO Box 16876	Phoenix	AZ	85011	602-549-2010	General Contractor
10947	Galaxy Service Company	4315 E. Ponca Street	Phoenix	AZ	85044	480-961-0111	Commercial Food Equipment Repair
9673	Garcia, Weda	Rt 1 Box 87F	Coolidge	AZ	85228	520-215-5124	Fire Wood
10603	Garcia's Professional Servic	PO Box 21674	Phoenix	AZ	85034	623-936-4485	Janitorial, Painting, Small Repairs
9434	Gary Cropper Chevrolet, In	PO Box 11306	Casa Grande	AZ	85230	520-836-2147	Auto Dealership
10900	Gary L. Parker	16615 S. 37th Way	Phoenix	AZ	85048	480-759-1273	Consulting Services
10180	Gary Panks Association	17787 N. Perimeter Drive,	Scottsdale	AZ	85255	480-563-7175	Golf Course Architect
11300	Garys Rocks and Gems	1132 N. Walnut Drive	Casa Grande	AZ	85222	520-836-7010	Rocks, stones and fossils
11498	GBU Drywall	14545 Portland Ave	Gilbert	AZ	85296	480-813-2064	Hanging, Taping and Texture Drywall
11355	GCS Service, Inc.	370 N. Wabasha Street., Ec	St. Paul	MN	55102	651-293-2317	Repair kitchen appliances
11146	General Acrylics, Inc	22222 N. 22nd Ave	Phoenix	AZ	85027	602-569-9377	
11160	Genesis Resource Inc	701 E Barbarita Ave	Gilbert	AZ	85234	480-497-2500	
25	Genstar Conversation Syste	6733 W. Willis Rd	Chandler	AZ	85224		
10820	Geotek Insite, Inc.	3401 E. Broadway Rd, Ste	Phoenix	AZ	85040	602-243-7358	Geotechnical & Environmental Consulting & Con
11609	GHA Technologies	8998 E. Raintree Drive	Scottsdale	AZ	85260	480-951-6865	Dealers/Resellers of Computer Products
9522	Gila Consulting & Develop	P.O. Box 960	Sacaton	AZ	85247	520-562-1132	Consulting and development assistance
3970	Gila Crossing Presbyterian	P.O. Box 208	Laveen	AZ	85339	520-550-4464	Food Sales
7616	Gila Crossing PTO	P.O. Box 10	Lavecn	AZ	85339	520-550-4834	Fundraising
396	Gila River Arts & Crafts	P.O. Box 457	Sacaton	AZ		520-315-3411	Crafts & food sales
391	Gila River Boarding School	P.O. Box 737	Sacaton	AZ	85247		Food Sales and Bingo
2154	Gila River Dialysis Support	P.O. Box 2137	Sacaton	AZ	85247	520-562-3345	Fundraising
10114	Gila River Displays	P.O. 299	Sacaton	AZ	85247	520-562-3391	Billboard Signs
10666	Gila River Farms Agricultu	P.O. 397	Sacaton	AZ	85247	520-836-2671	Agricultural Farming & Propane Sales
65	Gila River Farms Chemical	P.O. 397	Sacaton	AZ	85247	520562-6000	Chemical Distribution
64	Gila River Farms Grain Sto	P.O. 397	Sacaton	AZ	85247		Grain Storage
9940	Gila River Farms-Produce	P.O. 397	Sacaton	AZ	85247	520-315-1692	Produce

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11212	Gila River Floor Covering	10280 W. Rosemead Drive	Casa Grande	AZ	85222	520-510-1956	Sales/Svc for floor coverings
4008	Gila River Gaming Enterpri	P.O. Box 6790	Chandler	AZ	85247	520-796-7777	Gaming, Slot Machines, Bingo, Restaurant, Etc
7919	Gila River Indian Care Cent	P.O. 9	Laveen	AZ	85339	520-430-3813	Arts & Crafts Yard & Food Sales
1276	Gila River Indian Communi	P.O. 7	Sacaton	AZ	85247		Ambulance Service and Ambulatory Transportatio
11438	Gila River Indian Communi	PO Box 5091	Chandler	AZ	85247	520-796-0666	Electric Utility
400	Gila River Indian News	P.O. 459	Sacaton	AZ	85247	520-562-1097	Publishing Community Newspaper
2333	Gila River O'odham Parent	PO Box A	Sacaton	AZ	85247		Food Sales
10670	Gila River Sand & Gravel	PO Box 926	Sacaton	AZ	85247	520-418-2106	Mining
10097	Gila River Service Station (	PO Box 299	Sacaton	AZ	85247	520-562-3391	Convenience Market
1929	Gila River Telecommunicat	Box 5015; 7065 W. Al	Chandler	AZ	85226	520-796-8820	Telecommunications
11193	Gilbertson Associates, Inc.	15974 N. 77th Street	Scottsdale	AZ	85260	480-607-2244	Surveying/Civil Engineering
10583	Gill Marketing Co.	7330 N. 16th Street	Phoenix	AZ	85020	602-943-7700	Food Service Equipment
9584	Gilmore Graves Inc.	300 W. Clarendon Ave #38	Phoenix	AZ	85021	602-266-5622	Land planning & landscape architecture
2804	Girl Scout Troop District #	PO Box 1270	Sacaton	AZ	85247		Fundraising
11310	GIS Southwest, Inc.	8601 N. Black Canyon Hwy	Phoenix	AZ	85021	602-864-1928	Consulting Work
11015	Glassco Inc.	3341 E. Corona Ave	Phoenix	AZ	85040	602-275-7151	Alum & Glass
10535	Global Cash Access	6200 S. Quebec	Greenwood Villa	CO	80111	303-488-8918	Provider of Cash Access Services
9001	Glory (U.S.A.) Inc	10 York Ave	West Caldwell	NJ	70006	973-228-4500	Coin and Currency Handling Equipment
11382	Goering, Roberts, Rubin, B	3320 N. Campbell Ave	Tucson	AZ	85719	520-577-9300	Law Practice
2272	Golden Age Organization	PO Box 146	Sacaton	AZ	85247		Food Sales
10265	Golden Expressions Jewelr	PO Box 10567	Casa Grande	AZ	85230	520-836-2227	Jewelry Sales
9525	Gomez, Sheila Faye	PO Box 10766	Bapchule	AZ	85221	520-315-1439	Food sales
10084	Good Music Agency, Inc.	7809 Southtown Center #11	Minneapolis	MN	55431	612-388-9825	Provide Live Music/ Entertainment
11226	Gookin Engineers, LTD	4203 N. Broon Ave	Scottsdale	AZ	85251	480-947-3741	Consulting Engineering Services
2154	Gila River Dialysis Support	PO Box 2137	Sacaton	AZ	85247	520-562-3345	Fund Raising
10114	Gila River Displays	PO Box 299	Sacaton	AZ	85247	520-562-3394	Billboard Signs
10666	Gila River Farms Agricultu	PO Box 397	Sacaton	AZ	85247	520-836-2671	Agricultural Farming & Propane Sales
65	Gila River Farms Chemical	PO Box 397	Sacaton	AZ	85247		Chemical Distribution
64	Gila River Farms Grain Sto	PO Box 397	Sacaton	AZ	85247		Grain Storage
9940	Gila River Farms-Produce	PO Box 397	Sacaton	AZ	85247	520-315-1692	Produce
11212	Gila River Floor Covering	10280 W. Rosemead Drive	Casa Grande	AZ	85222	520-510-1956	Sales/Svc for floor coverings
4008	Gila River Gaming Enterpri	PO Box 6790	Chandler	AZ	85246	520-796-7777	Gaming, Slot Machines, Bingo, Restaurant, Etc
7919	Gila River Indian Care Cent	PO Box 9	Laveen	AZ	85339	520-430-3813	Arts & Crafts Yard & Food Sales
1276	Gila River Indian Communi	PO Box 7	Sacaton	AZ	85247		Ambulance Service and Ambulatory Transportatio
11438	Gila River Indian Communi	PO Box 5091	Chandler	AZ	85226	520-796-0666	Electric Utility
400	Gila River Indian News	Po Box 459	Sacaton	AZ	85247	520-562-1097	Publishing Community Newspaper
2333	Gila River O'odham Parent	PO Box A	Sacaton	AZ	85247		Food Sales
10670	Gila River Sand & Gravel	PO Box 926	Sacaton	AZ	85247	520-418-2106	Mining
10097	Gila River Service Station (	PO Box 299	Sacaton	AZ	85247	520-562-3391	Convenience Market
1929	Gila River Telecommunicat	PO Box 5015, 7064 W. Al	Chandler	AZ	85226	520-796-8820	Telecommunications

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11193	Gilbertson Associates, Inc.	15974 N. 77th Street	Scottsdale	AZ	85260	480-607-2244	Surveying/Civil Engineering
10583	Gill Marketing Co.	7330 N. 16th Street	Phoenix	AZ	85020	602-943-7700	Food Service Equipment
9584	Gilmore Graves Inc.	300 W. Clarendon Ave #38	Phoenix	AZ	85021	602-266-5622	Land planning & landscape architecture
2804	Girl Scout Troop District #	PO Box 1270	Sacaton	AZ	85247		Fundraising
11310	GIS Southwest, Inc.	8601 N. Black Canyon Hwy	Phoenix	AZ	85021	602-864-1928	Consulting Work
11015	Glassco Inc.	3341 E. Corona Ave	Phoenix	AZ	85040	602-275-7151	Alum & Glass
10535	Global Cash Access	6200 S. Quebec	Greenwood Villa	CO	80111	303-488-8918	Provider of Cash Access Services
9001	Glory (U.S.A.) Inc	10 York Ave	West Caldwell	NJ	70006	973-228-4500	Coin and Currency Handling Equipment
11382	Goering, Roberts, Rubin, B	3320 N. Campbell Ave	Tucson	AZ	85719	520-577-9300	Law Practice
2272	Golden Age Organization	PO Box 146	Sacaton	AZ	85247		Food Sales
10265	Golden Expressions Jewelr	PO Box 10567	Casa Grande	AZ	85230	520-836-2227	Jewelry Sales
9525	Gomez, Sheila Faye	PO Box 10766	Bapchule	AZ	85221	520-315-1439	Food sales
10084	Good Music Agency, Inc.	7809 Southtown Center #11	Minneapolis	MN	55431	612-388-9825	Provide Live Music/ Entertainment
11226	Gookin Engineers, LTD	4203 N. Brown Ave	Scottsdale	AZ	85251	480-947-3741	Consulting Engineering Services
7907	Headstart Center--District 3	P.O. Box A	Sacaton	AZ	85247		Fundraising
9886	Healthcare Medical Waste	4614 E. Red Bird Rd.	Cave Creek	AZ	85331	480-515-4560	Transportation & Disposal of Medical Waste
11402	Healthy Lifestyles, Inc.	797 N. Alma School Rd, B-	Chandler	AZ	85224	480-722-1089	Wellness Center Detoxification Therapies
10828	Heideman & Associates Inc	5326 E Washington St #4	Phoenix	AZ	85034		Mechanical & Electrical Consulting Enginners
10302	Helga Designs, Inc.	1966 Spring House Road	St. Louis	MO	63122	636-394-4485	Design & Manufacture Uniforms & Apparel
11608	Henry Brothers Inc.	PO Box 5873	Mesa	AZ	85211	602-437-2700	Lighting Maintenance
11254	Henry F. Dobyns	2212 Marshall Drive	Edmond	OK	73013	405-348-9509	Water Rights Consultant
9958	Hemandez Landscaping &	P.O. Box 545	Laveen	AZ	85339	602-673-4134	Landscaping
9258	Higgins, Mark A.	PO Box 134	Picacho	AZ	85241	520-466-4951	Legal Services
7656	Hobart Corporation	701 South Ridge Ave	Troy	OH	45374		Manufacture, sales and service of comm food equi
9293	Holy Family Catholic Chur	P.O. Box 1058	Coolidge	AZ		520-215-2435	Food & Catering Services
9344	Home Health Specialist	P.O. Box 11217	Chandler	AZ	85248	480-883-1776	Oxygen/Medical Supplies
9531	Homeowners Realty	25601 N. Sun Lakes Blvd	Sun Lakes	AZ	85248	480-895-9270	Real Estate
10739	Homes America of Arizona	6420 W. Allison	Chandler	AZ	85226	520-796-4300	Manufactured Home Sales
10874	Honey Bears' Bar-B-Q Inc.	5012 E. Van Buren	Phoenix	AZ	85257	602-273-9148	Food Service: Eat in/Carry out/Catering
11372	Honeycutt Rodeo Inc.	PO Box 239	Alamosa	CO	81101	719-589-9444	rodeo chutes & panels for rent
9473	Honie, Genevieve R.	P.O. Box 1151	Sacaton	AZ	85247	520-562-2365	Child care provider
9516	Hoover, Annette	P.O. Box 11206	Bapchule	AZ	85221	520-315-3643	Child care provider
10982	Hot & Spicy Stuff	10280 W. Rosemead Drive	Casa Grande	AZ	85222	520-510-1956	Prepare/sale hot food on site
10719	House Advantage, The	1840 E. Warner Road, A10	Tempe	AZ	85284	480-413-0668	Consulting Services
10144	Hughes-Calihan Corporatio	P.O. Box 10322 (4730 Nort	Phoenix	AZ	85064	602-264-9631	Business Equipment
9532	Hunter Contracting Co.	P.O. Box 900	Gilbert	AZ	85299	480-892-0521	Contracting
10022	Hurricane Corporation	1548 W. Northern Ave	Phoenix	AZ	85021	602-943-3674	Vertical Hole Drilling
10007	Hurricane Fence Co.	P.O. Box 18166	Phoenix	AZ	85005	602-484-9005	Fence Construction
10048	Hyperion International Tec	5016 South Ash Ave., Ste 1	Tempe	AZ	85282	480-897-6800	Consulting Engineering

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11477	Hystia, Lynette	PO Box 525	Sacaton	AZ	85247		Food and Yard Sales
10422	IEP, LTD	7701 E. Gray Road Ste 2	Scottsdale	AZ	85260	480-951-3267	Consult, design, install Surveillance & Security S
11354	IFEX, Inc.	1963 N. Main Street	Orange	CA	92865	714-283-5454	Sale of Janitorial Supplies
9289	IGT (International Game Te	9295 Prototype Dr.	Reno	NV	89521	702-448-7777	Gaming devices & services
11545	IKON Office Solutions (IO	1910 W. University	Tempe	AZ	85281	480-894-6200	Office supplies & equipment
9942	Ilona Mack and Family	P.O. Box 257	I_aveen	AZ	85339	480-964-2503	Food/Yard Sales
10885	Imagine This	1277 S. Lyon, Ste 501	Santa Ana	CA	92705	714-384-3807	Sale of Promotional Products
11393	Indicom Electric Company	3402 E. WierAve	Phoenix	AZ	85040	602-276-6343	Electrical Contractor
851	Induction Billet Corp	6770 W Willis Road	Chandler	AZ	85226		Induction Billet Supplies
11374	Industrial Fence Specialty L	PO Box 699	Tolleson	AZ	85353	602-256-2981	furnish/ install guardrails & signs
10933	Industrial Shoe of Arizona/I	835 W. 22nd Street	Tempe	AZ	85282	480-968-7601	Sale of Work Shoes
10228	Infinity Outdoor, Inc. (Out	2502 N. Black Canyon Hw	Phoenix	AZ	85009	602-246-9569	Outdoor Advertising
9353	Initial Impressions	19218 E. Hunt Hwy.	Queen Creek	AZ	85242	501-872-1555	Marketing/ Advertising
8413	Innovative Gaming Corpora	333 Orville Wright Ct.	Las Vegas	NV	89119	702-614-7199	Manufacturer/Distributor of Gaming Equipment
11301	Innovative Systems LLC	1000 Innovative Drive	Mitchell	SD	57301	605-995-6120	Telecommunications Equipment
9578	Installation Technicians Inc	P.O. Box 399	Kimberling City	MO	65686	417-739-5111	Telephone wiring, installation, repair
10822	Insyst, Inc	2717 W Southern Ave	Tempe	AZ	85282		Trench Work
11262	Integrated Legal Services &	5044 W. Cactus, D106	Glendale	AZ	85304	623-210-6166	Law Practice-Tribal
771	Interia Dynamics Corp		Chandler	AZ			Warehousing
11137	International Environmental	4030 E Broadway #802	Phoenix	AZ	85040	602-241-6600	
10772	International Surfacing Syst	6751 W. Galveston	Chandler	AZ	85226	480-940-9690	Road Construction
10485	Iron Age Corporation	Robinson Plaza Three Ste	Pittsburgh	PA	15205	412-787-4100	Safety Shoe Supplier
10948	Ironhorse Contracting, Inc.	840 E. Southern Ave	Mesa	AZ	85204		Paving and Grading
10880	Irvin C. Vallo	PO Box 11416	Bapchule	AZ	85221		Used Misc. items
10146	ISEC, Inc. D.B.A. IISI	828 lA East Isabella Ave	Mesa	AZ	85204	480-813-3530	Specialty Construction
11273	ISI Group LTD	8543 Lankershim Blvd	Sun Valley	CA	91352	818-764-8888	Cleaning Products
10546	IXTAPA Gaming, LLC.	7500 W. Lake Mead Blvd.,	Las Vegas	NV	89128	702-360-5595	Gaming Supplies
11182	J & M Sells	801 S Chestnut	Mesa	AZ	85204	480-926-3250	Sell Used Articles
11513	J.R. McDade Company, Inc	PO Box 16070	Phoenix	AZ	85011	602-230-880	Flooring
10792	Jackson Landscaping	P.O. Box 1533	Sacaton	AZ	85247	520-562-3459	Landscaping
9676	Jackson, Darlene	P.O. Box 756	Sacaton	AZ	85247		Food and Yard Sales
9505	Jackson, Geraldine	P.O. Box 1065	Sacaton	AZ	85247	520-562-3508	Snacks, Crafts and Yard Sales
10024	Jacqueline Enos	PO Box 11260	Bapchule	AZ	85221	520-315-1627	Child Care Provider
11219	James Bond Trucking Co., I	12 E. Hidalgo Ave	Phoenix	AZ	85040	602-276-5574	Trucking Construction
11296	James W. Ratliff	12014 N. Monument Dr., S	Coolidge	AZ	85228	520-723-3015	Selling goods & misc. items
9829	Jared, The Galleria oCJewel	375 Ghent Rd.	Akron	OH	44333	330-668-5326	Jewelry
9464	JB's Ice Cream	P.O. Box 11407	Bapchule	AZ	85221	520-315-1360	Ice Cream Truck
10883	JCH Detailing	17539 W. Coyoto Trail	Goodyear	AZ	85338	623-393-9176	Detailing Automobiles
11537	Jefferson Leatherman	PO Box 661	Globe	AZ		520-425-0462	Law Practice
10025	Jennings, Strouss & Salmon	l lth Floor., Collier Center,	Phoenix	AZ	85004	602-262-5899	Law Firm

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License	Name	Address	City	State	Zip	Telephone	Activity
11451	Jessco Electric Co.	P.O. Box 1793	Cave Creek	AZ	85327	480-488-0924	Electrical Contracting
11602	Jesus Perez	2822 N. 66th Dr	Phoenix	AZ	85035	623-873-0389	Sale of Misc. Items
10951	Jim & Joyce Taylor	1948 W. Hadley	Phoenix	AZ	85009	602-595-4715	Produce, used items and misc.
10808	JKT Enterprises	8841 N. 4th Avenue	Phoenix	AZ	85021	602-371-1280	Concrete Placement
11621	Joanne Miles-Long	PO Box 894	San Carlos	AZ	85550	928-475-5664	Telecommunications Consultant
9949	Joaquin, Arlene; Pablo, Rec	P.O. Box 10901	Bapchule	AZ	85221	520-315-1237	Food Sales
11431	Joe E. Woods Inc.	63 E. Main Street, Ste 401	Mesa	AZ	85201	480-964-4560	General Construction/ Huhugam Heritage
11331	John D. Bryson	2147 W.1236050	Riverton	UT	84065	801-699-4536	Shoes and misc. items
9653	John Deer Training Center	8000 Jersey Ridge Road	Davenport	IA	52807	520-315-3652	Training center
8666	John Eldo Brown, Architect	4700 East Thomas Road, St	Phoenix	AZ	85018	602-273-1943	Architect
10912	John Gonzales	9880 Altadena	Casa Grande	AZ	85222	520-876-9564	New & Used Items
9372	John H. Wright & Co., Inc	1486 N. Grant Ave.	Casa Grande	AZ	85222	520-836-7288	General Contractor
11134	John Hiller & Company Pai	P.O. Box 77865	Tucson	AZ	85705	520-887-3150	
10995	John Lee Talamantez	PO Box 686	Laveen	AZ	85339	602-237-3570	Food Sales
10460	John's Uniforms Inc	1749 E. McDowell Road	Phoenix	AZ	85006	602-254-9217	Retail Sales-Uniforms
9568	Johns, Elizabeth	P.O. Box 686	Sacaton	AZ	85239		Food Sales
11557	Johnson Controls, Inc.	PO Box 591	Milwaukee	WI	53201	414-524-2674	Building Controls
9472	Johnson, Cyrus	P.O. Box 204	Sacaton	AZ	85247	602-541-1310	Electrical & plumbing
9747	Jones Auto Center, L.L.C.	1932 N. Pinal Ave.	Casa Grande	AZ	85222	520-836-3100	Automotive Sales & Body Shop
11601	Jose C. Ponce	6401 W. Granada	Phoenix	AZ	85035	623-846-8042	Sale of Produce
11400	Jose & JR Narvaez	2743 W. Pima Ave	Phoenix	AZ	85009	602-455-8484	Tools
11325	Joseph & Edna Josephson 1	4640 Admiralty Way, Ste 10	Marina Del Rey	CA	90292	310-306-1868	Character Education
10723	Joshua C. Fisher, DVM	1 129 E. Liberty Lane	Gilbert	AZ	85296	480-726-3585	Veterinary Medicine
11475	JR's Lath & Plastering	2460 Casa Nueva	Casa Grande	AZ	85222	520-251-0887	Plastering
10955	Juanita Antone	PO Box 414	Sacaton	AZ	85247		Food/Yard Sales
11368	Julie Begaye	1333 N. Dysart Rd #7	Avondale	AZ	85323	623-882-8192	Jewelry
9677	Just For You Transportation	PO Box 21322	Phoenix	AZ	85036	602-477-8256	Transportation Services for AHCCCS Patients
10960	Just Rite Acoustics of Ariao	1950 E. Watkins Street # 14	Phoenix	AZ	85034	602-253-6999	Installation of Acoustical Ceilings
10492	JWJ Design Builders, Inc.	1045 E. McKellips Road	Mesa	AZ	85203	480-610-0039	General Contractor
8875	K.T. Fabrication, Inc.	6872 West Willis Road, #5	Chandler	AZ		520-796-1818	Glass and Glazing
52	Kachina Redi-Mix	1976 E Pima St	Tempe	AZ	85281		Concrete Redi-Mix
9152	Kaiser Aluminum & Charm	58.47 San Felipe, Ste 260	Houston	TX	77057	520-796-1097	Operation of aluminum drawn tube mftr.
9720	KAR Products LLC	461 N. Third Ave.	Des Plaines	IL	60016	847-296-6111	Distributor of Disposable Items
10981	Karen Davis & Ethel Alliso	PO Box 11016	Bapchule	AZ	85221	520-550-3650	Food Sales
11223	Katisch Enterprises, Inc.	800 E. Florence Blvd.	Casa Grande	AZ	85222	520-836-2194	Major Appliance Sales & Service
9023	KBI Components	6800 W. Sundust	Chandler	AZ	85226	520-796-0070	Material Supplier-Lumber & Building Materials
11555	Keith's Arts & Crafts	P.O. Box 2595	Florence	AZ	85232	520-868-3292	Arts & Crafts
10863	Keller Equipment Company	PO Box 60485	Phoenix	AZ	85082	602-437-3015	Electrical Aparatus, Sales and Service
10435	Keller-Bliesner Engineering	78 East Center	Logan	UT	84321	435-753-5651	Consulting Engineers
10181	Kelly Communications, Inc.	1902 N. Country Club Driv	Mesa	AZ	85201	480-969-0618	Sales & Service of 2-way Communication Equip

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License	Name	Address	City	State	Zip	Telephone	Activity
10871	Ken Watson Corp.	21602 N. 2nd Ave, B-1	Phoenix	AZ	85027	623-869-7900	Finish, Doors, Frames, Hardware
10835	Kennedy Insurance Consult	824 N. Oakland	Mesa	AZ	85205	480-969-7770	Insurance
9861	Kenney Aerial Mapping Inc	1125 Grand Ave Bid. #1	Phoenix	AZ	85007	602-258-6471	Aerial Photography & Mapping
9557	Ketring Electric	1820 W. Drake Dr #105	Tempe	AZ	85283	480-413-9262	Electrical Services
11272	Kevin O'Grady	4400 N. Scottsdale Rd #9-1	Scottsdale	AZ	85251	602-402-3405	Law Office
10547	Kia's Air Conditioning and	10175 N. Pinal Ave (PO Bo	Casa Grande	AZ	85222	520-836-3213	Air Conditioning and Heating
10501	Kiewit Western, Co.	3888 E Broadway Road	Phoenix	AZ	85040	602-437-7878	Heavy Highway Construction
11194	Kim Villareal	RR 4 - Box 927	Laveen	AZ	85339	520-430-1090	Selling Avon
10023	Kimley-Horn and Associate	PO Box 33068	Raleigh	NC	27636	919-678-4121	Engineering Consulting
11247	Kinkos 0745	18006 Skypark Circle, Ste	Irvine	CA	92614	949-838-3300	Printing, copying and related svcs
9655	Kinko's Inc.	4940 E. Ray Road, Ste 20	Phoenix	AZ	85044	480-893-0700	Printing
10846	Kino Building Systems	3738 E. 38th Street	Tucson	AZ	85713	520-747-9255	Drywayll
9539	Kisto Sr., Stanley D.	P.O. Box 11300	Bapchule	AZ	85221	520-315-1389	Wood sales
9349	Kisto, Gary K.	P.O. Box 1791	Sacaton	AZ	85247	520-562-3667	Drywall
11098	Klark Organization, Inc., T	2201 West Mountain View	Phoenix	AZ	85021	602-371-3932	Rough Wood Framing
11199	KLB Construction Inc	170225 Wcbcr Dr	Chandler	AZ	85226		Grading
10865	KLG Construction LLC	4560 E. Princess Drive	Mesa	AZ	85205	480-510-3537	General construction, remodeling, carpentry
11004	Kleinfelder	1335 West Auto Drive	Tempe	AZ	85284		Geotechnical, Environmental
11060	Koala-Tee Building Mainte	11259 G. Via Linda #100	Scottsdale	AZ	85258	480-451-1920	Building Services/Janitorial Supplies
2016	Komatke Church of God	Rt. 2 Box 783	Laveen	AZ	85339	520-550-2907	Food Sales
10096	Komatke Market	P.O. Box 299	Sacaton	AZ	85247	520-562-3391	Convenience Market
1 1006	Konami Gaming Inc	7140 South Industrial Road,	Las Vegas	NV	89118	702-367-0573	Manufacture/Distributor Electronic Gaming Devic
11099	Kovach, Inc.	419 E Juanita Ave	Mesa	AZ	85204	480-926-9292	Metal Roof Subcontractor
10907	Kueifag Raids	2623 S 71st Dr	Phoenix	AZ	85043	623-936-7079	Used Household Goods
10370	Kuhls Electric Inc.	9420 E. Doubletree Ranch	Scottsdale	AZ	85258	480-391-3766	Electrical Contracting
9899	Kyyitan Merry Kris	P.O. Box 11307	Bapchule	AZ	85221	520-562-3285	Food Sales
11367	Lana Lane	5401 E. Van Buren #3110	Phoenix	AZ	85008	602-595-6803	Jewelry, misc. items
11294	Land Survey Services PLC	PO Box 9597	Phoenix	AZ	85068	602-953-2740	Land Surveying
11127	Lane Engineering	P.O. Box 1695	Queen Creek	AZ	85242	480-797-3380	
10654	Laser Specialties Inc.	P.O. Box 966	Gilbert	AZ	85299	480-926-1491	Laser printer supplies & services
500	Laveen Indian Assembly of	P.O. Box 588	Laveen	AZ	85339		Food Sales
3334	Laveen JOM Parent Commi	P.O. Box 29	Laveen	AZ	85339		Food and Rummage Sales
10483	Law Engineering & Enviro	4634 S. 36th Place	Phoenix	AZ	85040	602-437-0250	Engineering Consulting
10918	Law Office of Dale F. Rege	4231 S. Fremont Ave	Tucson	AZ	85714	520-741-7636	Legal Services
11379	Law Office of Kimberly A.	8084 E. Del Trigo	Scottsdale	AZ	85258	480-232-6463	Law Office
10672	Law Office of R. Alex Mor	4518 N. 35th Place	Phoenix	AZ	85018	602-912-5640	Practice of Law
9758	Layne-Western	12030 E. Riggs Road	Chandler	AZ	85249	480-895-9404	Water Well Drilling and Pump Repair
11322	Leadfoot Louies Racing	PO Box 30774	Phoenix	AZ	85046	602-628-999fi	Sale of Racing Memorabilia
11077	Leamit! Computer School	2575 E. Camelback #100	Phoenix	AZ	85016	602-955-5400	Computer Software Training
11311	Lee Family	PO Box 309	Winslow	AZ	86047		Arts & Crafts
10841	Lee, Mary A.	PO Box 1447	Magdalena	NM	87825	505-854-3353	Indian Jewelry

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License	Name	Address	City	State	Zip	Telephone	Activity
11316	Leo A Daly	3344 E. Camelback Rd, Ste	Phoenix	AZ	85018	602-954-0818	Arch itecture,Engineering,Planning
10991	Lessor's Business Machines	PO Box 11 187	Casa Grande	AZ	85222	520-836-4801	Business Machine Sales/Repair
11236	Liberty Fire and Safety Ser	12814 N. 28th Dr, Ste F	Phoenix	AZ	85029	602-405-9836	Fire Protection/Maintenance
3707	Light House Church	P.O. Box 927	Bapchule	AZ	85221	520-315-1213	Food Sales
3730	Lighthouse Youth Bible Gr	P.O. Box 927	Bapchule	AZ	85221	520-315-1213	Food Sales
10131	Lil' Jamaica	2018 N. 17th Avenue	Phoenix	AZ	85007	602-271-0973	Misc. Items
11243	Linda D. Gomez	PO Box 1672	Coolidge	AZ	85228	520-215-1151	Food Vendor
11283	Linda K. Morrow	PO Box 4082	Camp Verde	AZ	86322		Sell Used Tools
10554	Lloyd Construction Compa	P.O. Box 50610	Tucson	AZ	85703	520-884-9821	Construction
10092	Lloyd's Complete Auto Sup	PO Box 849	Chandler	AZ	85244	480-963-6627	Auto Part & Equipment
11113	LMC Design & Constructio	1645 E. Missouri #320	Phoenix	AZ	85016	602-248-0736	Construction
11237	Lois M. Corona	PO Box 11366	Bapchule	AZ	85221		Selling Beauty Products
8903	Lone Butte Transfer Station	2425 S. 40th St.	Phoenix	AZ	85034	602-437-0875	Trash transfer station
10656	Lonebutte Industrial Corpor	6960 W. Allison Road, Box	Chandler	AZ	85226	520-796-1033	Real Estate Development & Water Distribution
10117	Loomis, Fargo & Co.	2500 CityWest Blvd. Suite	Houston	TX	77042	713-435-6757	Armored Car and ATM Services
10006	Lopez, Frank A.	2244 N. 73rd Ave	Phoenix	AZ	85035	602-278-8186	Fruit
11375	Lori V. Berke	3636 N. Central Ave, Ste 1	Phoenix	AZ	85012	602-650-2018	Legal Representation
2812	Lower Santan Chapel	P.O. Box 501	Sacaton	AZ	85247	520-562-3321	Food & rummage sales
10635	Lowes Home Improvement	734 South Gilbert Road	Gilbert	AZ	85296	480-558-1007	Retail-Building Material
10580	Lowe's Home Improvement	101 Andover Park E., Ste 2	Tukwila	WA	98188	336-658-4000	Retail Home Improvement Warehouse
11604	LTB Conversions of Arizon	5550 N. 43rd Ave	Glendale	AZ	85301	623-934-9330	Specialty Van Conversions
10408	M & J Electric Co.	7886 E. Highway 287	Coolidge	AZ	85228	520-709-0124	Electrical repairs, construction
11444	M & K Enterprises	P.O. Box 10842	Bapchule	AZ	85221	520-315-3058	Janitorial Supply
1 1327	M & M Ranch	PO Box 11332	Bapchule	AZ	85221	520-315-3774	rodeos, mechanical, welding, child care
11115	M.G.M. Associates, Inc	P.O. Box 26428	Tucson	AZ	85726		Supplier/Subcontractor, Detention Equipment
9705	M.S. Square Construction	13041 N. 35th Avenue Ste,	Phoenix	AZ	85029	602-439-3462	Construction Goods and Services
9631	M.T.O. Smoke Shop	P.O. Box 280	Sacaton	AZ	85247	520-562-9287	Sale of cigarettes & other items
10588	Macabe, Inc., The	I 10 Union Street, Third Flo	Seattle	WA		206-382-0924	Accounting Software
11084	Madden Interior Systems, I	2153 E. Cedar St., Suite #I	Tempe	AZ	85281	480-303-0056	Acoustical Contractor
11579	Madera Mechanical, Inc.	1830 W. Copper Street	Tucson	AZ	85745	520-629-0820	Commercial Plumbing, Fire Systems
9887	Madrid, Carlos	3124 N. 78th Drive	Phoenix	AZ	85033		Sale of Birds, Cages, Saddles & Misc. Items
11217	Maggie Keams & Pearl Kea	11826 N. 25th Avenue	Phoenix	AZ	85029	602-997-1246	Arts & Crafts, Jewelry
10941	Magickal Paths Inc.	Box 655	Higley	AZ	85236	480-889-0413	Sale of Incense, Oils, and Jewelry
11172	Magnaum Opus Entertainm	1606 W Boise Place	Chandler	AZ	85224	480-699-4400	
10872	Magnum, Wall, Stoops &	PO Box 10	Flagstaff	AZ	86001	928-779-6951	Legal Services
9633	Mahoney Group, The	P.O. Box 15001	Casa Grande	AZ	85230	520-836-7483	Insurance
9760	Maintenance Solutions Inc.	PO Box 12202	Scottsdale	AZ	85267	480-607-9593	Sales of Specialty Maintenance Products
9828	Makil, Verona & Freissen,	P.O. Box 11077	Bapchule	AZ	85221	250-315-3653	Food/ Yard Sales and Hauling Junk Cars
10616	Mallicoat Engineering	2045 Heitz Road	Jacksonville	IL	62650	217-886-2563	Consultant-Engineer
9945	Management Action Progra	4725 Hazeltine Avenue	Sherman Oaks	CA	91423	818-380-1177	Management Consulting Firm

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License	Name	Address	City	State	Zip	Telephone	Activity
11491	Mandan, Inc	P.O. Box 1330	Higley	AZ	85236	480-899-5071	General Contractor
10401	Mankel Mechanical, LLC.	1185 E. Brenda Drive	Casa Grande	AZ	85222	520-316-9120	Plumbing
11540	Maricopa Crafts	RR 4 Box 844	Laveen	AZ	85339		Arts & Crafts
11088	Mariscal, Weeks, Mclntyre	2901 North Central Ave, So	Phoenix	AZ	85012	602-285-5000	Legal Services
10115	Marlin Mechanical Corpora	2928 South 38th Street	Phoenix	AZ	85040	602-437-1948	Plumbing
10984	Martin Custom Window Fil	PO Box 1824	Sacaton	AZ	85247	520-560-8523	Window film installation
11565	Martinez & Associates, LT	1212 E. Osborn Rd.	Phoenix	AZ	85014	480-633-7151	Law Firm
10944	Mary Lou Sloan	6701 W. Mrytle Ave#4	Glendale	AZ	85303	623-931-5302	Indian Jewelry
11363	Mary Lou White	PO Box 3 101	Indian Wells	AZ	86031		Jewelry, misc. items
10687	MASCO Contractor Servic	2339 Beville Road	Daytona Beach	FL	32119	386-304-2222	Installation of Insulation
11619	Masterlink Communication	1406 W. 14th St., #101	Tempe	AZ	85281	480-303-9337	Low Voltage Communications Contractor
10506	Matthews, Gold, Kennedy	7740 N. 16th Street #220	Phoenix	AZ	85020	602-944-1515	Employee Benefit Consulting
9699	Mattia, Eleanor	P.O. Box 1516	Sacaton	AZ	85247	520-315-3508	Crafts, Food & Yard Sales
10738	May Charters Inc.	P.O. Box 6803	Chandler	AZ	85246	480-963-2256	Bus Charters
9909	MBI Industrial Medicine, I	2539 N. 35th Avenue #l	Phoenix	AZ	85009	602-272-7676	Occupational Healthcare
10561	McClain Co., Inc., The	3914 E. Roeser Rd.	Phoenix	AZ	85040	602-431-9596	Kalwall Sandwich Panels, Sports Flooring
9496	McDonald, Everett	P.O. Box 273	Chandler	AZ	85224	520-796-2077	Auto salvage
11522	McGuckin Drilling Inc.	1509 E. Elwood St.	Phoenix	AZ	85040	602-268-0785	Installation of Drainage Systems
9926	McNeil Brothers, Inc.	6681 W. Allison, Box 5045	Chandler	AZ	85226	480-940-4232	Administrative Office for Construction Projects
9910	McQuay Service	2330 W. Mission Lane #15	Phoenix	AZ	85021	602-997-0622	HVAC Service and Parts
10045	Mechanical Products Bas, l	3743 West Roanoke	Phoenix	AZ	85009	602-233-0404	Sate and Installation of HVAC Energy Mgmnt co
11617	Meczka Marketing Researc	5757 W. Century BI#120	Los Angeles	CA	90045	310-670-4824	Marketing Consultant
9748	Melange Computer Service	808 Century Blvd. Ste 100	Lansing	MI	48917	517-321-8434	Computer Hardware, Software and Development
10611	Mercado-Ochoa, Debbie A.	P.O. Box 994	Sacaton	AZ	85247	602-709-7204	Legal Counsel
11180	Mercury Construction, Inc	21642 N 9th Ave, Suite 100	Phoenix	AZ	85027	623-869-0383	General Gnginnering Contractor
11102	Meridian Surveying & Dev	P.O. Box 30695	Tucson	AZ	85751	520-7492768	Surveying
10931	Merk's Enterprises, Inc.	758 S. Toltec	Mesa	AZ	85204	480-200-6934	Sale of Maintenance and Repair Supplies
10215	Mesa Insulation Specialists	7215 N. 62nd Ave	Glendale	AZ		623-939-6351	Insulation Contractor
11039	Mesquite Landscape	PO Box 2938	Chandler	AZ	85224	480-560-2432	Maintenance on Grounds
10646	Metro Mechanical	407 S. 17th Avenue	Phoenix	AZ	85007	602-254-1191	Service and New Construction of A/C, Plumbing,
11627	Metro Phoenix Supply Inc.	917 E. isabella Ave	Mesa	AZ	85204	480-497-6464	Sales, Service, Install Commercial Doors
10027	Meyer & Lundahl Manufact	2345 W. Lincoln Street	Phoenix	AZ	85005	602-254-9286	Architectural Millwork
11606	Michelle Andrade, Attorney	PO Box 3432	Camp Verde	AZ	86322	928-562-9300	Law Firm
11395	Midland Group, Inc.	4209 N.W. 23rd, Ste E	Oklahoma City	OK	73107	405-942-1664	Telecommunications Engineering/Consulting
10961	Mid-State Refrigeration	PO Box 12215	Casa Grande	AZ	85230	520-836-2754	Service /Installation of Air Cond.
10219	Midwest Medical Supply, C	237 South 23rd Street	Phoenix	AZ	85034	602-306-1722	Wholesale Medical Supply
9726	Mikohn Gaming Corporatio	PO Box 98686	Las Vegas	NV	89193	702-896-3890	Gaming Related Manufacturer and Supplier
9552	Miles, Letitia & Jose, Marc	P.O. Box 11292	Bapchule	AZ	85221	520-315-1697	Crafts and food sales
10396	Minkus Advertising Special	6401 E. 22nd Street	Tucson	AZ	85710	520-326-6708	Advertising and Specialty Items
11093	Mist EFX, Inc.	1835 E Joy Ranch Rd.	Phoenix	AZ	85086	623-465-5339	Install and Service High Pressure Water Misting S

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License	Name	Address	City	State	Zip	Telephone	Activity
9663	Mix, Pattie	P.O. Box 501	Sacaton	AZ	85247	520-418-3427	Food/ yard/ arts & crafts sales
9286	Mobile Mini, Inc.	7420 S. Kyrene Rd., Ste 10	Tempe	AZ	85283	602-894-6311	Leases mobile storage containers
10679	Modular Solutions Ltd	3640 E. Turney Ave	Phoenix	AZ	85018	602-254-1191	Broker for Modular Buildings
9943	Modular Technology, Inc.	22425 N. 16th Street	Phoenix	AZ	85024	602-272-2000	Manufactures of Commercial Modular Buildings
9576	Montis La Casa Vieja	1 West Rio Salado Parkway	Tempe	AZ	85281	480-967-7594	Full service restaurant & catering
10619	Morago, Karen Sue	Rt. 1, Box 87-B	Coolidge	AZ	85228	520-215-4481	Avon Sales
10766	Morago, Terrance	P.O. Box 103	Sacaton	AZ	85247	520-562-3886	Legal Service
10074	Morea-Hall Engineering, In	1820 W. Maricopa Freeway	Phoenix	AZ	85007	602-258-4428	Land Surveying/ Engineering
9489	Morfin, Ruben	P.O. Box 273	Chandler	AZ	85224	602-963-3470	Auto salvage
10930	Morris Landscape	1818 E. Baseline Rd	Mesa	AZ	85204	480-926-1188	Landscape and Irrigation
10239	Morrison Maierle, Inc.	120 N. 44th Street, Ste #41	Phoenix	AZ	85034	602-244-9662	Civil Engineering & Survey
11509	Motivational Systems, Inc.	3128 W. Thomas Rd #202	Phoenix	AZ	85017	602-484-8844	Graphic Design/ Sign Maker
10829	Mountain High Entertainme	7965 Vineyard Ave, Ste F8	Ranchocucamong	CA	91730	909-980-8900	Talent Buying
10261	MSN Communications, Inc.	5239 South Rio Grande Sir	Littleton	CO	80120	303-347-8303	Data Communications Equipment Sales
9255	MusiCo	1783 W. University, Ste. 13	Tempe	AZ	85281	480-317-0890	Low voltage contractor
9966	Narcia Family	Rt 4 Box 867	Laveen	AZ	85339	602-550-2611	Arts, Crafts and Jewelry
10496	National Construction Rent	2131 W. Roosevelt	Phoenix	AZ	85009	480-967-2450	Fence
10793	National Electric Corporati	9849 N. 2lst Avenue	Phoenix	AZ	85021	602-678-1888	Electrical Subcontractor
652	National Federation of the						Vending Machines
10878	National Research, Inc.	7450 N. Yuccavia	Tucson	AZ	85704	614-486-4053	Selling industrial & maintenance cleaning supplie
10838	Native American Business	728 Pamona Drive	Altoona	WI	54720	715-552-5200	Entertainment, Consulting
10242	Native American Dialysis-	1750 South Mesa Drive, St	Mesa	AZ	8510	480-926-0790	Dialysis Services
9967	Native American Lighting	RR74 Box 1495	San Juan Pueblo	NM	87566	505-747-3888	Lighting Fixtures & Supplies
10945	Native Christian Fellowship	PO Box 11917	Casa Grande	AZ	85230	520-560-9701	Wreaths & Floral Arrangements
10394	Native Entertainment Mana	3815 N. 16th Street #1230	Phoenix	AZ	85016	602-532-9545	Security & Protection Services
10047	Native Towel Supply	4808 W. La Mirada Drive	Laveen	AZ	85339	602-237-4833	Towel Supply Service
10513	Naumann Hobbs Material	4336 S. 43rd Place	Phoenix	AZ	85040	602-437-1331	Material Handling
11364	Navlar, LLC	321 N. 83rd Place	Mesa	AZ	85207	480-984-0995	General Contracting;Construction
10395	NEC, Inc.	2613 N. 71st Place	Scottsdale	AZ	85257	480-945-0374	Electrical Contractor
10901	Neill-Vecchia & Associates	3295 N. Drinkwater Blvd.,	Scottsdale	AZ	85251	480-949-7127	Landscape Architectural/Land Planning & Design
11309	Nellie Leonard	PO Box 1723	Lukachukai	AZ	86507	928-902-1003	Woven Purses
9762	NES Traffic Safety	3015 East Illini Street	Phoenix	A7_	85040	602-243-1218	Traffic Control
11056	Nesbitt Contracting Co., Inc	100 S Price Rd	Tempe	AZ	85281	480-894-2831	Roadway Construction
10428	Network Infrastructure Cor	1131 W. Warner Road, Ste	Tempe	AZ	85234	480-850-5050	Network Communications Integrator
9956	New Hope Church Lead By	P.O. Box 1550	Sacaton	AZ	85247	520-418-2849	Fund Raisers and Food Sales
1801	New Life Community Chur	Rt. 2 Box 784	Laveen	AZ	85339	520-550-2206	Misc. items
11228	Newton Industries, LLC	PO Box 42	Valley Farms	AZ	85291	520-723-3157	Construction, Plumbing
11014	Noding Doors, Inc.	5719 E Waltann Lane	Scottsdale	AZ	85254	602-953-8289	Construction-Finish Carpentry
9723	Norcon Industries Inc.	P.O. Box 61988	Phoenix	AZ	85082	480-839-2324	Construction

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License	Name	Address	City	State	Zip	Telephone	Activity
9667	Norment Security Group In	3224 Mobile Hwy	Montgomery	AL	36108	334-281-8440	Installing electronic security systems
9979	Norris, Doreen	P.O. Box 1-1133	Bapchule	AZ	85221	520-315-3630	Food/ Yard Sales
11610	North Coast Electric Co.	I 10-110th Ave, NE #616	Bellevue	WA	98004	425-454-1747	Electrical Wholesaler
10729	Northern Chemical Compan	6110 Grande Ave	Glendale	AZ	85301	623-937-1668	Distributor of Janitorial Supplies & Equipment
10609	Northwest Economic Assoc	12009 NE 99th St., Ste #14	Vancouver	WA		360-883-0191	Economic Research
11611	Northwest Floor & Wall Co	8661 N. 79th Ave	Pcoria	AZ	85345	602-272-9201	Install Wall Coverings
9558	Notah, Lloyd Sr.	PO Box 261	Sacaton	AZ	85247	520-418-2681	Arts and Crafts
10473	Nu-Way Fire Protection Inc	2331 W Palm Lane	Phoenix	AZ		602-254-2483	Install Automatic Fire Sprinklers
11620	NYCE Concrete Inc.	4742 E. Moreland Street	Phoenix	AZ	85008	602-273-9182	Curb/Gutter/Install Concrete
10553	O.C. Giddens	454 W. Taylor	Coolidge	AZ	85228	520-723-3484	Recycler and Junk Hauling
10154	Oasis Offset Inc.	6509 W Frye Rd., Ste #1	Chandler	AZ	85226	480-785-1111	Printing, Graphics and Mailing
9725	Occupational Managed Car	3008 N. Dobson Rd. #2	Chandler	AZ	85224	480-756-0077	Treatment for Work Related Injuries
11085	O'Keeffe Construction Serv	7002 E. Chaparral Rd.	Scottsdale	AZ	85253	480-429-3873	Construction
10785	Olen Perkins	204 West Central Ave	Coolidge	AZ	85228	(520)723-570	Artist
10178	Olson Precast of Arizona	P.O. Box 21613	Phoenix	AZ	85036	602-269-6219	Installation of Manholes/Floor Slabs/Sidewalks/C
11613	OPASTCO	21 Dupont Circle, NW Ste	Washington	DC	20036	202-659-5990	Telecommunication Association
11588	Orkin Exterminating	3830 W. Indian School	Phoenix	AZ	85015	602-278-7051	Pest Control
10831	Orta Fence, Inc.	5949 S. Belvedere Ave	Tucson	AZ	85706	520-628-1880	Fence/Gate Installers
10652	Ortega, Francisco	5407 W. Earll Drive	Phoenix	AZ	85031	623-846-4629	Sale of Used/ Miscellaneous Items
9566	Osife, Iris	PO Box 10903	Bapchule	AZ	85221		Food Sales
10894	Overby Architects, Inc.	5800 E. Thomas Rd	Scottsdale	AZ	85251	480-947-1700	Architecture
9331	Overley's G Bar M Corpora	18616 S Lindsay Rd	Gilbert	AZ	85296	480-821-5455	Vacuum Truck Service
9602	P 2 Events	15111 N Hayden Rd #160-	Scottsdale	AZ	85260	480-661-0905	Special events producer-entertainment
8881	P&H Mine Pro Contract Se	6640 West Sundust	Chandler	AZ	85226	520-796-1192	Heavy Machine Welding
10086	P.A. Walker, Inc.	18428 N. 42nd Place	Phoenix	AZ	85032	602-308-9991	Construction/ Painting
10436	PAA Architects & Planner's	340 West Prince Road Ste	Tucson	AZ	85705	520-887-8327	Architectural
9466	Pace Pacific Corporation	3731 E University Drive #	Phoenix	AZ	85034	602-437-8729	General Contracting
10464	Pacific Aquascape, Inc.	17902 Georgetown Lane	Huntington Beac	CA	92647	714-843-5734	Construction of Water Features
35	Pacific Scientific Energetic	7073 West Willis Drive, Bo	Chandler	AZ	85226	520-796-1100	Manuf Assembly - Pyrotechnic Cartridge Initiator
10834	Packhorse Advocates & Pea	PO Box 26534	Phoenix	AZ		602-788-0415	Provide Legal Services
10335	Paddock Pool Construction	6525 E. Thomas Road	Scottsdale	AZ	85251	480-947-7261	Pool & Spa Construction, Pool Supplies & Chemi
11304	Palm Harbor Homes, Inc.	15303 Dallas Pkwy, Ste 80	Addison	TX	75001	972-991-2422	Retail Sale of Manufactured Homes
10990	Palm Valley Construction L	1705 N. 127th Ave	Avondale	AZ	85323	623-340-2132	Construction
11607	Paradise Rebar, Inc.	PO Box 86458	Phoenix	AZ	85009	602-447-0839	Install Reinforcing Steel
10432	Paradise Valley Bus Lines,	1711 East Julie Drive	Tempe	AZ	85283	602-256-0101	Charter Bus Service
575	Paragon Steel Structures, [n	7065 W Allison	Chandler	AZ	85226		Contractors
10528	Park West Landscape, Inc.	3949 S. 28th St.	Phocnix	AZ	85040	COZ-323-1400	Landscape/ irrigation
10267	Parsons Engineering Scienc	4801 E. Washington St., So	Phoenix	AZ	85034	602-952-9110	Engineering Services
10564	Parsons Transportation Gro	4801 E. Washington Street	Phoenix	AZ	85034	602-852-9195	Transportation & civil engineering designs
9632	Partitions & Accessories Co	1220 S. Pasadena	Mesa	AZ	85210	480-969-6606	Partitions & Accessories

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License	Name	Address	City	State	Zip	Telephone	Activity
10826	Patricia E Talamantez	130 Sundust Cir	Laveen	AZ	85339		Child Care Provider
11351	Pattie M. King	PO Box 613	Sacaton	AZ	85247	520-418-2158	arts & crafts, food & yard sales
9482	Paul, Kevin	PO Box 544	Sacaton	AZ	85247	520-562-3119	Food Sales/Catering
10774	Paul, Leeanna	P.O. Box 1978	Sacaton	AZ	85247	520-562-1825	Tupperware and Catering
10236	Paul-Son Gaming Supplies,	1700 Industrial Rd.	Las Vegas	NV	89102	702-384-2425	Sale of Gaming Equipment and supplies
10867	Pavement Marking Inc.	PO Box 50340	Phoenix	AZ		480-598-0872	Highway Striping
77	Payless Cashways, Inc.	6920 W. Allison	Chandler	AZ	85224		Distribution Center for retail stores
10281	Pecos Rd. & 32nd Street R	2740 E. Verbena Drive	Phoenix	AZ	85048	602-421-4101	Storage of Boats and RV's
10516	Pepsi Bottling Group	4242 E. Raymond Street	Phoenix	AZ	85040	602-437-7003	Sales and Production of Soft Drinks
8924	Percharo Jewelry	Rt 2 Box 790	Laveen	AZ	85339	520-550-2884	Jewelry and misc. items
9396	Performance Leadership Int	15 849 S ist Ave Ste 102	Phoenix	AZ	85045	480-460-2435	Human Development Training
11277	Performance Pressure Wash	PO Box 2707	Chandler	AZ	85244	480-329-9309	Washing/Cleaning
10958	Perry Concrete	3041 E. Backus Road	Mesa	AZ	85213	480-830-2556	Concrete Finishers
11536	Peter D. Motorsports, Inc.	701 North 21 st Ave	Phoenix	AZ	85009	602-716-0212	Motorsport Marketing/ Promotions
10965	Peter Mock Groundwater C	5337 E. Camelback Manor	Paradise Valley	AZ	85253	602-522-0884	Consulting
9523	Peters, Renay	PO Box 960	Sacaton	AZ	85247	520-562-1132	Tribal Court Advocate
11131	Peterson's Fruit & Veggie	P.O. Box 264	Window Rock	AZ	86515	505-879-1730	Fruit/Vegetables & Arts Crafts
10138	Phoenix Flower Shops	5733 E. Thomas Road Ste 4	Scottsdale	AZ	85251	602-840-2604	Retail Florist
10450	Phoenix Power Sweep LLC	2339 West Port Royale Lan	Phoenix	AZ	85023	602-993-9450	Parking Lot, Street, Construction Sweeping
10682	Phoenix Tent and Awning	2829 E. McDowell	Phoenix	AZ	85008	602-225-0255	Special Event and Custom Fabric Manufacturer
11064	Phyllis K.M. Gagnier	1270 East Saddle Butte Roa	Apache Junction	AZ	85219	480-983-3108	Organizational Facilitator, Trainer & Consultant
34	Pima Valve, Inc	6525 W. Allison Road	Chandler	AZ		520-796-1095	Manufacturing of low pressure water valved
22	Pimalco	P.O. Box 5050					Aluminum Extrusions
1611	Pima-Plus, Inc	3844 E Sequoia Drive					Contract labor
9767	Pinal Printing & Publishing	P.O. Box 11044	Casa Grande	AZ	85230	520-836-8783	Commercial Printing Sales
10606	Pine River Construction Ine	21620 N. 19th Ave #A-2	Phoenix	AZ	85027	623-780-3152	General Engineering Contractor
9743	Pioneer Ford Sales Inc.	7501 W. MeDowell Road	Phoenix	AZ	85035	623-848-0000	Automotive Dealership
10639	Pisces Aqua Systems	1320 W. Elliot #103443	Tempe	AZ	85284	602-509-9606	Aqua Culture
11463	Plumber's Choice, The	3542 E. Broadway Rd.	Phoenix	AZ	85040	602-426-0602	Plumbing Distributor
9638	Pratt, Leora	PO Box 775	Sacaton	AZ	85247	520-562-4061	Food, rummage and clothing sales
10942	Pre Paid Legal Services, In	3743 E. Longhorne Drive	Gilbert	AZ	85297	480-225-9353	Employee Benefits
10832	Preach Masonry, Inc.	1601 W. Hatcher	Phoenix	AZ	85021	602-242-2007	Manhole Installation, Sealing & Testing
9757	Preference Rentals & Furnit	1115 E Florence Blvd Ste	Casa Grande	AZ	85222	520-836-6640	Furniture rentals & sales
9972	Presnell Associates, Inc.	815 W. Market St., Ste 300	Louisville	KY	40202	502-585-2222	Architectural, Planning, Engineering
9616	Presnell Engineers Inc.	713 W. Main St.	Louisville	KY	40206	502-585-9944	Engineering and Architecture
11419	Pricewaterhouse Coopers L	1850 N. Central Ave, Ste 7	Phoenix	AZ	85004	602-364-8000	Acounting & Auditing
11344	Pride First L.L.C.	4213 E. Turney Ave	Phoenix	AZ	85018	602-622-8856	General Contracting
11242	Pride Group, LLC (The)	2111 S. Industrial Pk., Ste 1	Tempe	AZ	85282	480-966-6536	Equipment distributor
9837	Pro Mechanical Services In	4633 South 36th Street	Phoenix	AZ	85040	602-437-8110	HVAC Services & Temperature Control Contract

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Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11295	Pro-Clean Carpet Service	PO Box 11281	Casa Grande	AZ	85230	520-421-1110	Carpet, Upholstery Cleaning
10534	Proclean of Arizona, Inc.	4315 W. Van Buren	Phoenix	AZ	85043	602-233-0457	Sales/Svc-Dishwashing Machines
9719	ProComm	P.O. Box 37984	Phoenix	AZ	85069	602-674-3000	Sales & Service of 2-way Radios & Equipment
10858	Professional Carpeting, Inc.	2240 Ashbourne Drive	San Marino	CA	9l 108	626-441-8826	Carpet Installation
10152	Professional Event Manage	304 S. Price Road	Tempe	AZ	85281	480-449-0777	Event Services
11450	Professional Sky Climbing	1805 E. Jefferson	Phoenix	AZ	85034	602-274-5151	Window Cleaning
11373	Public Sector Personnel Co	4110 N. Scottsdale Rd., #14	Scottsdale	AZ	85251	480-947-6164	human resources consulting
9454	Police Construction Inc	2033 W Mountain View Rd	Phoenix	AZ	85021	602-944-2241	Heavy highway construction
10021	Purcell Tire Company	1700 N. 23rd Ave	Phoenix	AZ	85009	520-426-3828	Tire Sales and Service
9373	Pure Rain Water	PO Box 17	Laveen	AZ	85339	602-999-8002	Water Distributing Co.
10840	Quality Testing	112 South Rockford Drive,	Tempe	AZ	85281	480-705-4322	Construction Material Testing & Inspection
9957	Quantum Performance Insti	1622 E. Glenhaven Drive	Phoenix	AZ	85048	602-284-0899	Management Development, Training, Consulting
10490	Qwest Corporation	PO Box 6515	Englewood	CO	80155	303-308-5595	Telecommunications
10575	R & G Vent Cleaning Servi	563 E. Juanita	Mesa	AZ		480-633-0242	Steam Cleaning of Kitchen Exhaust Systems
353	R & R Fireworks						Wholesale - Mail order
10816	R Gilbert Drywall, Inc	12651 E Speedway Blvd	Tucson	AZ	85748		Construction
10382	R Y Enterprises	7118 East Thistle Avenue	Mesa	AZ	85212	480-600-8760	Desktop Publishing Services
9769	R&T Builders	P.O. Box 124	Valley Farms	AZ	85291	705-0775	Building New Homes
11381	R. C.C.V.				0		Sale of Misc. Items
11285	R. D. Publishing Inc.	PO Box 44121	Phoenix	AZ	85064	480-483-533fi	Publishing Company
9764	R.E. Monks Construction	PO Box 17959	Fountain Hills	AZ	85268	480-837-3684	Heavy Highway Construction
11548	R.H. Dupper Landscape	1020 W. Ranch Rd #105	Tempe	AZ	85284	480-893-7688	Landscaping and Irrigation
10486	Rafsco Nevada, Inc.	1555 Industrial Way	Sparks	NV	89431	775-356-9132	Printing, Ribbons/Laser, Keno Supplies
11241	Ralph Wilkins Co., Inc.	2836 W. Weldon Ave.	Phoenix	AZ	85017	602-264-2154	Construction
10906	Ralph's Snack Bar, Inc #83	4501 W. Van Buren	Phoenix	AZ	85043	602-269-7707	Mobile Catering
10313	Ranch Sheet Metal, Inc.	11811 E. Ocotillo Road	Chandler	AZ	85249	480-895-9230	Installing Air Conditions
10198	Raphael Hernandez	2555 E. Mobil	Phoenix	AZ	85040	602-232-2014	Vegetables/ Tamales- Misc. Items
11336	Raul Sepeda	3188 N. Lewis Rd.	Chandler	AZ	85248	602-919-8963	Selling Wood
10331	RC Towing	509 W. Cottonwood Lane	Casa Grande	AZ	85222	520-836-1983	Auto Towing
10537	RDC Construction, Inc.	P.O. Box 11081	Casa Grande	AZ	85230	520-836-9040	General Engineering Contractor
11386	RDR Drywall	7206 N. 27th Ave 1	Phoenix	AZ	85051	602-864-8655	Metal Stud & Drywall
9439	Reams, Gordon	Rt 2 Box 764	Laveen	AZ	85339	520-550-2343	General Maintenance, Food Sales
9722	Recall Total Information M	1255 S. Pasadena	Mesa	AZ	85210	480-644-1800	Vital Records Storage
11066	Red Rock Curb, Inc.	P.O. Box 2079	Glendale	AZ	85311	602-256-0956	Curbing, Striping, Signage
11287	Red White and Blue Constr	3255 E. Los Altos	Gilbert	AZ	85297	480-545-8115	Construction -Remodel
10645	Redford's Fire Service	P.O. Box 56335	Phoenix	AZ	85079	602-273-1164	Sales & Service of Fire Extinguishers
10320	Redman Homes Inc.	400 E. Ray Road	Chandler	AZ	85225	520-796-8200	Construction
10893	Reed's Rentals, Inc.	PO Box 1483	Mesa	AZ	85211	480-671-9121	Sale/Rental of Furniture & Appliances
11508	Reldom Corp.	3241 Industry Drive	Signal Hill	CA	90755	562-498-3346	Manufacturer of Money Transportation Carts & E
10484	Requip, LLC	P.O. Box 14800	Phoenix	AZ	85063	602-269-8114	Moving Dirt
1422	Residential Treatment Cent	P.O. Box 385	Sacaton	AZ	85247		Food Sales

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License	Name	Address	City	State	Zip	Telephone	Activity
10249	Resun Leasing Inc.	2830 E. Brown Road, Ste 1	Mesa	AZ	85213	480-854-2323	Lease and Sale Modular- Relocatable Buildings
11288	Rhodes & Associates Inc.	3820 N. Third Street	Phoenix	AZ	85012	602-776-9667	Architecture, Planning & Construction
11267	Richard Aqostinelli	10 131 Coors Rd., NW #709	Albuquerque	NM	87114	800-200-5007	Stuffed Animals, Misc. Items
11264	Richard D. Adkins	PO Box 12573	Tempe	AZ	85284	480-540-7633	Litigation for Water Rights
11371	Richard H. Lee	PO Box 7749	Phoenix	AZ	85011	602-549-0368	Professional Legal Services
10262	Ricker-Atkinson-McBee &	2105 S. Hardy Drive # 13	Tempe	AZ	85282	480-921-8100	Geotechnical Engineering & Construction
11308	Ridenour, Hienton, Harper	40 N. Central Ave, Ste 140	Phoenix	AZ	85004	602-254-990	Legal Services
10769	Riggs Contracting, Inc.	744 W. Illini Street	Phoenix	AZ	85041	602-243-5040	Commercial Concrete Construction
10651	Riggs, L. Alton (Attorney)	540 N. Emerson St	Mesa	AZ	85201	480-834-3175	Lawyer
10593	Rimmer Computer, Inc.	7579 E. Main, Ste #600	Scottsdale	AZ		480-970-3336	Computer Network Installation, Design and Supp
10500	Rinker Materials Leasing, L	1501 Belvedere Rd	West Palm Beach	FL	33406	561-833-5555	Leasing Mining Equipment
9914	River Of Life	P.O. Box 366	Sacaton	AZ	85247	520-562-3617	Food Sales
11049	River Valley Exterminating	PO Box 697	Sacaton	AZ	85247	520-562-3828	Pesticide Services
9288	Rivers, Sherwin & Idella &	P.O. Box 1176	Bapchule	AZ	85221	520-315-3204	Food Sales
10367	RKS Plumbing & Mechanic	15202 N. Cave Creek Road	Phoenix	AZ	85032	602-966-1866	Commercial Plumbing
10480	RLS Carpentry, Inc.	4150 W. Peoria, Suite 128	Phoenix	AZ	85029	602-547-3905	Commercial Rough Carpentry Framing
9796	RML Electric, Inc.	202 S. 29th Street	Phoenix	AZ	85034	602-244-2080	Commercial Electrical
9585	Roadrunner Fire & Safety E	5432 W Missouri Ave	Glendale	AZ	85301	623-939-7979	Fire & safety equipment
11564	Robbins & Green, P.A.	3300 N. Central Ave, Ste I	Phoenix	AZ	85012	602-248-7600	Law Firm
9625	Robert N. Ewing, General	4135 N. 12th St	Phoenix	AZ	85014	602-264-3469	General construction
11333	Robert W. Kaiser	PO Box 10682	Casa Grande	AZ	85230		Swapmeet Items
10018	Roberta Francisco	PO Box 10883	Bapchule	AZ	85221		Food Sales
10257	Robinson & Associates, Inc	12629 N. Tatum Blvd #237	Phoenix	AZ	85032	480-990-1775	Training
10062	Robinson Textiles	152 W. Walnut St., Ste 250	Gardena	CA	90248	800-421-5582	Manufacturer of Inmate Apparel
9413	Robles, Joseph (Stohaj Hoh	PO Box 10942	Bapchule	AZ	85221		Renovations & Building construction
11476	Rock Da House Production	PO Box 11262	Bapchule	AZ	85221	520-562-3029	Entertainment, PA System Rentals & Promotions
3021	Rock Solid	7125 W. Allison Box 5070	Chandler	AZ	85226	496-9633	Market, produce & deliver ready-mix concrete
10420	Rodriguez, Arlene	Rt. 2 Box 728	Laveen	AZ	85339	520-550-1084	Rummage & Food Sales
10497	Rodriguez, Novella & Rom	P.O. Box 1872	Sacaton	AZ	85247	520-418-2849	Food & Wood Sales
8940	Romic Environmental Tech	6760 W Allison Rd	Chandler	AZ	85226	520-796-1040	Waste management and recycling
9888	Roofing Specialists, Inc.	PO Box 11903	Casa Grande	AZ	85230	520-836-3404	Roofing
11415	Rosamond S. Hunter	P.O. Box 10868	Casa Grande	AZ	85230	520-421-1401	Misc. Items
9310	Rosaria's & Earlings Arts &	P.O. Box 1805	Sells	AZ	85634	520-383-8488	Sale of Arts & Crafts, Food & Rummage
11307	Rosie's Interiors	5817 N. Poplar St.	Maricopa	AZ	85239	520-568-2894	Sell Novelties & Jewelry
11324	Rosita Etsitty	Po Box 1389	Chinle	AZ	86503	602-864-3952	Arts & Crafts
9855	Row's Hot Dogs	2413 N. 68th Street	Scottsdale	AZ	85257	480-994-3385	Food Sales
9562	Ruby, Alfred L.	Rt 4 Box 842	Laveen	AZ	85339	520-550-4429	Rummage/ Food Sales
10491	Ruby's Ice Cream	19069 W. Susan	Casa Grande	AZ	85222	520-836-6886	Ice Cream Truck
9542	Ruiz, Linda	1030 S Stewart #1153	Mesa	AZ	85202	480-668-4486	Independent beauty consultant
11319	Russ Berrie and Company,	111 Bauer Drive	Oakland	NJ	7436	201-337-9000	Sale of gift items, home decor

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11596	Russell A.C., Inc.	2425 W. Louise Drive	Phoenix	AZ	85027	623-582-8855	HVAC Subcontractor
11480	Russell, Abigail	PO Box 18466	Fountain Hills	AZ	85269	480-837-3811	Indian Arts & Crafts, Clothing
11399	RWK Electric Co.	PO Box 10457	Phoenix	AZ	85064	602-266-5038	Electrical Contactor
10855	Ryan Companies US., Inc.	One N. Central Ave, Ste 13	Phoenix	AZ		602-322-6100	Road Improvements
11330	Ryan Newman Sr.	Rt.l, Box 109	Coolidge	AZ	85228	520-215-3211	General Repair
796	RYOBI Electric Tool Mfg.,	6625 West Allison Road	Chandler	AZ			Manufacturing of Electric Power Tools
8974	RYOBI Outdoor Products, I	LoneButte Ind.Prk. (550 N	Chandler	AZ	85226	480-961-1002	Refurbish Lawn & Garden Equipment
9579	S & S Paving	3401 E Illini St	Phoenix	AZ	85040	602-437-0818	Paving/ Construction
11266	S Corp Construction Manag	4111 E. Winslow	Phoenix	AZ	85040	602-426-9551	Exterior Finish System
10068	S.O.S Exterminating, Inc.	1240 W. San Pedro	Gilbert	AZ	85233	480-497-1500	Termite Pretreat Services
10565	Sacaton Laundry - (Leslie	4769 Ponderosa Road	Prescott	AZ	86303	928-778-1544	Coin Laundry
6407	Sacaton Public School	PO Box 98	Sacaton	AZ	85247	520-562-3339	Fund Raisers
9229	Sacaton Super Mart	P.O. Box 129	Sacaton	AZ	85247	520-562-3367	Sale of General Merchandise
	Sacaton Supply	P.O. Box 299	Sacaton	AZ	85247		
11225	Safeco Security, Inc.	2606 W. Townley, Ste 1	Phoenix	AZ	85021	602-870-4610	Retail Sales & Services
9897	Sagebrush Plastering	4626 N. 54th Drive	Phoenix	AZ	85031	623-846-5728	Lath and Stucco
10364	Saguaro Steel, Inc.	3541 W. Lower Buckeye R	Phoenix	AZ	85009	602-272-8800	Structural Steel Fabrication & Erection
11321	Sahuaro Farm	17649 E. Santan	Queen Creek	AZ	85242	480-988-2068	Fruit
9540	Salkey, Christine & Delbert	PO Box 877	Sacaton	AZ	85247	520-418-3520	Child care provider/ food sales
9761	Salt River Project Agricultu	P.O. Box 52025	Phoenix	AZ	85072	602-236-5900	Electrical Service and Delivery of Water
11410	Salt River Sand & Rock Co	PO Box 1992	Scottsdalc	AZ	85252	480-850-9145	Construction
9775	Samuels Distributing	2661 E. Birchwood Place	Chandler	AZ	85249	602-402-3832	Food Delivery
9823	Sanchez, Robert	1920 E. University #38	Tempe	AZ	85281	602-743-8088	Miscellaneous Items
11612	Sandra E. Price	2626 E. Vogal Ave	Phoenix	AZ	85028	602-485-0323	Trainers/Mediation/Conflict Management
11249	Sandwich House & Associa	PO Box 1518	Sacaton	AZ	85247		Food Sales
2275	Santan Headstart	P.O. Box A	Sacaton	AZ	85247	520-562-3471	Food Sales
457	Santan Indian Assembly of	P.O. Box 148	Sacaton	AZ	85247		Rummage Sales & Food Sales
11486	Santos Sr., Gordon	PO Box 680	Sacaton	AZ	85247		Food Sales and Baking Goods
10590	SCA Promotions, Inc.	8300 Douglas Avenue, Ste	Dallas	TX	75225	214-860-3700	Guaranteed Prize Funding for Contests, Sweepsta
9929	Schmigelsky, Ljubov	11128 E. Sahuaro Drive	Scottsdale	AZ	85259	480-661-0263	Misc. ite
11549	Schurz, Merlin	11005 E. Montecito Ave	Scottsdale	AZ	85256	480-970-1275	Legal Representation
11326	Security Integrators, Inc.	6340 E. Thomas Rd #120	Scottsdale	AZ	85251	480-947-6300	low voltage electrical subcontractor
11069	Sedona Bottling Co.	120 N. 57th Dr, Ste 1	Phoenix	AZ	85043	602-272-2444	Bottled Water
9074	Segal Company (The)	5080 N. 40th Street Ste 400	Phoenix	AZ	85018	602-381-4000	Actuarial and Benefit Consulting
10519	Selig Chemical Industries	10203 E. Meadow Hill Driv	Scottsdale	AZ	85260	323-232-2421	Janitorial/ Maintenance Chemicals
9284	Servico Construction- John	P.O. Box 6872	Mesa	AZ	85216	480-671-9163	Cabinet & Countertop Installation
9492	Shamrock Food Company	2540 N 29th Avenue	Phoenix	AZ	85009	602-233-6400	Food service equipment and related supplies
10987	Share Corp	PO Box 245013	Milwaukee	WI	53224	414-355-4000	Specialty Chemicals
11624	Sharon Dickey	PO Box 10318	Casa Grande	AZ	85230	520-568-9360	Wholesale Jewelry
9928	Sharp Drywall, Inc.	445 N. Austin	Chandler	AZ	85226	480-940-1770	Drywall

EXHIBIT 25.12.1.9D
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License	Name	Address	City	State	Zip	Telephone	Activity
10526	Shaws Interiors, Inc.	553 W. Coolidge Ave	Coolidge	AZ	85228	520-723-5101	Installation of Carpet, Vinyl, Blinds etc.
11017	Shea-Na Foods #742	2121 W Mcdowell Rd	Phoenix	AZ	85009	602-258-9616	Mobile Food Unit
10755	Shelde, Lorna Elaine	P.O. Box 161	Laveen	AZ	85339	520-550-2153	Free Lance Artist
11263	Sheraton Wild Horse Pass	5594 W. Wildhorse Pass Bl	Phoenix	AZ	85070	602-225-0100	Hotel and Resort
11516	Shrimply the Best	812 E. 9th Place	Mesa	AZ	85203	480-610-2952	Sale of Frozen Packages of Sea Food
11317	Shuffle Master, Inc.	1106 Palms Airport Dr	Las Vegas	NV	89119	702-897-7150	Gaming Supplies
11518	SICON, LLC	5401 E Paradise Drive	Scottsdale	AZ	85254	480-905-9009	Design/ Build, C
11353	Sierra Design Group	300 Sierra Manor Drive	Reno	NV	89511	775-850-1500	Gaming Equipment
9358	Sierra Fire & Communicati	8146 N. 23rd Ave., Ste H	Phoenix	AZ	85021	602-249-0200	Fire Alarm Contractor
10415	Sigma Game, Inc.	7160 S. Amigo Street	Las Vegas	NV	89119	702-260-3100	Manufacturer and Distributor of Gaming Devices
10475	Sign-A-Rama	2160 N. Alma School Rd #	Chandler	AZ	85224	480-821-1100	Fabrication and Installation of Signs and Banners
9961	Siloam Baptist Church	P. O. Box 42	Laveen	AZ	85339	520-550-2358	Fund Raising for Church
11052	Silversmith, The	P.O. Box 30396	Flagstaff	AZ	86603	928-526-2992	Indian Jewelry; Arts & Crafts
10876	Simplex Grinnell LP	4602 S. 36th Street	Phoenix	AZ	85040	602-243-6700	Fire Prevention
11022	Simpson Norton Corporatio	4144 S. Bullard Ave	Goodyear	AZ	85338	623-932-5116	Distribution of Turf & Irrigation Products
2135	Singing Group (Warriors fo	P.O. Box 772	Sacaton	AZ	85247		Food Sales
11165	Sixty First Place Architects	7120 E Indian School Rd #	Scottsdalc	AZ	85251	480-974-6844	Architectural Services
11312	SJR Construction Services,	10906 W. Miami	Tolleson	AZ	85353	602-936-6699	Concrete Work
9791	Sky Mountain International	4710 E. Falcon Drive #115	Mesa	AZ	85215	480-830-3944	Transportation Services
11215	Skyline Steel, Inc.	631 W. Commerce	Gilbert	AZ	85233	480-926-0122	Structural Stell & Carport Erection
10325	Sloan, Lillie A.	815 N. 52nd Street #1051	Phoenix	AZ	85008	602-273-4607	Jewelry
10362	Smith, Leacie Mae	5408 S. 18th Ave	Phoenix	AZ	85041	602-276-3345	Used Clothing
9469	Sodak Gaming Inc.	5301 S Highway 16	Rapid City	SD	57701	800-711-7322	Sale/distribution of gaming devices & related sup
3026	Solkatronic Chemicals Inc.	7007 Sundust Road	Chandler	AZ	85226	602-796-2447	Stocking & Distribution of Compressed Gases &
11303	Sonoran Falls, Inc.	9621 N. 33 Dr.	Phoenix	AZ	85051	602-722-6300	Sub Contracting
7221	South Casa Blanca Full Gos	PO Box 11403	Bapchule	AZ	85221	520-315-3272	Food Sales
11024	Southwest Aquatics	4901 E Falcon Drive	Mesa	AZ	85215	480-830-5121	Build, Design Pools, Spas
10939	Southwest Caulking Contra	5824 South 25th Street	Phoenix	AZ	85040	602-268-0567	Caulking Contractors
11289	Southwest Concrete Coatin	2326 N. 71st. Ave	Phoenix	AZ	85035	623-421-1442	Staining & Sealing Concrete
10260	Southwest Concrete Constr	2405 N. Center	Mesa	AZ	85201	602-898-7414	Pre-Cast Concrete
11443	Southwest Indian Jewelry	2535 W. Highland Ave #10	Phoenix	AZ	85017	602-368-6477	Indian Jewelry
10992	Southwest Mapping Techno	7207 N. 19th Ave #4	Phoenix	AZ	85021	602-841-8006	Mapping and Surveying
10532	Southwest Metalsmiths, Inc	5026 East Beverly Road	Phoenix	AZ	85044	602-438-8577	Manufacture & Install Ornamental Metalworks
58	Southwest Microwave, Inc.	707 W. Geneva Drive	Tempe	AZ	85282		Manufacture of Microwave Security Equip
1014	Southwest S.T.A.T	1251 S. Nelson Drive					Medical Services & Supply
75	Southwest Solvents, Inc	6760 W. Allison Road	Chandler	AZ	85224		Solvent Sales
10749	Southwest Systems Limited	6265 S. Valley View, Suite	Las Vegas	NV	89118	702-876-0807	Sale of Surveillance and Security Equipment
11063	Southwest Technical Soluti	7149 E. Quartz St.	Mesa	AZ	85207	480-218-0541	Hiring of Workers
11097	Specialty Contractors of Ari	22223 N. 16th St.	Phoenix	AZ	85024	623-582-2385	Installation of Gabions & Utility Adjustments
92	Specialty Forest Products, I	6744 W. Germann Road	Chandler	AZ	85224		
10156	Speedie and Associates	3331 East Wood	Phoenix	AZ	85040	602-997-6391	Consulting Engineer

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License	Name	Address	City	State	Zip	Telephone	Activity
10823	Speedy Gonzales Construct	6735 W Frier Drive	Glendale	AZ	85303	623-924-9415	Underground Utilities, Excavating
10904	Spencer Jackson dba Jackso	P.O. Box 2071	Sacaton	AZ	85247		Auto Body Repair
11057	Sprint Spectrum, LP	4683 Chabot Dr	Pleasanton	CA	94588	925-468-7908	Wireless Communication Site
2002	St. Anne Church	P.O. Box 1286	Sacaton	AZ	85247		Raffles, Food Sales, Bingo
5262	St. Anne's Catholic Parish	PO Box 1286	Sacaton	AZ	85247	520-418-3229	Food Sales, Yard Sales & Bingo
1437	St. Anthony's Catholic Char	PO Box 783	Sacaton	AZ	85247		Food Sales/Rummage Sales
3765	St. Johns Indian Youth Gro	Rt l, Box 751	Sacaton	AZ	85247		Food Sales, Car Washes & Bingo
3229	St. John's P.T.O.	Rte 1, Box 751	Laveen	AZ	85339	602-550-2400	Food Sales
8797	St. Johns the Baptist Parish	P.O. Box 693	Laveen	AZ	85339	520-550-2034	Miscellaneous sales
8880	St. Mary's Food Bank	2831 North 31st Avenue	Phoenix	AZ	85009	602-352-3640	Sale of Food Boxes
6033	St. Peter Indian School & P	PO Box 11334	Bapchule	AZ	85221	520-315-1802	Food Sales
6908	St. Peter Indian School & P	P.O. Box 10840	Bapchule	AZ	85221		Food Sales
10437	Stantec Consulting Inc.	8211 South 48th Street	Phoenix	AZ	85044	602-438-2200	Consulting Engineer
9799	Star Roofing	9201 N. 9th Ave	Phoenix	AZ	85021	602-944-3323	Roofing Contractor
10155	Star Towing	P.O. Box 11243	Casa Grande	AZ	85230	520-836-2500	Towing
10357	State Chemical Mfg.	3 100 Hamilton Ave	Cleveland	OH	44114	216-861-7114	Specialty Maintenance & Janitorial Supplies
10935	State of Comfort Heating &	1808 E. Pleasant lane	Phoenix	AZ	85040	602-276-2803	Installation & Repair Services
11275	State Wide Tribal Contracto	1300 N. McClintock C-6	Chandler	AZ	85226	480-491-9590	Construction
9962	Steams Excavating, Inc.	5538 E. Emile Zolen	Scottsdale	AZ	85254	602-996-6498	Excavating Contractor
9952	Stelzig, Judy	General Delivery	Sacaton	AZ	85247		Sale of Misc. items
9991	Stericycle, Inc.	1251 S. Nelson Drive	Chandler	AZ	85226	602-437-4010	Medical Waste Collection and Treatment
9506	Steven's Custom Inc.	14425 N. Scottsdale Rd., St	Scottsdale	AZ	85254	480-948-8477	General Contracting
11377	Stewart Farming & Custom	PO Box 11243	Bapchule	AZ	85221	520-315-1344	Agriculture
10169	Stoll Masonry Inc.	508 E. Chicago Circle	Chandler	AZ	85225	480-963-4543	Masonry
11526	Stone, Rebecca	PO Box 1476	Sacaton	AZ	85247	520-315-3270	Food, Crafts and Wood Vendor
9712	Stoneville Pedigreed Seed.	P.O. Box 569	Maricopa	AZ	85239	520-315-9464	Delint and Treat Cotton Planting Seeds
11282	Stop n Snack	4604 W. Boston St.	Chandler	AZ	85226	480-705-6070	Selling Hotdogs
10330	Stradlings' Building Mated	730 E. Southern Ave	Mesa	AZ	85204	480-964-1777	Cabinets & Countertops
11130	Strictly From Scratch Ltd	1722 W McKinley	Phoenix	AZ	85007	602-258-1158	
11192	Structural Grace, Inc.	2828 N. Country Club Driv	Tucson	AZ	85716	520-320-0156	Engineering Consultants
11213	Sturgeon Electric., Co. Inc.	920 W. 1 st Street	Tempe	AZ	85281	480-894-0221	Electrical
10589	Sun Devil Fire Equipment I	2211 S. Third Drive	Phoenix	AZ	85003	623-245-0636	Fire Protection Sales and Service
11343	Sun Eagle Corporation	461 N. Dean Avenue	Chandler	AZ	85226	480-961-0004	General Contracting
9819	Sun Lakes Pest Control, LT	9666 E. Riggs Road, Ste 20	Sun Lakes	AZ	85248	480-895-8234	Pest Control
11571	Sun Mechanical Contractin	3951 E. Columbia	Tucson	A7_	85714	520-790-3100	Mechanical Contractor
10145	Sun Valley Masonry Inc.	10828 N. Cave Creek Rd.	Phoenix	AZ	85020	602-943-6106	Masonry Contractor
10474	Sunbelt Scenic Studios, Inc.	8980 S. Mckemy St.	Tempe	AZ	85284	480-598-0181	Themed Construction, light/audio equipment renta
10805	Sunland Inc. Asphalt & Sea	P.O. Box 50699	Phoenix	AZ	85076	602-323-2800	Asphalt Maintenance
9503	Sunna Air & Construction	PO Box 1055	Sacaton	AZ	85247	520-418-2231	Air conditioning, heating & building construction
10888	Sunrise Stucco, Inc.	3035 N. Maple #5	Mesa	AZ	85215	480-654-6923	Stucco
10636	Sunset Bus & Commercial I	12940 Firestone Blvd	Santa Fe	CA		562-404-8700	Bus Sales

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License	Name	Address	City	State	Zip	Telephone	Activity
9733	Sunshine Pest Control	14036 S. 140th Place	Spring Gilbert	AZ	85296	480-831-5314	Pest Control
10621	Sunstate Equipment Compa	3097 N. Piper Ave	Casa Grande	AZ	85222	520-836-7294	Equipment Rentals
9744	Suntel Communications Ser	16644 E. Stacey Road	Queen Creek	AZ	85242	480-988-3914	Placement of Telephone Cable
10560	Suntory Water Group	4849 Cranswick	Houston	TX	77041	713-744-0740	Bottled Water, Coolers & Cups
10212	Super Embroidery Inc.	4140 E. Winslow Ave.	Phoenix	AZ	85040	602-453-9800	Decorated Apparel and Specialties
8987	Superlight Block	4150 West Turney Avenue	Phoenix	AZ	85019	602-352-3500	Manufacturer of concrete masonry products
10803	Susan K. Jahns	P.O. Box 11072	Casa Grande	AZ		520-836-7300	Education
11329	Susanna Madril	PO Box 706	Sacaton	AZ	85247	520-562-1392	Selling Tamales
10019	Sylvia Nelson	7702 W. 12th St., #2	Phoenix	AZ	85020	602-944-7785	Arts, Crafts and Jewelry
10159	Synergy Tour Resources, In	7335 E. Indian Plaza #120	Scottsdale	AZ	85251	480-994-4475	Tour Operator
10303	Sysco Food Service of Ariz	611 S. 80th Ave	Tolleson	AZ	85353	623-936-9920	Distributor of Food and Related Products
10818	T P Acoustics	2626 N. 29th Ave	Phoenix	AZ	85009	602-269-6213	Acoustical Ceiling Contractor
10347	T&T Construction, Inc.	P.O. Box 17948	Fountain Hills	AZ	85269	480-837-2192	PMIP, Underground Utilities
9608	Taco Bite II	PO Box 11165	Bapchule	AZ	85221	520-315-1799	Food vendor
9538	Teaching by the River	PO Box 892	Sacaton	AZ	85247	520-450-3416	Consulters, builders, presenters, instructors
11616	Tech Art Manufacturing Inc	4185 W. Teco Avenue	Las Vegas	NV	89118	702-736-0637	Tech Art Manufacturer
1338	Technical Packaging	6872 W. Willis Road	Chandler	AZ	85226	602-961-0908	Packaging
10784	Technical Resource Manag	PO Box 70000	Flagstaff	AZ	86004	(520)526-101	Process Urine Specimans
10476	Tee Pee Contractors, Inc.	3095 N. Lear Ave	Casa Grande	AZ	85222	520-836-8513	Underground Utility Construction
2430	Tekakwitha Group	P.O. Box 745	Sacaton	AZ	85247		Food Sales
10210	Telecheck Services Inc.	6200 S. Quebec, Ste 210AS	Greenwood Vlg	CO	80111	713-331-7600	Telecheck Services
11252	Tempe Mechanical LLC	6682 S. Dateland Drive	Tempe	AZ	85283	480-820-1235	FiVAC & Plumbing Subcontractor
11140	Teola Andreas	3345 N Extension Rd	Scottsdale	AZ	85256		
9481	Terry, Timothy	PO Box 1470	Sacaton	AZ	85247	520-562-3356	Arts & crafts, snacks
11297	The Store	PO Box 507	Sells	AZ	85634	520-383-2798	Snacks, arts & Crafts and misc.
10418	Themers	1248 N. Riata Street	Gilbert	AZ	85234	480-497-3229	Special Event Decorations & Designers
323	Thcrm-O-Rock Industries	6732 W Willis	Chandler	AZ	85224		Expand Perlite & Vermiculite Ore
8876	Thermo-Rock, West, Inc.	6732 West Willis Road, #5	Chandler	AZ		520-796-1000	Manufacturer of Horticultural Products
10685	THE Drilling, Inc.	2420 South 16th Ave	Phoenix	AZ	85007	602-254-6586	Drilling Services
10922	Thomas & Elardo, P.C.	2700 N. Central Ave #1500	Phoenix	AZ	85004		Law Firm
9515	Thomas, Carol A.	PO Box 1489	Sacaton	AZ	85247	520-562-1214	Child care provider
10192	Thomas, Linda A.	P.O. Box 10999	Bapchule	AZ.	85221	520-796-3488	Food Sales
11230	Thomas, Warren & Associa	1501 W. Amelia, Ste 101	Phoenix	AZ	85015	602-277-1957	Economic Consulting
9305	Thomas, Willa	PO Box 11341	Bapchule	AZ	85221	520-315-9240	Food sales
11248	Thompson Indian Jewelry	16202 N. 31 st Street	Phoenix	AZ	85032	602-923-0062	Authentic Silver Jewelry
9738	Thompson Safe, Lock & K	201 E. 4th Street	Casa Grande	AZ	85222	520-836-7662	Locksmith and Related Services
10936	Thoren's Architectural Woo	PO Box 387	Tempe	AZ	85280	480-967-7571	Manufacture and installation of Custom Millwork
9937	Thorobred Chevrolet, Inc.	P.O. Box 400	Chandler	AZ	85244	480-899-0131	Auto Sales & Service
9381	Thunder Woman Creations	Rt 2 Box 874	Laveen	AZ	85339	520-430-2405	Southwest Style Clothing

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License	Name	Address	City	State	Zip	Telephone	Activity
11074	Thunderbird Party Sales	P.O. Box 452	Sacaton	AZ	85247	520-418-3239	Tupperware Sales
11502	Thyssenkrupp Elevator Cor	1634 N. 19th Ave	Phoenix	AZ	85009	602-257-0216	Elevator Contractor
11598	Tierra Custom Stone Corp.	3038 E. Mohawk Lane	Phoenix	AZ	85050	602-569-2273	Masonry
10696	Tile for Less	4012 N. 33rd Ave	Phoenix	AZ	85017	602-277-7701	Retail Sales of Ceramic Tile
11067	Tire Factory, The	2311 S. 5th St.	Coolidge	AZ	85228	520-723-7840	Tire-Auto Mechanic
9497	T-N-C	Rt 1 Box 83D	Coolidge	AZ	85228	520-215-2932	Landscaping, remodeling and fencing
11550	Toka Sticks Golf Course	PO Box 299	Sacaton	AZ	85247	480-988-9405	Golf Course
10640	Top Banana Promotions	7626 E Greenway Rd. #102	Scottsdale	AZ	85260	480-948-9123	Promotional Products
11101	Top Hatter Inc., The	3911 E Superior Ave	Phoenix	AZ	85040	602-955-6078	Air Duct Cleaning/Carpet & Tile Cleaning
10201	Total Experience Productio	2 101 E. Broadway Ste 21	Tempe	AZ	85282	480-966-2232	Event Management Production
11278	Traffic research & Analysis	3844 E. Indian School Roa	Phoenix	AZ	85018	602-840-1500	Traffic Data Collection
11185	TRD Engineering Corporati	3731 East Grove Sttreet	Phoenix	AZ	85040	602-437-1676	Structural and Electrical Engineering
317	Trendsetter Cabinets	1251 S. Nelson Drive	Chandler	AZ	85226		Cabinet Manufacturing
8757	Tri City Packaging	P.O. Box 5005	Chandler	AZ	85226	602-263-5455	Packaging
10400	Triangle Flooring, Inc.	401 E. Watkings	Phoenix	AZ	85004	602-252-3274	Floor Covering
8883	Triangle Truss, Inc.	Box 5036, 6470 West Germ	Chandler	AZ	85226	480-990-8253	Wood Truss Manufacturing
9545	Tri-City Mechanical Inc.	6875 W. Galveston Street	Chandler	AZ	85226	480-940-8400	HVAC & Plumbing
11362	Trina Salazar/ Shirley Lane	PO Box 6119	Marble Canyon	AZ	86036	480-861-2575	Jewelry
10989	Trina's Vending Co.	13625 S. 48th St #1066	Phoenix	AZ	85044	480-809-3777	Vending Machines
11051	Triple "J" Welding	17980 W. Benning Street	Casa Grande	AZ	85222	520-421-1660	Welding Projects
10338	Triple H Construction Co.	8657 N. 78th Ave	Peoria	AZ	85345	623-878-9002	Concrete Construction
9575	Tri-Rentals	3103 E. Broadway Ste #400	Phoenix	AZ	85040	602-232-9900	Party Equipment Rentals
10698	Triumph Precision Castings	6519 W. Allison Road	Chandler	AZ	85226	520-796-6300	Investment Casting
3884	Triumph Thermal Processin	6520 West Willis Road	Chandler	AZ		520-796-6307	Repair and Overhaul of Turbine Engine Parts
9129	Troon Golf, LLC	15044 N Scottsdale Rd., Ste	Scottsdaie	AZ	85254	480-606-1000	Management of Golf Facilities
10402	Truly Nolen of America, In	2018 N. Arizona Ave, D13	Chandler	AZ	85224	480-814-8900	Pest/Termite Control
11501	Tsosie, Sarah Louise	PO Box 2372	Tuba City	AZ	86045	283-6308	Indian Jewelry
10107	Tucker Plumbing, Inc.	837 S. Center Street	Mesa	AZ	85210	480-833-1721	Plumbing Contractor
10020	Tunney's Mobile Welding	925 W. Baseline Rd #105k3	Tempe	AZ	85283		Mobile Welding
10289	Turelli, Tim	4614 E. Lewis	Phoenix	AZ	85008	602-522-0619	Supplier of Athletic Equipment and Clothes
9611	Tynan Group, Inc.	2927 De La Vina Street	Santa Barbara	CA	93105	805-898-0567	Project Management
8884	U.S. Block Windows	7240 West Allison Road	Chandler	AZ	85226	520-796-3484	Window Manufacturing
10406	UAP Timberland, LLC.	201 S. McKemy	Chandler	AZ	85226	480-592-9900	Pesticide Distribution
10071	Uniforms Plus, Inc.	2538 W. Country Club	Tucson	AZ	85716	520-326-6300	Retail of Wearing Apparel
19	Union Manufacturing, Inc	P.O. Box C	Yorkville	IL	60560		Manufacturing
10525	Unique Enterprises, Inc.	PO Box 364419	Las Vegas	NV	89036	702-649-5002	Casino supplies, restaurant repair parts
9144	Unisource Maintenance So	844 N 47th Ave	Phoenix	AZ	85043	602-278-2516	Distributor of janitorial supplies
9681	United Metro Materials (M	P.O.Box 52140	Phoenix	AZ	85072	602-220-5000	Materials Supplier
9682	United Metro Materials(Hw	P.O.Box 52140	Phoenix	AZ	85072	602-220-5000	Materials Supplier
9664	United Rentals Highway Te	3116 S. Roosevelt	Tempe	AZ	85282	480-R94-2101	Pavement marking, signage, traffic control & safet

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
11096	United Rock Systems	4455 E Indigo Bay Dr	Higley	AZ	85236	480-854-8664	Drywall, Metal Studs (Construction)
10162	University Mechanical & E	1200 N Sickles Drive	Tempe	AZ	85281	480-921-0903	Mechanical Contractor
10570	University Termite and Pest	3930 E. Tennessee Street	Tucson	AZ		520-886-4146	Pest, Weed, Termite Prevention
1272	Upper Santan Presbyterian	P.O. Box 267	Sacaton	AZ	85247		Non-profit food sales
10943	US Food Service/ City Mea	4650 W. Buckeye	Phoenix	A7.	85045	602-352-3559	Distributor of Food Service
10591	US FoodService/ City Meat	4650 W. Buckeye	Phoenix	AZ	85045	602-352-3300	Distributor of Food Service Related Products and
2701	Vah-Ki fresyterian Church	P.O. Box 870	Bachule	AZ	85221		Food Sales, Crafts & Rummage Sale
9776	Vale Business Systems, LL	2025 E Rio Salado Pkwy St	Tempe	AZ	85281	480-921-0054	Paper and Ribbon Supplies
10964	Valerie Morgan	128 W. 9th Pl #4	Mesa	AZ	85201		Crafts, Yardsale & Misc.
11541	Valley Catering	PO Box 734	Chandler	AZ	85244	602-524-6405	Mobil Food Truck
10737	Valley Truss Fabricators	6744 W. Germann Road	Chandler	AZ	85226	480-838-5688	Mfg. Sir. Wood Components
11198	Valleywide Printing Servic	912 S Pack Lane #105	Tempe	AZ	85281		Commercial Printing, Promotional Products
9333	Van Cleve, Tom	P.O. Box 37014	Tucson	AZ	85740	520-575-5113	Insurance/Employee Benefits
9463	Vantage Custom Classics In	100 Vantage Drive	Avenel	NJ	7001	732-340-3000	Manufacturer of Mens Embroidered Apparel
11305	Varsity Sports & Corporate	PO Box 342	Marana	AZ	85653	520-682-4825	Wholesale, Retail, Silkscreen
10854	Vaughn Ledbetter, PLLC	716 S. main, Ste B	Cottonwood	AZ	86326	928-649-8777	Law Firm
7697	Vechij Himdag	PO Box 220	Sacaton	AZ	85247	520-562-3286	Food Sales
10321	Velasco, Lisa	P.O. Box 7222	Why	AZ	85321	602-362-2308	Food Sales
10700	Velma's Child Care	P.O. Box 342	Sacaton	AZ	85247	520-418-6860	Child Care Provider
11622	Vending Data Corporation	6830 Spencer Street	Las Vegas	NV	89119	702-733-7195	Sale/Rental of Shufflers, Deck-Checkers
11298	Vermcer Sales Southwest, I	55 S. 56th Street	Chandler	AZ	85226	480-785-4800	Equipment Dealer
9953	Vida Mae's Images in Hair	9302 E Citrus Lane N	Sun Lakes	AZ	85248	520-796-3480	Beauty Shop
10862	Video King Gaming Syste	8122 Southpark Lane, Bldg	Littleton	CO	80120	800-525-8380	Manufacturer of Charitable Bingo Supplies
11073	Viking Enterprises, Inc	4125 E. Madison	Phoenix	AZ	85034	602-275-4988	Electrical Contractor
9587	Villa, Eleanor	PO Box 181	Sacaton	AZ	85247	520-315-1752	Food Sales
10716	Villalpando Corp., The	1630 E. Lehi Road	Mesa	AZ	85203	480-644-1425	Stucco, Remodeling and Additions
10601	Villegas Catering	P.O. Box 1744	Sacaton	AZ	85247	520-562-3363	Food Sales
9471	VMK Enterprises Inc.	PO Box 25519	Phoenix	AZ	85002	602-253-1423	Janitorial Supplies & Office Furniture
11186	Voss Lighting	1911 E University	Phoenix	AZ	85034	602-340-9500	Sale of Light Bulbs, Ballast and Fixtures
10017	W.R. Skousen Contractors,	2333 No. Country Club Dr.	Mesa	AZ	85201	480-964-4553	Highway Contracting
11421	W.W. Grainger	2223 S. Wilson	Tempe	AZ	85282	480-966-9797	Distributor of Industrial & Commercial Supplies
9404	Wadsworth Golf Constructi	600 N. 195th Ave	Buckeye	AZ	85326	602-853-9100	Golf Course Construction
11409	Walters & Wolf Constructi	481 N. Dean Ave	Chandler	AZ	85226	480-705-6810	Glass and Glazing Contractor
9355	Wardin, Cockriel & Associ	1930 N. 22nd Ave	Phoenix	AZ	85009	602-340-0660	Sound System installation & design
9354	Warrior Apparel	53 Jemez Canyon Rd	Bcrmalillo	NM	87004	505-867-4260	Wholesale sales of Apparel for re-sale
9300	Warriors Pest Control	5701 W Glenrosa Ave	Phoenix	AZ	85031	623-245-9439	Pest Control Services
9749	Water Consultants & Labor	912 S. Park Lane Ste 102	Tempc	AZ	85281	480-929-9180	Industrial Water Treatment
10165	Water Engineering Services	22 E. Buckman Street	Phoenix	AZ	85004	602-252-5198	Water Treatment
10884	Waterfall, Economidis, Cal	5210 E. Williams Circle, St	Tucson	AZ	85711	520-790-5828	Legal Services
10451	Watson, laeanora	P.O. Box 305	Cameron	AZ	86020	520-679-9807	Indian Arts and Crafts
10517	Waxic Sanitary Supply	P.O. Box 23506	San Diego	CA	92123	858-292-8111	Distribution of Janitorial Supplies

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
10377	Wayne Hickman Constructi	P.O. Box 342	Coolidge	AZ	85228	520-560-6502	Remodeling and Renovations
9598	Weber Group, LC	16825 S. Weber Drive	Chandler	AZ	85226	480-961-1141	Contracting
11201	WEDCO Construction LLC				0		Transportation of products for Road Construction
10915	Weiser Adventures, Inc	8944 W. Fullam Street	Peoria	AZ	85382	623-322-3552	Travel Agency
11091	Wellington Farms	P.O. Box 1437	Sacaton	AZ	85247	520-562-4082	Farming
9495	Wescon Corporation	1515 W San Angelo St., St	Gilbert	AZ	85233	480-503-1671	Underground utilities
10240	Wespac Construction	9440 N. 26th Street, Ste 10	Phoenix	AZ	85028	602-956-1323	General Contractor
9832	Western Janitor Supply Inc.	4607 S. 35th St. Ste #1	Phoenix	AZ	85040	602-305-9815	Janitorial Supplies & Services
10626	Western Oil6elds Supply C	PO Box 2248	Bakersfield	CA	93303	661-399-9124	Rental of Pumps & Water Tanks
11524	Western Paper Distributors	5502 W. Buckeye Rd	Phoenix	AZ	85043	602-269-5053	Distributor of Janitorial, Washroom & Food Servi
10761	Western States Flooring Inc	350 E. Elliot Road	Chandler	AZ	85225	480-892-8144	Commercial Flooring
9881	Western Technologies, Inc.	3737 E Broadway Road	Phoenix	AZ	85040	602-437-3737	Consulting Engineers
11553	Wetherbee's Aggregate Pla	21370 W. Mullins Lane	Marana	AZ	85653	520-616-9554	Provide Installation of Equipment
11055	Wheeled Coach Industries,	2737 North Forsyth Rd	Winter Park	FL	32792	407-677-7777	Ambulance Manufacturer
10576	Wheeler Construction, Inc.	P.O. Box 5277	Phoenix	AZ		602-254-3179	General Commercial Contractors
10458	Whirlwind Golf Club	5692 W. North Loop Rd., B	Chandler	AZ	85226	520-796-1840	Golf Course with Restaurant and Retail
9483	White Shield Inc.	2515 W. Falls Avenue	Kennewick	WA	99336	509-734-9259	Civil/ Environmental Engineering & Surveying
10617	Whitefeather Enterprises, In	10040 E. Lurlene Drive	Tucson	AZ	85730	520-722-8656	Giftware, Stationary, Jewelry, T-Shirts, Leather G
9477	White's Towing	P.O. Box 164	Maricopa	AZ	85239		Towing
9627	Whitman, Malcolm	PO Box 735	Sacaton	AZ	85247	520-562-3174	Food, firewood & yard sales
11037	Wholesale Floors, Inc.	1938 E Osborn Road	Phoenix	AZ	85016	602-248-7878	Floor Covering Installation & Sales
10994	Wildhorse Pass Developme	5718 W. North Loop Rd	Maricopa Co	AZ	85226	520-796-5389	Manage WHP Development Area
11210	Wildhorse pass-Horse Partn	PO Box 1105	Black Canyon Cit	AZ	85324	623-374-5245	Manage Equestrian Center
11291	William & Maxine Home	500 N. Metro Blvd., 2024	Chandler	AZ	85226		Yard Sale & Food Sale
11341	William Miles	747 S. Extension #20fi	Mesa	AZ	85210	480-600-1434	Indian Jewelry
11286	Williams Marketing & Inve	8435 S. 16th Street	Phoenix	AZ	85042	602-579-0336	Medical Supply Distributor
11345	Willie R. White III	2 100 W. Lemontree Place #	Chandler	AZ	85224	480-899-1964	Waste Container Repair d. Svc.
10028	Willis of Arizona	11201 N Tatum Blvd, Suite	Phoenix	AZ	85028	602-787-9000	Insurance Broker
11340	Wilson & Company Inc.	9633 S. 48th St., #290	Phoenix	AZ	85044	480-893-8860	Engineering, Survey and Mapping
11218	Wilson Arts	3237 W. Grovers	Phoenix	AZ	85053	602-375-3027	Arts & Crafts, Jewelry
10540	Windsor Industries, Inc.	1351 W Stanford Ave	Englewood	CO	80110	303-762-1800	Manufacturer of commercial floor care equipment
9976	Wingfoot Commercial Tire	P.O. Box 48	Fort Smith	AR	72902	520-790-9273	Tire Dealer
11100	Winter & Whiting, PC	325 N Alma School Road,	Chandler	AZ	85224	480-899-2829	Legal Representation
10220	Winzer	320 S. 70th #37	Mesa	AZ	85208	602-920-1814	Misc. Items
10879	Wist Office Products Comp	PO Box 24118	Tempe	AZ	85285	480-921-2900	Retail distribution of office products & supplies
11042	WLB Group, Inc., The	333 East Osborn Rd, Ste 38	Phoenix	AZ	85012	602-279-1016	Engineering Consultant, Surveying
9603	WMS Gaming, Inc.	800 S. Northpoint Blvd.	Waukegan	IL	60685	847-785-3000	Gaming Equipment Distributor
11440	Woods, Joe E.	63 E. Main Street, Ste 401	Mesa	AZ	85201	480-946-4560	Concrete SubContractor
10623	World Gaming Network, In	4500 S. 129th East Ave, Ste	Tulsa	OK	74134	918-664-8796	Employment Screening Services
9871	Wright's excavating, Inc.	207 S. Galaxy Drive	Chandler	AZ	85226	480-961-2940	Excavation

EXHIBIT 25.12.1.9D
Business Licenses Issued by the Community to Third Parties as of January 29, 2003

License	Name	Address	City	State	Zip	Telephone	Activity
10998	WRJ Corp.	1801 E. Catamaran Drive	Gilbert	AZ	85234	602-762-9797	Boat & Dock Sales/Svc
50	Wudlite, Inc	900 SW 20th Way	Ft Lauderdale	FL	33312		Manufacture Furniture
10255	Wyatt, Barry- Snap on Tool	P.O. Box 120	Arizona City	AZ	85223	520-560-0352	Mechanical Tools
10323	Yavapai Plumbing & Electr	607 1\2 5th Street	Prescott	AZ	86301	520-776-7025	Plumbing & HVAC
11427	Yazzie, Gloria	P.O. Box 1263	Page	AZ	86040	928-698-3542	Jewelry
10914	Yoder Law Offices, P.C.	5080 N. 40th Street, Ste 33	Phoenix	AZ	85018	602-808-9578	Legal Counsel
9879	Young Electric Sign Compa	6725 W. Chicago St	Chandler	AZ	85226	480-449-3726	Manufacture and service signs
9680	Young, Swenson & Cross P	P.O. Box 11277	Chandler	AZ	85248	480-413-0533	Paving Construction
10595	Youyetewa, Manuelita	P.O. Box 1509	Sacaton	AZ	85247		Food Sales-Bake Sales
11370	Z-Best Lemonade	816 N. Revere # 102	Mesa	AZ	85201	615-1920	Sale of Food & Jewelry
9403	ZEE Medical Service Inc.	2320 W. Mission Lane Ste	Phoenix	AZ	85021	480-784-2934	Industrial First Aid & Safety Sales & Training
11054	Zenith Administrators, Inc	2001 W. Camelback Road,	Phoenix	AZ	85015	602-248-8434	Third Party Administrator of Health and Welfare
10076	ZEP Manufacturing, Co.	5701 W. Latham Street, Ste	Phoenix	AZ	85043	602-272-9233	Chemical/ Janitorial Supplies
10301	Zero Defects, Inc.	15914 G. Ocotillo	Chandler	AZ	85224	480-988-1637	Welding and Fabrication
9415	Zillioux Art & Design	Rt. 4, Box 892	Lavccn	AZ	85339		Arts & Crafts
10284	Zuleima Ice Cream	2038 N. 39th Ave	Phoenix	AZ	85009	602-269-0162	Sale of Ice Cream and Snacks

Final Execution Draft
October 21, 2005

Exhibit 25.17.1A

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Attorney for Gila River Indian Community

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

GILA RIVER INDIAN COMMUNITY, for and on behalf of itself and its members, Plaintiffs, v. GILA VALLEY IRRIGATION DISTRICT, et al., Defendants.	Civ No. 82-2185, PHX-CAM **PLAINTIFFS' MOTION TO STAY PENDING SETTLEMENT AND TO VOLUNTARILY DISMISS PURSUANT TO FED. R. CIV. P. 41(a)(2)** **ORAL ARGUMENT REQUESTED**

Pursuant to Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act"), approving and implementing the Gila River Indian Community Water Rights Settlement Agreement, and Fed. R. Civ. P. 41(a)(2), Plaintiffs, by their counsel, respectfully move the Court to: (1) stay the above-captioned proceeding pending dismissal of the Plaintiff's claims as contemplated by the Settlement Act; (2) order the dismissal of Plaintiffs' claims against all defendants named in the Complaint, except the Town of Safford, Phelps Dodge Corp., Phelps Dodge

Corporation, and their respective predecessors and successors in interest, with prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008; and (3) order the dismissal of Plaintiffs' claims against the Town of Safford and its predecessors and successors in interest with prejudice effective ninety-two (92) days after the Enforceability Date, without further notice to the parties, unless the Town of Safford exercises its right to terminate its participation in the settlement and Plaintiffs' file a motion to vacate the order of dismissal, with respect to the Town of Safford, on that basis prior to April 1, 2008.

Plaintiffs shall provide notice to the Court of the occurrence of the Enforceability Date.

Plaintiffs' motion is supported by the attached memorandum and exhibits. For the reasons set forth therein, Plaintiffs' motion should be granted.

Dated: _____

GILA RIVER INDIAN COMMUNITY

By_____

John T. Hestand
5002 N. Maricopa Road, Box 5090
Chandler, AZ 85226

Attorney for Gila River Indian Community

Exhibit 25.17.1A

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

GILA RIVER INDIAN COMMUNITY, for and on behalf of itself and its members, Plaintiffs, v. GILA VALLEY IRRIGATION DISTRICT, et al., Defendants.	Civ No. 82-2185, PHX-CAM **ORDER**

Upon consideration of Plaintiffs' Motion to Stay Pending Settlement and to Voluntarily Dismiss Pursuant to Fed. R. Civ. P. 41(a)(2), Plaintiffs' supporting memorandum and exhibits, and any opposition thereto, IT IS HEREBY ORDERED that Plaintiffs' motion be and hereby is GRANTED, and IT IS FURTHER ORDERED:

(1) that the above-captioned proceeding is stayed pending dismissal of the Plaintiff's claims as contemplated by the Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act");

(2) that Plaintiffs' claims against all defendants named in the Complaint, except the Town of Safford, Phelps Dodge Corp., Phelps Dodge Corporation, and their respective predecessors and successors in interest, are hereby dismissed with prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiffs notify the Court that the

Exhibit 25.17.1A

Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008;

(3) that Plaintiffs' claims against the Town of Safford and its predecessors and successors in interest are hereby dismissed with prejudice effective ninety-two (92) days after the Enforceability Date, without further notice to the parties, unless the Town of Safford exercises its right to terminate its participation in the settlement and Plaintiffs' file a motion to vacate the order of dismissal, with respect to the Town of Safford, on that basis prior to April 1, 2008; and

(4) that Plaintiffs shall provide notice to the Court of the occurrence of the Enforceability Date.

SO ORDERED.

Dated this ____ day of _____, 20__.

_____
United States District Judge

Final Execution Draft
October 21, 2005

Exhibit 25.17.1B

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Attorney for Gila River Indian Community

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

GILA RIVER INDIAN COMMUNITY, for and on behalf of itself and its members, Plaintiffs, v. GILA VALLEY IRRIGATION DISTRICT, et al., Defendants.	Civ No. 82-2185, PHX-CAM **PLAINTIFFS' MOTION TO STAY PENDING SETTLEMENT AND TO VOLUNTARILY DISMISS PHELPS DODGE CORP. AND PHELPS DODGE CORPORATION PURSUANT TO FED. R. CIV. P. 41(a)(2)** **ORAL ARGUMENT REQUESTED**

Pursuant to Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act"), approving and implementing the Gila River Indian Community Water Rights Settlement Agreement, and Fed. R. Civ. P. 41(a)(2), Plaintiffs, by their counsel, respectfully move the Court to: (1) stay the above-captioned proceeding pending dismissal of the Plaintiff's claims against Phelps Dodge Corp. and Phelps Dodge Corporation and their predecessors and successors in interest as contemplated by the Settlement Act; and (2) order the dismissal of Plaintiffs' claims against Phelps Dodge Corp. and Phelps Dodge Corporation and their predecessors and

successors in interest with prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008.

Plaintiffs shall provide notice to the Court of the occurrence of the Enforceability Date.

Plaintiffs' motion is supported by the attached memorandum and exhibits. For the reasons set forth therein, Plaintiffs' motion should be granted.

Dated: _____

GILA RIVER INDIAN COMMUNITY

By_____

John T. Hestand
5002 N. Maricopa Road, Box 5090
Chandler, AZ 85226

Attorney for Gila River Indian Community

Final Execution Draft
October 21, 2005

Exhibit 25.17.1B

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

GILA RIVER INDIAN COMMUNITY, for and on behalf of itself and its members, Plaintiffs, v. GILA VALLEY IRRIGATION DISTRICT, et al., Defendants.	Civ No. 82-2185, PHX-CAM **ORDER**

Upon consideration of Plaintiffs' Motion to Stay Pending Settlement and to Voluntarily Dismiss Phelps Dodge Corp. and Phelps Dodge Corporation Pursuant to Fed. R. Civ. P. 41(a)(2), Plaintiffs' supporting memorandum and exhibits, and any opposition thereto, IT IS HEREBY ORDERED that Plaintiffs' motion be and hereby is GRANTED, and IT IS FURTHER ORDERED:

(1) that the above-captioned proceeding is stayed pending dismissal of the Plaintiffs' claims against Phelps Dodge Corp. and Phelps Dodge Corporation and their predecessors and successors in interest as contemplated by the Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act");

(2) that Plaintiffs' claims against Phelps Dodge Corp. and Phelps Dodge Corporation and their predecessors and successors in interest are hereby dismissed with prejudice effective on the Enforceability Date (as defined in the Settlement Act),

Exhibit 25.17.1B

without further notice to the parties, unless Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008; and

(3) that Plaintiffs shall provide notice to the Court of the occurrence of the Enforceability Date.

SO ORDERED.

Dated this ____ day of _____, 20__.

_____

United States District Judge

October 11, 2005

Exhibit 25.17.2

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, On behalf of the Gila River Indian Community, Plaintiff, v. ROOSEVELT WATER CONSERVATION DISTRICT, *et al.* Defendants.	Civ No. 82-2174 PHX-RGS **PLAINTIFF'S MOTION TO STAY PENDING SETTLEMENT AND TO VOLUNTARILY DISMISS PURSUANT TO FED. R. CIV. P. 41(a)(2)** **ORAL ARGUMENT REQUESTED**

Pursuant to Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act"), approving and implementing the Gila River Indian Community Water Rights Settlement Agreement, and Fed. R. Civ. P. 41(a)(2), Plaintiff, the United States of America, respectfully moves the Court to: (1) stay the above-captioned proceeding pending dismissal of the Plaintiff's claims as contemplated by the Settlement Act; (2) order the dismissal of Plaintiff's claims against all defendants named in the Complaint, except Arizona Water Co. and its predecessors and successors in interest, with prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiff notifies the Court that the Enforceability Date has not occurred and Plaintiff moves to vacate the order of dismissal on that basis prior to April 1, 2008; and (3) order the dismissal of Plaintiff's

claims against the Arizona Water Co. and its predecessors and successors in interest without prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiff notifies the Court that the Enforceability Date has not occurred and Plaintiff moves to vacate the order of dismissal on that basis prior to April 1, 2008.

Plaintiff shall provide notice to the Court of the occurrence of the Enforceability Date.

Plaintiff's motion is supported by the attached memorandum and exhibits. For the reasons set forth therein, Plaintiff's motion should be granted.

Dated: _____ UNITED STATES OF AMERICA

By_____

October 11, 2005

Exhibit 25.17.2

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, On behalf of the Gila River Indian Community, Plaintiff, v. ROOSEVELT WATER CONSERVATION DISTRICT, *et al.* Defendants.	Civ No. 82-2174 PHX-RGS **ORDER**

Upon consideration of Plaintiff's Motion to Stay Pending Settlement and to Voluntarily Dismiss Pursuant to Fed. R. Civ. P. 41(a)(2), Plaintiff's supporting memorandum and exhibits, and any opposition thereto, IT IS HEREBY ORDERED that Plaintiff's motion be and hereby is GRANTED, and IT IS FURTHER ORDERED:

(1) that the above-captioned proceeding is stayed pending dismissal of the Plaintiff's claims as contemplated by the Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act");

(2) that Plaintiff's claims against all defendants named in the Complaint, except Arizona Water Co. and its predecessors and successors in interest, are hereby dismissed with prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiff notifies the Court that the Enforceability Date has not occurred and Plaintiff moves to vacate the order of dismissal on that basis prior to April 1, 2008;

Exhibit 25.17.2

(3) that Plaintiff's claims against the Arizona Water Co. and its predecessors and successors in interest are hereby dismissed without prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiff notifies the Court that the Enforceability Date has not occurred and Plaintiff moves to vacate the order of dismissal on that basis prior to April 1, 2008; and

(4) that Plaintiff shall provide notice to the Court of the occurrence of the Enforceability Date.

SO ORDERED.

Dated this ____ day of _____, 20__.

_____

United States District Judge

Final Execution Draft
October 21, 2005

Exhibit 25.17.3A

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Attorney for Gila River Indian Community

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

GILA RIVER INDIAN COMMUNITY, for and on behalf of itself and its members, Plaintiffs, v. ASARCO Incorporated, *et al.* Defendants.	Civ No. 78-145 TUC-WDB **PLAINTIFFS' MOTION TO STAY PENDING SETTLEMENT AND TO VOLUNTARILY DISMISS PURSUANT TO FED. R. CIV. P. 41(a)(2)**

Pursuant to Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act"), approving and implementing the Gila River Indian Community Water Rights Settlement Agreement, and Fed. R. Civ. P. 41(a)(2), Plaintiffs, by their counsel, respectfully move the Court to: (1) stay the above-captioned proceeding pending dismissal of the Plaintiff's claims against certain defendants as contemplated by the Settlement Act; (2) order the dismissal of Plaintiffs' claims against all defendants named in the Complaint, except Asarco, Asarco Incorporated, Asarco Incorporated a New Jersey Corporation, the Arizona Water Co., Phelps Dodge Corp.,

Exhibit 25.17.3A

Phelps Dodge Corporation, BHP, and the Town of Winkelman, and their respective predecessors and successors in interest, with prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008; and (3) order the dismissal of Plaintiffs' claims against the Arizona Water Co. and its predecessors and successors in interest without prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008.

Plaintiffs shall provide notice to the Court of the occurrence of the Enforceability Date.

Plaintiffs' motion is supported by the attached memorandum and exhibits. For the reasons set forth therein, Plaintiffs' motion should be granted.

Dated: _____

GILA RIVER INDIAN COMMUNITY

By_____

John T. Hestand
5002 N. Maricopa Road, Box 5090
Chandler, AZ 85226

Attorney for Gila River Indian Community

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Exhibit 25.17.3A

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

GILA RIVER INDIAN COMMUNITY, for and on behalf of itself and its members, Plaintiffs, v. ASARCO Incorporated, *et al.* Defendants.	Civ No. 78-145 TUC-WDB **ORDER**

Upon consideration of Plaintiffs' Motion to Stay Pending Settlement and to Voluntarily Dismiss Pursuant to Fed. R. Civ. P. 41(a)(2), Plaintiffs' supporting memorandum and exhibits, and any opposition thereto, IT IS HEREBY ORDERED that Plaintiffs' motion be and hereby is GRANTED, and IT IS FURTHER ORDERED:

(1) that the above-captioned proceeding is stayed pending dismissal of the Plaintiffs' claims as contemplated by the Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act");

(2) that Plaintiffs' claims against all defendants named in the Complaint, except Asarco, Asarco Incorporated, Asarco Incorporated a New Jersey Corporation, the Arizona Water Co., Phelps Dodge Corp., Phelps Dodge Corporation, BHP, and the Town of Winkelman, and their respective predecessors and successors in interest, are hereby dismissed with prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless

Exhibit 25.17.3A

Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008;

(3) that Plaintiffs' claims against the Arizona Water Co. and its predecessors and successors in interest are hereby dismissed without prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008; and

(4) that Plaintiffs shall provide notice to the Court of the occurrence of the Enforceability Date.

SO ORDERED.

Dated this ____ day of _____, 20__.

_____

United States District Judge

Final Execution Draft
October 11, 2005

Exhibit 25.17.3B

JOHN T. HESTAND, 005087
5002 N. Maricopa Road, Box 5090
Chandler, AZ 85226
JTHestan@gricnet.com
Telephone: 520-796-1344

Attorney for Gila River Indian Community

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

GILA RIVER INDIAN COMMUNITY, for and on behalf of itself and its members, Plaintiffs, v. ASARCO Incorporated, *et al.* Defendants.	Civ No. 78-145 TUC-WDB **PLAINTIFFS' MOTION TO STAY PENDING SETTLEMENT AND TO VOLUNTARILY DISMISS PHELPS DODGE CORP. AND PHELPS DODGE CORPORATION PURSUANT TO FED. R. CIV. P. 41(a)(2)**

Pursuant to Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act"), approving and implementing the Gila River Indian Community Water Rights Settlement Agreement, and Fed. R. Civ. P. 41(a)(2), Plaintiffs, by their counsel, respectfully move the Court to: (1) stay the above-captioned proceeding pending dismissal of the Plaintiff's claims against Phelps Dodge Corp. and Phelps Dodge Corporation and their predecessors and successors in interest as contemplated by the Settlement Act; and (2) order the dismissal of Plaintiffs' claims against Phelps Dodge Corp. and Phelps Dodge Corporation and their predecessors and

successors in interest with prejudice effective on the Enforceability Date (as defined in the Settlement Act), without further notice to the parties, unless Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008.

Plaintiffs shall provide notice to the Court of the occurrence of the Enforceability Date.

Plaintiffs' motion is supported by the attached memorandum and exhibits. For the reasons set forth therein, Plaintiffs' motion should be granted.

Dated: _____

GILA RIVER INDIAN COMMUNITY

By_____

John T. Hestand
5002 N. Maricopa Road, Box 5090
Chandler, AZ 85226

Attorney for Gila River Indian Community

Final Execution Draft
October 11, 2005

Exhibit 25.17.3B

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

GILA RIVER INDIAN COMMUNITY, for and on behalf of itself and its members, Plaintiffs, v. ASARCO Incorporated, *et al.* Defendants.	Civ No. 78-145 TUC-WDB **ORDER**

Upon consideration of Plaintiffs' Motion to Stay Pending Settlement and to Voluntarily Dismiss Phelps Dodge Corp. and Phelps Dodge Corporation Pursuant to Fed. R. Civ. P. 41(a)(2), Plaintiffs' supporting memorandum and exhibits, and any opposition thereto, IT IS HEREBY ORDERED that Plaintiffs' motion be and hereby is GRANTED, and IT IS FURTHER ORDERED:

(1) that the above-captioned proceeding is stayed pending dismissal of the Plaintiffs' claims against Phelps Dodge Corp. and Phelps Dodge Corporation and their predecessors and successors in interest as contemplated by the Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act");

(2) that Plaintiffs' claims against Phelps Dodge Corp. and Phelps Dodge Corporation and their predecessors and successors in interest are hereby dismissed with prejudice effective on the Enforceability Date (as defined in the Settlement Act),

Exhibit 25.17.3B

without further notice to the parties, unless Plaintiffs notify the Court that the Enforceability Date has not occurred and Plaintiffs move to vacate the order of dismissal on that basis prior to April 1, 2008; and

(3) that Plaintiffs shall provide notice to the Court of the occurrence of the Enforceability Date.

SO ORDERED.

Dated this ____ day of _____, 20__.

_____

United States District Judge

Final Execution Draft
October 21, 2005

Exhibit 25.17.4

IN THE SUPREME COURT OF THE STATE OF ARIZONA

IN RE: THE GENERAL ADJUDICATION OF ALL RIGHTS TO USE WATER IN THE GILA RIVER SYSTEM AND SOURCE	)	Supreme Court Case No. WC-02-0001-IR and WC-02-0002-IR
	)	[Contested Case No. W1-203]
	)	Maricopa County Nos. W-1, W-2, W-3, and W-4 (Consolidated)
	)	PETITIONERS' MOTION TO VOLUNTARILY DISMISS PETITIONS

Pursuant to Arizona Water Settlements Act, Pub. L. No. 108-451, 118 Stat. 3478 (2004) (the "Settlement Act"), approving and implementing the Gila River Indian Community Water Rights Settlement Agreement ("Agreement"), and Rule 26(b) of the Arizona Rules of Civil Appellate Procedure, Petitioners, the Gila River Indian Community ("Community") and the United States of America, on behalf of the Community, its Members and Allottees (as these terms are defined in the Agreement) respectfully move the Court to order the dismissal, with prejudice, of all interlocutory appeals filed by the Community and the United States of America, on behalf of the Community , its Members and Allottees (as these terms are defined in the Agreement).

Petitioners' motion is supported by the attached memorandum and exhibits. For the reasons set forth therein, Petitioners' motion should be granted.

Final –Execution Version
October 21, 2005

EXHIBIT 25.18.A.1

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

IN RE THE GENERAL ADJUDICATION OF ALL RIGHTS TO USE WATER IN THE GILA RIVER SYSTEM AND SOURCE.	**No. W-1 (Salt)** **No. W-2 (Verde)** **No. W-3 (Upper Gila)** **No. W-4 (San Pedro)** **CONTESTED CASE NO. _____** STIPULATION AND REQUEST FOR ENTRY OF JUDGMENT AND DECREE

THIS STIPULATION, dated as of _____, 2005, is entered into among the United States of America; the State of Arizona; the Gila River Indian Community (hereinafter referred to as the "Community"); Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Roosevelt Irrigation District; the Roosevelt Water Conservation District; the Maricopa-Stanfield Irrigation & Drainage District; the Central Arizona Irrigation and Drainage District; Franklin Irrigation District; Gila Valley Irrigation District; the San Carlos Irrigation and Drainage District; the Hohokam Irrigation and Drainage District; the Buckeye Irrigation Company; the Buckeye Water Conservation and Drainage District; the Central Arizona Water Conservation District; Phelps Dodge Corporation; the Arizona Game and Fish Commission; the Arizona Water Company; the Arizona Cities of Casa Grande, Chandler, Coolidge, Glendale, Goodyear, Mesa, Peoria, Phoenix, Safford, Scottsdale and Tempe; and the Arizona Towns of Florence, Mammoth, Kearny, Duncan and Gilbert.

WHEREAS,

1. The water rights claims of the Community, Members and Allottees and the United States acting on behalf of the Community, Members and Allottees are to be permanently settled by agreement among the parties to this Stipulation. The terms of the Settlement Agreement among the parties, hereinafter referred to as the "Settlement Agreement", were ratified and approved by Congress in the Arizona Water Settlements Act, P.L. 108-451. Pursuant to section 203(a) of the Arizona Water Settlements Act, the Parties have amended and restated the Settlement Agreement to make it consistent with the Arizona Water Settlements Act, this amendment and restatement hereinafter referred to as the "Amended and Restated Settlement Agreement." A copy of the Amended and Restated Settlement Agreement is attached hereto as Exhibit 1 and by this reference incorporated herein.

2. Some of the water supplies that are the subject of the Amended and Restated Settlement Agreement among the parties are subject to the jurisdiction of this Court.

3. The parties to this Stipulation are submitting the Amended and Restated Settlement Agreement to this Court for its approval pursuant to Section 207 of the Arizona Water Settlements Act and the Arizona Supreme Court's Special Procedural Order Providing for the Approval of Federal Water Rights Settlements, Including Those of Indian Tribes, dated May 16, 1991.

NOW THEREFORE,

4. The parties to this Stipulation request that, upon this Court's approval of the Stipulation and Amended and Restated Settlement Agreement, and upon the date the Secretary of the Interior causes to be published in the Federal Register a statement of findings that the conditions set forth in Section 207 of the Arizona Water Settlements Act have occurred, this Court enter the Judgment and Decree attached as Exhibit 2 hereto fully, finally and permanently adjudicating the rights of the Community, Members and Allottees and of the United States acting on behalf of the Community, Members and Allottees to the water supplies within this Court's jurisdiction as provided by the terms of the Amended and Restated Settlement Agreement.

RESPECTFULLY SUBMITTED this ___ day of _____,

THE UNITED STATES OF AMERICA

By: _____

THE STATE OF ARIZONA

By: _____

GILA RIVER INDIAN COMMUNITY

By: _____

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

By: _____

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By: _____

ROOSEVELT IRRIGATION DISTRICT

By: _____

ROOSEVELT WATER CONSERVATION DISTRICT

By: _____

ARIZONA WATER COMPANY

By: _____

CITY OF CASA GRANDE

By: _____

CITY OF CHANDLER

By: _____

CITY OF COOLIDGE

By: _____

CITY OF GLENDALE

By: _____

CITY OF GOODYEAR

By: _____

CITY OF MESA

By: _____

CITY OF PEORIA

By: _____

CITY OF PHOENIX

By: _____

CITY OF SAFFORD

By: _____

CITY OF SCOTTSDALE

By: _____

CITY OF TEMPE

By: _____

TOWN OF FLORENCE

By: _____

TOWN OF MAMMOTH

By: _____

TOWN OF KEARNY

By: _____

TOWN OF DUNCAN

By: _____

TOWN OF GILBERT

By: _____

MARICOPA-STANFIELD IRRIGATION AND DRAINAGE DISTRICT

By: _____

CENTRAL ARIZONA IRRIGATION AND DRAINAGE DISTRICT

By: _____

FRANKLIN IRRIGATION DISTRICT

By: _____

GILA VALLEY IRRIGATION DISTRICT

By: _____

SAN CARLOS IRRIGATION
AND DRAINAGE DISTRICT

By: _____

HOHOKAM IRRIGATION AND
DRAINAGE DISTRICT

By: _____

BUCKEYE IRRIGATION COMPANY

By: _____

BUCKEYE WATER CONSERVATION
AND DRAINAGE DISTRICT

By: _____

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT

By: _____

PHELPS DODGE CORPORATION

By: _____

ARIZONA GAME AND FISH COMMISSION

By: _____

Final Execution Version
October 21, 2005

EXHIBIT 25.18.A.2

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

IN RE THE GENERAL ADJUDICATION OF ALL RIGHTS TO USE WATER IN THE GILA RIVER SYSTEM AND SOURCE.	**No. W-1 (Salt)** **No. W-2 (Verde)** **No. W-3 (Upper Gila)** **No. W-4 (San Pedro)** **CONTESTED CASE NO._____** **JUDGMENT AND DECREE**

1. The Court has considered the Amended and Restated Settlement Agreement dated _____, 2005 (hereinafter referred to as the "Settlement Agreement"), which permanently resolves the water rights claims of the Gila River Indian Community, Members and Allottees, and of the United States acting on behalf of the Community, Members and Allottees, to the Gila River System and Source for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land. (A copy of the Settlement Agreement is attached as Exhibit 1 to the Stipulation and Request for Entry of Judgment and Decree.)

2. Upon publication in the Federal Register by the United States Secretary of the Interior of a notice of completion of all actions necessary to make the settlement effective, as required by section 207 of the Arizona Water Settlements Act, Public Law 108-451, this Judgment and Decree shall become enforceable.

3. The Court recognizes the rights to water appurtenant to the Gila River Indian Reservation specified in and determined by articles V and VI of the Globe Equity Decree. The Court further recognizes that the Globe Equity Decree and the parties thereto continue to be subject to the

jurisdiction of the United States District Court for the District of Arizona for purposes of its enforcement among those parties.

NOW THEREFORE, it is hereby adjudged and decreed as follows:

4. The capitalized terms used in this Judgment and Decree shall be as defined in the Settlement Agreement.

5. The Settlement Agreement, including all of the Exhibits thereto, is hereby approved.

6. The Water Rights described in Sections 8 through 13 of this Judgment and Decree shall be held in trust by the United States on behalf of the Community and the Allottees as provided in section 204 of the Act.

7. The entitlement to water of Allottees held in trust by the United States on their behalf shall be as specified in section 204(a)(3) of the Act.

8. Subject to the terms of Paragraph 4.0 of the Settlement Agreement, the Community, and the United States on behalf of the Community and Allottees, collectively, shall have the right to six hundred fifty-three thousand five hundred (653,500) acre-feet of Water annually from any combination of the sources set forth in Subparagraph 4.1 of the Settlement Agreement. Such Water Rights may be used for any purpose on the Reservation. The Community, Members and Allottees, and the United States on behalf of the Community, Members and Allottees, collectively, shall not Divert for use on the Reservation more than an average of six hundred fifty-three thousand five hundred (653,500) acre-feet of Water in any Year, calculated as provided in Subparagraphs 4.2 through 4.5 of the Settlement Agreement.

9. For purposes of determining compliance with the limitation on total Diversions of Section 8 hereof, the Community, Members and Allottees, and the United States on behalf of the Community, Members and Allottees, collectively, may Divert more than six hundred fifty-three thousand five hundred (653,500) acre-feet of Water in any Year or Years, provided that such Diversions, as calculated pursuant to Subparagraphs 4.2 through 4.5 of the Settlement Agreement, shall not exceed in the aggregate six million five hundred thirty-five thousand (6,535,000) acre-feet of

Water for any period of ten (10) consecutive Years, reckoned in continuing progressive series, beginning on January 1 of the Year immediately succeeding the Year in which the Enforceability Date occurs. In no Year may the Community, Members and Allottees, and the United States on behalf of the Community, Members and Allottees, collectively, Divert an amount of water that would cause the aggregate Diversions for any period of ten (10) consecutive Years to exceed six million five hundred thirty-five thousand (6,535,000) acre-feet.

10. As a component of the Water Right provided for in Section 8 hereof, the Community, and the United States on behalf of the Community, and on behalf of the Allottees as provided in Section 7 hereof, shall have the right to Divert Underground Water from points located within the Reservation as provided in Paragraph 4.0 and Subparagraph 5.1 of the Settlement Agreement.

11. As a component of the Water Right provided for in Section 8 hereof, the Community, Members and Allottees, and the United States on behalf of the Community and on behalf of Allottees as provided in Sections 6 and 7 hereof, shall have the rights to 540 miners inches of water from the Salt River, as set forth in the Haggard Decree, as modified by the Benson-Allison Decree. Such rights shall be fully satisfied as provided in the Contract between the United States and the Salt River Valley Water Users' Association dated May 5, 1936, as amended on June 12, 1968, which Contract is amended and restated as Exhibit 7.2 to the Settlement Agreement. Such rights to Haggard Decree Water shall be held by the United States on behalf of the Community and on behalf of Allottees as described in Sections 6 and 7 hereof.

12. As a component of the Water Right provided for in Section 8 hereof, the Community shall be entitled to SRP Stored Water and Blue Ridge Stored Water as provided in Paragraph 12.0 of the Settlement Agreement.

13. Subject to Section 22 of this Judgment and Decree, the rights described in articles V and VI of the Globe Equity Decree (but not those described in article VI(2) of the Globe Equity Decree) shall be binding upon all parties to these Gila River Adjudication Proceedings. Enforcement of the rights described in articles V and VI of the Globe Equity Decree (but not those described in article VI(2) of the Globe Equity Decree) shall be subject to Paragraph 26.0 of the Settlement

Agreement. The Globe Equity Decree court shall continue to have jurisdiction over disputes among parties to the Globe Equity Decree regarding its enforcement. Disputes involving nonparties to the Globe Equity Decree regarding its enforcement shall be subject to the jurisdiction of the Gila River Adjudication Court.

14. Subject to Subparagraphs 4.4 and 4.5 of the Settlement Agreement, any Diversion of Water for use on the Reservation by the Community, Members or Allottees, or by the United States on behalf of the Community, Members or Allottees, shall be included in the calculation of the total Diversions for use on the Reservation for purposes of Sections 8 and 9 of this Judgment and Decree. All accounting for such Diversions shall be in accordance with the provisions of Paragraph 4.0 of the Settlement Agreement.

15. Nothing in this Judgment and Decree or the Act has the effect of recognizing or establishing any right of a Member or Allottee to Water on the Reservation. Any entitlement to Water for use on lands within the exterior boundaries of the Reservation, Off-Reservation Trust Land and Fee Land shall be satisfied out of the Water resources described in Sections 8 and 9 of this Judgment and Decree.

16. Except as provided in Subparagraph 4.7 of the Settlement Agreement, none of the Water that is the subject of the Settlement Agreement may be sold, leased, transferred or in any way used off the Reservation.

17. The Community, and the United States retain the respective rights specified in Subparagraphs 6.2, 25.12, 25.24, 28.1.3, 28.1.4 and 30.9 of the Settlement Agreement and Subparagraphs 4.8 through 4.10 of Exhibit 26.2 of the Settlement Agreement. For purposes of this Section 17, the Community and the United States shall be acting in the capacities as specifically set forth in each of the Subparagraphs referenced in this Section 17.

18. In exchange for the benefits realized under the Settlement Agreement and as authorized by the Act, the Parties have executed Waivers and Releases of Claims, attached as Exhibits 25.1 through 25.11 to the Settlement Agreement. These Waivers and Releases of Claims are attached hereto as Exhibits A.1—11 and are by this reference incorporated herein. For purposes of

this Section 18, the Community and the United States shall be acting in the capacities as specifically set forth in each of the waivers referenced herein.

19. The benefits realized by the Community, Members, and Allottees under the Settlement Agreement and the Arizona Water Settlements Act shall be in complete replacement of and substitution for, and full satisfaction of, all claims of the Community, Members and Allottees for Water Rights, Injury to Water Rights, Injury to Water Quality, and Subsidence Damage, except as set forth in the Settlement Agreement, under federal, State, or other law with respect to land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land.

20. The Water Rights and resources and other benefits provided by the Act are a complete substitution of any rights that may have been held by, or any claims that may have been asserted by, the Allottees before the date of enactment of the Act for land within the exterior boundaries of the Reservation.

21. The claims of the Community, Members, Allottees (including but not limited to Silas Kisto), and the United States on behalf of the Community, Members, and Allottees, to water from the Gila River System and Source are fully, finally and permanently adjudicated by this Judgment and Decree.

22. Nothing in this Judgment and Decree or the Settlement Agreement shall be construed to quantify or otherwise affect the Water Rights or entitlements to water of any Arizona Indian tribe, band or community, or the United States on their behalf, other than the Community and the United States acting on behalf of the Community, its Members and Allottees.

23. Nothing in the Settlement Agreement shall affect the right of any Party, other than the Community and the United States, on behalf of the Community, Members and Allottees, to assert any priority date or quantity of water for Water Rights claimed by such Party in the Gila River Adjudication or other court of competent jurisdiction.

24. This Court retains jurisdiction over this matter for enforcement of this Judgment and Decree and the Settlement Agreement, including the entry of injunctions, restraining orders or other remedies under law or equity.

DATED this ___ day of _____, 2005.

_____
Judge of the Superior Court

Exhibit 25.18.B.1

FORM OF STIPULATION OF JUDGMENT TO BE FILED IN THE GLOBE EQUITY ENFORCEMENT COURT

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, et al.,	) **NO. 31-59 TUC-SRB**
Plaintiff and Plaintiffs in Intervention,	) **STIPULATION**
v.	)
GILA VALLEY IRRIGATION DISTRICT, et al.,	)
Defendants.	)

The Gila River Indian Community (in all the capacities it filed on or about March 16, 2001 the Complaint Re: Pumping), the San Carlos Irrigation and Drainage District, and the United States (in all its capacities as Plaintiff but not to the extent it acts as trustee for the San Carlos Apache Tribe or its members) (collectively the "Plaintiff Stipulators") and the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Ft. Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila

Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, the Union Canal Company of the Gila Valley Irrigation District, the Sunset Ditch Company, the Fourness Canal Company, Sunset Canal, New Model Canal, the Colvin-Jones Canal Company, the Valley Canal Company and such other entities and persons who have decreed rights above the San Carlos Reservoir and who have filed pleadings supporting this stipulation (collectively the "Defendant Stipulators").

WHEREAS

1. Water rights claimed by the Gila River Indian Community, Members and Allottees and the United States acting on behalf of the Gila River Indian Community, Members and Allottees are to be permanently settled by agreement between the parties to this Stipulation, among others. The terms of the Settlement Agreement among the parties, hereinafter referred to as the "Settlement Agreement," were ratified and approved by Congress in the Arizona Water Settlements Act of 2004, P.L. 108-451. Pursuant to section 203(a) of the Act the parties have amended and restated the Settlement Agreement to make it consistent with the Arizona Water Settlements Act, this amendment and restatement hereinafter referred to as the "Amended and Restated Settlement Agreement." A copy of the Amended and Restated Settlement Agreement is attached hereto as Exhibit A and by this reference incorporated herein.

2. Some of the water supplies that are the subject of the Amended and Restated Settlement Agreement are subject to the jurisdiction of this Court.

3. Pursuant to Section 207 of the Arizona Water Settlements Act, the Defendant Stipulators and the Plaintiff Stipulators are submitting the Amended and Restated Settlement

Agreement, including all Exhibits thereto, to this Court for its approval, to the extent of its jurisdiction to do so in this cause of action.

4. The Defendant Stipulators and the Plaintiff Stipulators are submitting one of the Exhibits to the Amended and Restated Settlement Agreement, an agreement among the parties to this Stipulation (the "UV Agreement"), to this Court for its specific approval. A copy of the UV Agreement is attached hereto as Exhibit B and by this reference incorporated herein.

5. The Plaintiff Stipulators and Defendant Stipulators intend to constrain and regulate their own conduct as provided in the UV Agreement, but they do not intend by this Stipulation or the UV Agreement to modify the Decree entered by this Court on June 29, 1935.

NOW THEREFORE,

The parties to this Stipulation request that, upon this Court's approval of the Stipulation and the Amended and Restated Settlement Agreement, including the UV Agreement, and upon the date the Secretary of the Interior causes to be published in the Federal Register a statement of findings that the conditions set forth in Section 207 of the Arizona Water Settlements Act have occurred, the Court enter the Order attached as Exhibit C hereto with respect to the water supplies and parties within this Court's jurisdiction as provided by the terms of the Amended and Restated Settlement Agreement and the terms of the UV Agreement.

[Signatures]
Dated .

Copy of the foregoing
Stipulation and form of Order
mailed this ___ day of
as noted to:

_____

Exhibit 25.18.B.2

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, et al.,	) **NO. 31-59 TUC-SRB**
Plaintiff and Plaintiffs in Intervention,	) **ORDER PURSUANT TO STIPULATION**
v.	)
GILA VALLEY IRRIGATION DISTRICT, et al.,	)
Defendants.	)

The Gila River Indian Community (in all the capacities it filed on or about March 16, 2001 the Complaint Re: Pumping), the San Carlos Irrigation and Drainage District, and the United States (in all its capacities as Plaintiff, but not to the extent it acts as trustee for the San Carlos Apache Tribe or its members) (collectively the "Plaintiff Stipulators") and the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Ft. Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District,

the Union Canal Company of the Gila Valley Irrigation District, Sunset Ditch Company, the Fourness Canal Company, Sunset Canal, New Model Canal, the Colvin-Jones Canal Company, the Valley Canal Company, and the parties who have decreed rights above the San Carlos Reservoir and have filed pleadings supporting this stipulation (collectively the "Defendant Stipulators"), having stipulated, and good cause appearing, it is hereby ordered as follows:

1. The capitalized terms used in this Order shall be as defined in the UV Agreement.

2. The Amended and Restated Settlement Agreement, including all of the Exhibits thereto (attached to the Stipulation as Exhibit “A”), is hereby approved to the extent of this Court’s jurisdiction in this cause of action.

3. The UV Agreement (attached to the Stipulation as Exhibit "B”), including its third-party beneficiary provisions, is enforceable according to its terms by and against the Defendant Stipulators, the Plaintiff Stipulators, and any other party subject to the jurisdiction of this Court in this proceeding who, subsequent to this Order, executes the UV Agreement in the manner provided therein, and to that extent, it is approved by this Court.

4. The Complaint Re: Pumping, filed on or about March 16, 2001, to the extent it contains allegations by or seeks relief for the Plaintiff Stipulators, shall be deemed to be dismissed as to the Plaintiff Stipulators on the Enforceability Date without further action by this Court. Such dismissal shall be without prejudice. The Gila River Indian Community (in any of the capacities it filed on or about March 16, 2001 the Complaint Re: Pumping), the San Carlos Irrigation and Drainage District, and the United States (in its capacities set forth in Subparagraph

2.40 of the UV Agreement) shall not re-file such complaint (or any of the allegations therein) with respect to any lands located in the Gila Valley Irrigation District, the Franklin Irrigation District, or New Mexico and are served by the New Model Community Ditch Association or the Sunset Ditch Company, or are lands owned by an Other UV Signatory, unless the UV Agreement, with respect to such lands, has been terminated by a court of competent jurisdiction, but not a court of the Gila River Indian Community, pursuant to Subparagraph 4.16 of the UV Agreement, or has otherwise been terminated in accordance with the provisions of Subparagraphs 4.17, 15.21 and 15.22.

5. The Gila River Indian Community (in any of the capacities it filed on or about March 16, 2001 the Complaint Re: Pumping), the San Carlos Irrigation and Drainage District, and the United States (in its capacities set forth in Subparagraph 2.40 of the UV Agreement) shall be able to re-file such complaint (and any of the allegations therein) with respect to other lands, provided that such lands (a) are York Valley Lands owned by a Major YV Landowner who has not executed the UV Agreement as of the Enforceability Date; (b) are Hot Lands that are not Special Hot Lands within six (6) months after the Enforceability Date; or (c) are other lands in the UV, not described in paragraph 4, regarding which any person or entity is acting in a manner Not in Compliance with the Agreement.

6. The Amended and Restated Settlement Agreement, the UV Agreement, and this Order do not modify the Decree entered by this Court on June 29, 1935 or alter the rights of the San Carlos Apache Tribe, or of the United States on behalf thereof.

7. Nothing in this Order quantifies or otherwise affects the water rights, or claims or entitlements to water, of any Indian tribe, band, or community, other than the Gila River Indian Community.

8. This Order shall be null and void if the Enforceability Date does not occur on or before December 31, 2007.

9. Notwithstanding any other provision of this Order, the Plaintiff Stipulators may take any enforcement action available to them against any owner of Hot Lands with respect to such Hot Lands that has not executed the UV Agreement by six (6) months after the Enforceability Date, with respect to the Hot Lands regarding which such owner has not signed the UV Agreement.

10. Notwithstanding any other provision of this Order, the Plaintiff Stipulators may take any enforcement action available to them against any Major YV Landowner that has failed to execute the UV Agreement as of the Enforceability Date, with respect to the York Valley Lands regarding which such owner has not signed the UV Agreement.

11. To the extent this Court has jurisdiction to do so, the Waivers and Releases of Claims, attached as Exhibits 4.3, 4.4, 4.5, 4.6, and 4.7 to the UV Agreement, are hereby approved.

Dated .

Copy of the foregoing
form of Order
delivered this ___ day of
_____ to:

The Honorable Susan R. Bolton
U.S. District Court Judge
Federal Courthouse
401 West Washington
Phoenix AZ 85003

EXHIBIT 26.1

AMENDED AND RESTATED AGREEMENT BETWEEN THE GILA RIVER INDIAN COMMUNITY, THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, THE UNITED STATES AND THE CITY OF SAFFORD

This Agreement is entered into as of the date executed below, by and among the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the City of Safford, and the United States of America, in the capacity as set forth herein.

1.0 RECITALS

1.1 Proceedings to determine the nature and extent of the rights to water of the Community, the District, the City, the United States, and other claimants are pending in the Gila River Adjudication Proceedings, and enforcement actions regarding the interpretation and enforcement of the Globe Equity Decree are pending before the Globe Equity Enforcement Court.

1.2 Recognizing that final resolution of these and other pending proceedings may take many years, entail great expense, prolong uncertainty concerning the availability of water supplies, and seriously impair the long-term economic well-being of all parties to the Settlement Agreement, the Community, the District, the City, and the United States have agreed to settle the disputes that are among them.

1.3 In fulfillment of its trust responsibility to Indian tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to settle water rights claims of Indian tribes without lengthy and costly litigation.

1.4 The City asserts rights to surface water and claims the right to use Underground Water from various sources for M&I Use within Graham County, more particularly described in Attachments A, C and F.

1.5 The City Diverts water for its M&I Use from the City Facilities and the Mount Graham System.

1.6 The Act provides for the settlement of water rights claims of the Community, and for agreement among the City, the Community, the District, the United States, and certain other named parties.

1.7 Accordingly, the Parties have agreed to settle water rights and damage claims of the Community permanently as provided for in the Settlement Agreement and to resolve permanently any disputes between the City, the Community, the District and the United States over the use of water by the City as provided in this Agreement.

NOW, THEREFORE, in consideration for the mutual promises contained in this Agreement and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the City, the Community, the District and the United States agree as follows:

2.0 DEFINITIONS

Capitalized terms in this Agreement that are not expressly defined herein shall have the same meaning as in the Settlement Agreement. The following terms shall have the following meanings when capitalized in this Agreement:

2.1 "Agreement" shall mean this amended and restated agreement and the Attachments hereto, which are incorporated herein by this reference.

2.2 "Allocates", "Allocated", "Allocating" or "Allocation" shall mean the dedication to the Water Budget by the City of water from one or more of the sources authorized by this Agreement for a period of two (2) or more Years to justify an increase in the Water Budget pursuant to Subparagraph 5.1.

2.3 "Attachment" shall mean an attachment to this Agreement.

2.4 "City Facilities" shall mean those facilities described in Attachments B.1 and B.2 and illustrated in Attachment E. City Facilities do not include any wells existing and not in use as of the Effective Date located in the Bonita Creek watershed, which wells are listed in Attachment B.5.

2.5 "City of Safford", "Safford", or "City" shall mean the City of Safford, Arizona, a municipal corporation.

2.6 "Diversion" shall mean the act of Diverting.

2.7 "Divert", "Diverted", or "Diverting" shall mean to receive, withdraw or develop and produce or capture groundwater or surface water, by means of a ditch, canal, flume,

bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other device or any other human act.

2.8 "Effective Date" shall mean the date upon which the City, the Community, the District, and the United States shall have executed this Agreement.

2.9 "Effluent" shall mean water that has been used for M&I Uses and treated by the City in a municipal wastewater treatment facility, and that is available for reuse for any purpose; provided that the Parties express no view herein as to whether Effluent retains its character as such once discharged into the Upper Gila River.

2.10 "Effluent Credit" shall mean a credit against either: (i) Diversions counted against the Water Budget, or (ii) a mitigation requirement established pursuant to Paragraph 10.0, as calculated pursuant to Subparagraph 7.2.

2.11 "Effluent Storage Credits" shall mean the groundwater storage credits to which the City is entitled for Recharged Effluent as calculated pursuant to the terms and conditions set forth in Subparagraph 7.7.

2.12 "Enforceability Date" shall have the meaning set forth in the Settlement Agreement.

2.12A "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

2.13 "Force majeure" or "force majeure event" shall mean a cause beyond the control of the Parties, such as failure or threat of failure of facilities, flood, earthquake, storm, fire, lightening and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of

due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome.

2.14 "Gila River Indian Community" or "Community" shall mean the government, composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (25 U.S.C. 476).

2.15 "Initial Water Budget" shall mean the nine thousand seven hundred forty (9,740) AFY of water from within the UV Impact Zone, the Mount Graham System and City Facilities that the City is entitled to Divert and use for M&I Uses pursuant to Subparagraph 4.1, as accounted for in Paragraph 12.0.

2.15A "Miscellaneous Flow Lands" shall mean those lands, if any, that are not a part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

2.16 "Mount Graham System" shall mean those facilities described in Attachment C and illustrated in Attachment D.

2.17 "M&I Use" or "M&I Uses" shall mean the use of water for municipal, industrial, commercial, residential or other non-agricultural purposes within the area served by the City.

2.17A "Off-Reservation Trust Land" shall mean land outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

2.18 "Party" shall mean an entity, as defined in this Agreement, represented by a signatory to this Agreement and "Parties" shall mean all such entities. The United States participation as a Party shall be in the capacity as described in Subparagraph 2.27.

2.19 “Phreatophyte” shall mean a deep-rooted plant that grows in locations in which the root system reaches the water table, or the capillary zone immediately overlying the water table, deriving a perennial and secure supply of water from such source.

2.20 “Pump”, “Pumped” or “Pumping” shall mean withdrawal of Underground Water from a well.

2.21 “Recharged Effluent” shall mean Effluent that the City has recharged pursuant to the terms and conditions set forth in Subparagraph 7.7.

2.22 “Recovered Effluent” shall mean Effluent that the City has recovered pursuant to the terms and conditions set forth in Subparagraph 7.7.

2.23 “Safford Facility” shall mean the facility described in Attachment I.

2.24 “San Carlos Irrigation and Drainage District” or “the District” shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

2.25 “San Carlos Irrigation Project”, or the “Project” shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term “San Carlos Irrigation Project” or “Project” includes any amendments and supplements to the act described in the preceding sentence.

2.26 “Settlement Agreement” shall mean the Amended and Restated Gila River Indian Community Water Settlement Agreement, including all Exhibits thereto (as that term is defined therein), authorized and approved by the Act and entered into among the Community, the District, the City, the United States, the State, and certain other named parties.

2.27 “United States of America” or “United States” shall mean the United States of America: (i) acting as trustee on behalf of the Community, Members, and Allottees; (ii) to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights

as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the Project and Miscellaneous Flow Lands; and (iii) in no other capacity.

2.28 "Upper Gila River" shall mean the Gila River above Coolidge Dam.

2.29 "UV Decreed Acres" shall mean those lands located upstream and to the east of Coolidge Dam, but not including the San Carlos Apache Reservation, and not including Article VI(2) UV Apache Land, for which water may be diverted, now or in the future, pursuant to the Globe Equity Decree.

2.30 "UV Decreed Water Rights" shall mean the rights to Divert water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

2.31 "UV Impact Zone" shall mean the lands identified as such on the map set forth in Attachment G.

2.32 "Water Budget" shall mean the Initial Water Budget described in Paragraph 4.0 and any modifications thereto as authorized by this Agreement that may be in effect from time to time.

2.33 "Water Use Plan" shall mean that document described in Subparagraph 4.3 as updated from time to time in writing and notified to the Community and the District.

3.0 ATTACHMENTS

Following is a list that constitutes the Attachments to this Agreement:

Attachment	Description
A	List of the City's Bonita Creek water rights and claims
B	Description of certain existing City water supply facilities at Bonita Creek and wells along the Gila River.

C	List of the City's Mount Graham water rights and claims.
D	Map (for illustrative purposes only) generally depicting the Mount Graham System and the existing Safford Mount Graham Municipal Golf Course.
E	Map (for illustrative purposes only) generally depicting City Facilities; and including wells in the Gila River and the main distribution system
F	List of City's and other UV Decreed Water Rights
F1	Safford UV Decreed Water Rights
F2	Thatcher UV Decreed Water Rights
F3	Urbanized Lands
F4	Safford Irrigated Lands
G	Map of UV Impact Zone
H	City Litter Control Ordinance (Chapter 8.08)
I	Safford Facility
J	Waiver of Claims by the Community and the United States
K	Waiver of Claims by the United States on behalf of Allottees
L	Waiver of Claims by the District
M	Waiver of Claims by the City
N	[Intentionally not used]
O	Effluent Credit, Storage, and Recovery Provisions Based Upon Arizona Revised Statutes, Title 45, Waters, Chapter 3.1
P	Sample Accounting Spreadsheet

4.0 WATER BUDGET

4.1 The City shall be entitled to Divert and use the Initial Water Budget.

4.2 The Parties acknowledge that the City intends to phase in the Diversion and use of water included in the Initial Water Budget beginning on the Enforceability Date and that the City's estimated water Diversion and use on the Enforceability Date will be approximately seven thousand five hundred (7,500) AFY.

4.3 At such time as the City's total Diversion of water, as accounted for pursuant to Paragraph 12.0, from the UV Impact Zone, the Mount Graham System and Bonita Creek reaches eight thousand five hundred (8,500) AFY or by the end of the fifth Year following the Enforceability Date, whichever event is earlier, the City shall have developed and provided to the Parties a Water Use Plan that shall identify all projected M&I Uses by the City. If the projected M&I Uses in the Water Use Plan are in excess of the Initial Water Budget, the City shall identify in the Water Use Plan one or more methods of Allocating water sources to increase the Water Budget as authorized by this Agreement. The City shall implement such Water Use Plan at such time as the Diversions of the Initial Water Budget have reached nine thousand seven hundred forty (9,740) AFY and shall update such Water Use Plan as necessary to project future needs and ensure stable and reliable water sources to offset potential future increased Diversions as provided in this Agreement. Each Water Use Plan shall also identify any sources of water that the City has Allocated to the Water Budget and the total amount of the Water Budget then in effect for the period covered by such Water Use Plan. The total amount of the Water Budget identified in any given Water Use Plan shall be definitive for purposes of this Agreement for the period covered thereby and shall remain in effect for at least one (1) Year.

4.4 The City shall not Divert from within the UV Impact Zone, the Mount Graham System and Bonita Creek, as accounted for pursuant to Paragraph 12.0, more water for M&I

Use than the then applicable Water Budget, except under the circumstances and pursuant to the mitigation requirements described in Subparagraph 5.4.

5.0 MODIFICATIONS TO WATER BUDGET; TEMPORARY EXCEEDANCE OF WATER BUDGET

5.1 The City may increase its Water Budget from time to time to the extent that the City obtains and retains the right to use additional water as set forth in Paragraphs 5.0 through 9.0, and Allocates such additional water to its Water Budget, as described in the then current Water Use Plan. The City shall amend its Water Use Plan to reflect the Allocation of additional water and no increase in the Water Budget shall be effective until the Water Use Plan has been amended to reflect such Allocation. The following shall be acceptable methods for the City to increase the Water Budget:

5.1.1 Subject to the requisite court approvals, the City may obtain water from sources other than the Upper Gila River, including water obtained and delivered pursuant to a lease of CAP water, and exchange such water with the Community or the District. The City shall be entitled to increase its Water Budget by one (1) acre-foot for one (1) each acre-foot of water contractually obligated for delivery to the Community or the District pursuant to such exchange.

5.1.2 The City may convert UV Decreed Water Rights from irrigation use to M&I Use, in accordance with Paragraph 6.0.

5.1.3 In accordance with Paragraph 7.0, the City may discharge Effluent to the Upper Gila River or use the Effluent for Recharge. This Subparagraph 5.1.3 shall not be construed as a restriction against the City's use of Effluent for other purposes.

5.1.4 The City may purchase or lease existing M&I water use facilities within the UV Impact Zone for continued use in the UV Impact Zone if such water use facilities have an established water use that is not in violation of or contrary to

State law or the Settlement Agreement. The City shall be entitled to increase its Water Budget by the average amount shown to have been Diverted by such water use facilities over the five (5) Years immediately preceding the date of the City's acquisition of such facilities. This Subparagraph 5.1.4 shall not be construed as a restriction against Diversions and use of water for M&I Uses by the City from existing or new M&I water use facilities located outside of the UV Impact Zone.

5.1.5 Subject to Subparagraph 11.1, the City may install additional facilities in the Mount Graham System in accordance with a plan to be approved by the Community and the District, which approval shall not be unreasonably withheld. The City shall be entitled to increase its Water Budget by one acre-foot for each acre-foot of water from these additional facilities in the Mount Graham System for M&I Uses to the extent that such water is Allocated to increase the Water Budget. Additional Diversions for such M&I Uses may be accomplished by directly using water Diverted from these additional facilities or by Pumping additional water from wells within the UV Impact Zone, provided that such Pumping is mitigated on an acre-foot for acre-foot basis by discharging water from the additional facilities directly into the Upper Gila River. This Subparagraph 5.1.5 shall not be construed as a restriction against Diversions and uses by the City from the current Mount Graham System for M&I Uses.

5.1.6 Subject to the provisions of Subparagraph 8.2, the City may modify the City Facilities in order to Divert more than three thousand eight hundred seventy-six (3,876) AFY using City Facilities. The City shall be entitled to increase its Water Budget by one (1) AFY for each one (1) AFY of water over three

thousand eight hundred seventy-six (3,876) AFY up to five thousand three hundred ten (5,310) AFY to be Diverted using City Facilities, provided such additional water from these modified facilities is Allocated to the Water Budget. This Subparagraph 5.1.6 shall not be construed as a restriction against the City's use of water from Bonita Creek for other purposes.

5.1.7 The City may Divert Underground Water or water recovered from a recharge facility in accordance with the provisions of Attachment O from wells located outside of the UV Impact Zone in accordance with a plan to be approved by the Community and the District, which approval shall not be unreasonably withheld. The City shall be entitled to increase its Water Budget by one acre-foot for each acre-foot of such Underground Water that is Allocated to the Water Budget. Diversions for M&I Uses may be accomplished by directly using water Diverted from outside the UV Impact Zone or by Pumping additional water from wells within the UV Impact Zone, provided that such Pumping is mitigated on an acre-foot for acre-foot basis by discharging water from wells outside the UV Impact Zone directly into the Upper Gila River. This Subparagraph 5.1.7 shall not be construed as a restriction against Diversions and use by the City from wells located outside of the UV Impact Zone for M&I Uses.

5.1.8 The City may increase its Water Budget by Allocating the portion of the Diversions from a well tested pursuant to the requirements of Subparagraph 9.1 that is determined by the computer simulation required in Subparagraph 9.1.4.2 to not affect the flow the of Upper Gila River.

5.1.9 The City may increase its Water Budget pursuant to any other method mutually acceptable to the City, the Community, and the District that does not adversely affect the surface flow or the sub-flow of the Gila River.

5.2 To the extent that the acquisition or use of additional sources of water as described in Subparagraph 5.1 are subject to the approval of other persons or entities, or subject to compliance requirements imposed by other persons or entities, the burden of obtaining such approvals or meeting such compliance requirements is solely and exclusively the burden of the City and no other party.

5.3 All costs associated with the acquisition and delivery of water for the benefit of the Community and/or the District pursuant to Subparagraph 5.1 shall be borne by the City.

5.4 The Parties recognize that from time to time, the City's M&I Uses may fluctuate on a short-term basis (meaning an increase in need for water for a period of less than one (1) Year). Therefore, notwithstanding Paragraph 4.0 and Subparagraph 5.1 (and the Water Budget then in effect), the City may exceed its applicable Water Budget in a given Year if:

5.4.1 The need for such increase is due to an unexpected contingency or emergency that would not have been reasonably foreseeable pursuant to prudent water management planning;

5.4.2 The need for such increase is not on a recurring basis; and

5.4.3 Within the Year immediately following such unexpected and nonrecurring use of water for M&I Uses, the City mitigates the amount of such excess use in accordance with an approved mitigation method described in Paragraph 10.0.

5.5 If the needed increase is to be on a recurring basis, the City shall amend the Water Use Plan to ensure that in the Year immediately following such need, a water supply

source is secured and Allocated to allow for an increase in the Water Budget pursuant to one of the methods set forth in Subparagraph 5.1.

5.5.1 If the City fails to amend the Water Use Plan in accordance with Subparagraph 5.5 and exceeds the Water Budget then in effect in two (2) or more consecutive Years, the City shall mitigate in accordance with Subparagraph 10.2.1.

5.6 Notwithstanding the requirement that an Allocation of water be made for a period of two (2) years or more, as set forth in Subparagraph 2.2, the City may substitute a water source authorized pursuant to this Agreement for any source previously Allocated to the Water Budget by Allocating such substitute water source pursuant to Subparagraph 4.3; provided, however, that the substitute water shall be Allocated to the Water Budget for a minimum of two (2) years.

6.0 CONVERSION OF UV DECREED WATER RIGHTS TO M&I USE

6.1 Subject to the requirements of Subparagraph 6.2:

6.1.1 Safford may seek to sever, transfer or convert to M&I Use any UV Decreed Water Right appurtenant to UV Decreed Acres identified in Attachment F unless the UVD Settling Parties have used such acres as part of the UV acreage reduction program required pursuant to subparagraph 5.2 of exhibit 26.2 to the Settlement Agreement.

6.1.2 Safford may seek to sever, transfer or convert to M&I Use any UV Decreed Water Rights appurtenant to any UV Decreed Acres that are not identified in Attachment F; provided, however, that: (i) such acres have been irrigated (according to the records of the Water Commissioner) during any of the Years from 1997–2001, inclusive; and (ii) such acres have been reported (according to the records of the Water Commissioner) as having been irrigated for at least one

(1) Year during the five (5) Year period immediately preceding the date of application; and (iii) such acres have not been used as part of the UV acreage reduction program required pursuant to subparagraph 5.2 of exhibit 26.2 to the Settlement Agreement.

6.1.2.1 The Community, the District, and the United States shall not contest the City's change of use application submitted to the Globe Equity Enforcement Court to sever, transfer or convert a right to Divert appurtenant to UV Decreed Acres to a right to Divert for M&I Use, provided that (i) the application complies with the provisions of Subparagraph 6.2.1, if applicable, and (ii) Subparagraphs 6.1.1 and 6.1.2.

6.1.2.2 For any right to Divert that has been severed, transferred or converted to M&I Uses by Safford or on Safford's behalf, and for any rights to Divert that have previously been converted and that are conveyed to Safford, Safford may increase its Water Budget by the lesser of the converted amount or two (2.0) AFY per acre.

6.1.3 Safford shall not seek to transfer any converted right to any other entity or person in an amount greater than the lesser of the converted amount and two (2.0) AFY per acre. Safford shall not retain any portion of any converted right so transferred.

6.2 Prior to the date on which the City is permanently and irrevocably bound by the terms and conditions of this Agreement:

6.2.1 Safford shall not seek to sever, transfer or convert UV Decreed Water Rights appurtenant to UV Decreed Acres to M&I Use at a rate greater than two (2.0) AFY per acre;

6.2.2 Safford shall not accept the transfer or use of converted rights if the total amount converted is greater than the lesser of the converted amount or two (2.0) AFY per acre.

6.3 Subject to the provisions of Subparagraph 6.1.3, no Party shall challenge or otherwise object to the severance, transfer or conversion of any UV Decreed Water Right appurtenant to UV Decreed Acres identified in Attachment F on the basis of change of use, historical use and practice, nature of delivery including delivery by the City to such lands, or on any other bases in any judicial or administrative proceeding including the Globe Equity Enforcement Court.

7.0 EFFLUENT

7.1 The City shall have the right, but not the obligation, to lawfully: (i) Allocate Effluent to the Water Budget in accordance with this Agreement; (ii) discharge Effluent into the Upper Gila River; and (iii) use Effluent for recharge and for any other lawful purpose.

7.2 Effluent Credits. The City shall be entitled to Effluent Credits under the following terms and conditions:

7.2.1 If the City discharges Effluent to the Upper Gila River pursuant to Subparagraph 7.1, the City shall receive, in the Year in which such discharge occurs, one acre-foot of credit against either Diversions counted against the Water Budget or a mitigation requirement pursuant to Paragraph 10.0 for each acre-foot of Effluent so discharged.

7.2.2 If the City recharges Effluent within the UV Impact Zone in accordance with Subparagraph 7.7 the City shall receive Effluent Storage Credit as calculated pursuant to the provisions of Subparagraph 7.7.

7.2.3 If the City uses Effluent for irrigation on a new golf course, park or other similar area within the UV Impact Zone, the City shall be entitled to receive credit against Diversions counted against either the Water Budget or a mitigation requirement pursuant to Paragraph 10.0 equal to thirty-five one hundredths (35/100) acre-foot for each acre-foot of Effluent so applied in the Year in which such application occurs.

7.2.4 If the City sells a portion of its Effluent to a third party, the City shall not receive Effluent credit for that portion of the Effluent sold.

7.3 The City shall be entitled to receive Effluent Credits only after the City's Diversion of water has reached a total of nine thousand seven hundred forty (9,740) AFY as calculated in accordance with Paragraph 12.0.

7.4 Except for Effluent Allocated to the Water Budget that is specifically committed to be discharged into the Upper Gila River, the Parties expressly agree that any discharge of Effluent at any time to the Upper Gila River shall not create any continuing obligation on the part of the City to discharge Effluent at any other time.

7.5 The City shall provide reasonable notice to the Community and the District with a reasonable opportunity to comment on any proposed plans for significant Effluent use. The City may provide such notice to the Community and the District by summarizing the City's proposed use of Effluent in the City's Water Use Plan.

7.6 The Community, the District and the United States shall not assert any right, title, interest or claim to Effluent produced from City Diversions, and acknowledge that the City has full authority and control to determine the use and disposition of the Effluent.

7.7 Recharged Effluent and Recovered Effluent.

7.7.1 The City may recharge Effluent within the UV Impact Zone in accordance with the applicable provisions as set forth in Attachment O and Effluent thus recharged shall be considered Recharged Effluent for purposes of Subparagraph 7.7.3.

7.7.1.1 Effluent that the City Allocates to the Water Budget pursuant to Subparagraph 5.1.3 shall be counted as a Diversion against the Water Budget, regardless of whether the City uses such Effluent or recharges it in accordance with Subparagraph 7.7.1.

7.7.2 The City may recharge Effluent outside the UV Impact Zone in accordance with applicable State law and such recharge shall not be subject to the terms of this Agreement. The City shall not be entitled to Divert water from within the UV Impact Zone on account of (i) any Effluent Storage Credits that it might receive under State law for having recharged Effluent outside of the UV Impact Zone or (ii) having recharged water of any nature outside of the UV Impact Zone. The City may Divert any water recovered from a recharge facility located outside the UV Impact Zone without regard to this Agreement and such recovered water shall not count as a Diversion against the Water Budget. Notwithstanding the preceding sentence, pursuant to Subparagraph 5.1.7 the City may, in accordance with a plan to be approved by the Community and the District, which approval shall not be unreasonably withheld, use such recovered water to increase its Water Budget or to mitigate against Diversions within the UV Impact Zone.

7.7.3 The City shall recover Recharged Effluent in accordance with the applicable provisions as set forth in Attachment O and Recharged Effluent thus recovered shall be considered Recovered Effluent for purposes of this Agreement.

7.7.3.1 Recovered Effluent shall not be counted as a Diversion against the Water Budget.

7.7.3.2 The City shall be entitled to withdraw Recharged Effluent in an amount not to exceed the lesser of: (i) 90% of the total amount of Recharged Effluent, notwithstanding State law provisions governing long term storage credits within an Active Management Area; or (ii) the recoverable amount of the Effluent Storage Credits to which the City is entitled to withdraw pursuant to the applicable provisions as set forth in Attachment O.

7.7.3.3 The location of withdrawals of Recharged Effluent shall be determined in accordance with the requirements of Attachment O.

8.0 MOUNT GRAHAM SYSTEM AND BONITA CREEK

8.1 Mount Graham.

8.1.1 M&I Uses. Diversions from the Mount Graham System may be used by the City directly for M&I Uses both inside and outside of the UV Impact Zone and, if so used, shall be accounted for in accordance with Subparagraph 12.1.3.

8.1.2 Municipal Irrigation. The City shall have the right to use Diversions from the Mount Graham System for irrigation on golf courses, parks and other similar areas owned or operated by or for the benefit of the City and, if so used shall be accounted for in accordance with Subparagraph 12.1.3.

8.1.2.1 If Diversions from the Mount Graham System are used for such purposes within the UV Impact Zone the City shall be entitled to a credit equal to thirty-five one hundredths (35/100) acre-foot for each one (1) acre-foot so used against Diversions counted pursuant to Subparagraph 12.1.3.

8.2 Bonita Creek.

8.2.1 Three thousand eight hundred seventy-six (3,876) AFY shall be deemed to have been Diverted using the City Facilities, whether actually Diverted or not, and shall be counted against the City's Water Budget in each Year in accordance with Subparagraph 12.1.2. If the City expands the City Facilities that deliver water from Bonita Creek into the UV Impact Zone to allow for the delivery of more than three thousand eight hundred seventy-six (3,876) AFY, then the amount of water that shall be deemed to have been Diverted and shall be counted against the City's Water Budget in each Year using the City Facilities in accordance with Subparagraph 12.1.2 shall increase from three thousand eight hundred and seventy-six (3,876) AFY to an amount equal to the capacity of the expanded City Facilities, such amount not to exceed five thousand three hundred and ten (5,310) AFY.

8.2.2 Any Diversions of water using City Facilities in excess of five thousand three hundred ten (5,310) acre-feet in any Year shall be used by the City only to reduce or forgo allowable Diversions from within the UV Impact Zone in that Year to meet the Water Budget in effect at that time.

8.2.3 If a force majeure event results in a significant reduction or cessation of Diversions using the City Facilities, the requirement of Subparagraph 8.2.1 that a certain amount of water from Bonita Creek be counted against the Water Budget whether Diverted or not shall be suspended during the period that such event limits or precludes such Diversion; provided, however, that such suspension shall apply for only a period of six (6) months**,** and be applicable only if:

8.2.3.1 the City utilizes all sources of water reasonably available to it at the time of the force majeure event from outside the UV Impact Zone for use within the UV Impact Zone to offset the reduced Diversion using the City Facilities during that period;

8.2.3.2 the City utilizes its best reasonable efforts to bypass to the Gila River all water not Diverted using the City Facilities as a result of the force majeure event; and

8.2.3.3 all remaining Diversions using City Facilities and from water sources inside the UV Impact Zone that are used in accordance with Subparagraph 8.2.3.1 above are counted as Diversion against the Water Budget.

8.2.4 Notwithstanding the provisions of Subparagraph 8.2.3, the six (6) month time period may be extended upon the mutual agreement of the Parties, and such agreement shall not be unreasonably withheld as long as: (i) the City is acting with due diligence to complete repairs to the City Facilities; (ii) the delay in completing repairs is not the fault of the City; and (iii) the delay in completing repairs is beyond the control of the City.

9.0 NEW WELLS IN THE UV IMPACT ZONE

9.1 In the event that the City seeks to drill a new well within the UV Impact Zone, the City may comply with the following testing procedures to determine the extent to which any Diversions from such new wells impact the flow~~s~~ of the Upper Gila River:

9.1.1 The City shall file a notice of intention to drill any well or wells within the UV Impact Zone.

9.1.2 The City's notice of intention to drill shall be: (i) served on the Community and the District not less than ninety (90) days prior to the date that the City issues a notice to proceed with the drilling of such well, and (ii) if required, filed with ADWR. The Community and the District may object to the construction of the well only on the grounds that the operation of the well would violate the terms of this Agreement.

9.1.3 The City's notice of intention to drill shall include a plan of operation and a hydrologic study of the projected impacts on the flow of the Upper Gila River due to the operation of the proposed well or wells. The hydrologic study shall delineate adverse impacts of the proposed well or wells, if any, by estimating the time rate of flow lost from the Upper Gila River over a thirty (30) Year period, and shall be consistent with the provisions of Subparagraph 9.1.4.

9.1.4 Unless otherwise agreed by the Parties, the hydrologic study required in Subparagraph 9.1.3 shall consist of the following:

9.1.4.1 A well test and analysis component, consisting of:

9.1.4.1.1 Installation of the proposed well as a test well;

9.1.4.1.2 Logging and description of drilling returns;

9.1.4.1.3 The installation of two observation wells. The observation wells shall have open intervals similar to that of the test well and shall be located between the test well and the Gila River. One such observation well shall be at a distance of approximately ten (10) times the test well borehole radius, and the other at a distance of approximately one hundred (100) times the test well borehole radius; provided that pre-existing wells meeting the criteria

described herein and that are available for use as observation wells, may be used in lieu of new observation wells.

9.1.4.1.3.1 A “24-hour pumping and 24-hour recovery constant discharge well test” with associated monitoring of water levels in the test well and the observation wells shall be conducted. Monitoring shall begin at least 24 hours prior to the time that pumping begins and continue through the 24-hour period of pumping at the proposed installed capacity and the 24-hour period immediately following the period of pumping. The frequency of monitoring shall meet industry standards. This test shall not be valid if the installed capacity is greater than the proposed capacity.

9.1.4.1.3.2 Estimates of aquifer transmissivity and hydraulic conductivity from data for the period after cessation of wellbore storage effects and before influence of boundaries, including the Gila River shall be analyzed.

9.1.4.2 A computer simulation component that shall employ a Groundwater flow simulation code that is standard in the industry and that is acceptable to the Community and the District. The model shall: (i) incorporate known features of the Underground Water system surrounding the test well and Upper Gila River, (ii) represent the Upper Gila River as a partially-penetrating feature using a mixed or Cauchi boundary condition with the reference head being the stage of the Gila River in the surrounding Underground Water system, where applicable, (iii) incorporate the hydraulic conductivity estimate from analysis of the well test, and (iv)

reproduce the results of the well test to a degree of accuracy that is acceptable in the industry. A predictive simulation model meeting the criteria herein shall be used to estimate the loss of flow from the Upper Gila River over thirty (30) Years operation of the proposed well pursuant to the plan of operation.

9.2 That portion of the Diversions from a well tested pursuant to the requirements of Subparagraph 9.1 that is determined by the computer simulation required in Subparagraph 9.1.4.2 to affect the flow of the Upper Gila River in any Year shall count as a Diversion against the then existing Water Budget.

9.3 That portion of the Diversions from a well tested pursuant to the requirements of Subparagraph 9.1 that is determined by the computer simulation required in Subparagraph 9.1.4.2 not to affect the flow of the Upper Gila River shall not count as a Diversion against the then existing Water Budget.

9.4 The City may increase the Water Budget with that portion of the Diversion from a well tested in accordance with Subparagraph 9.1 that is determined by the computer simulation required in Subparagraph 9.1.4.2 to not affect the flow of the Upper Gila River by Allocating such Diversions to justify an increase in the Water Budget.

9.5 In the event the City elects not to comply with the testing procedures set forth in Subparagraph 9.1 for any new well in the UV Impact Zone, all water Diverted by the City from such well shall be counted against the Water Budget.

9.6 Nothing herein shall prevent the District or the Community from agreeing not to challenge the drilling and operation of a well if such drilling and operation does not meet the requirements of Paragraph 9.0.

9.7 Any well that is authorized to be constructed by, or in accordance, with Paragraph 9.0 shall be operated in a manner consistent with the plan of operation required by Subparagraph 9.1.3 submitted at the time of the notice required by Subparagraph 9.1.2.

9.8 Nothing in Paragraph 9.0 shall be applicable to the drilling and use of observation wells or replacement wells.

9.9 Nothing in Paragraph 9.0 shall be construed as a limitation on the City's ability to Divert and use water from wells that Divert water from outside of the UV Impact Zone.

9.10 No Party shall object to a Diversion of Underground water for M&I Use from a new well drilled by the City that draws water from outside the UV Impact Zone.

10.0 MITIGATION

10.1 The City shall provide mitigation to the Community and the District for any of the following:

10.1.1 Any exceedance of the Water Budget in any given Year other than a temporary exceedance pursuant to Subparagraph 5.4;

10.1.2 A temporary exceedance of the Water Budget in any given Year pursuant to Subparagraph 5.4; and

10.1.3 Failure to control Phreatophytes in accordance with the provisions of Paragraph 13.0.

10.2 <u>Terms and conditions of mitigation</u>.

10.2.1 For mitigation required pursuant to Subparagraph~~s~~ 10.1.1, during the Year following the Year in which the event requiring mitigation occurred, the City shall provide to the Community and the District no less than one and one-tenth (1.1) acre-feet of water for each one (1) acre-foot of water Diverted in excess of

the Water Budget in effect at the time of the exceedance as determined pursuant to this Agreement.

10.2.2 For mitigation required pursuant to Subparagraph 10.1.2, during the Year following the Year in which the event requiring mitigation occurred, the City shall provide to the Community and the District no less than one (1.0) acre-foot of water for each one (1) acre-foot of water Diverted in excess of the Water Budget in effect at the time of the exceedance as determined pursuant to this Agreement.

10.2.3 For mitigation required pursuant to Subparagraph 10.1.3, the City shall provide to the Community and the District no less than one (1.0) acre-foot of water lost to the flow of the Upper Gila River during the Year following the Year in which the event requiring mitigation occurred.

10.2.4 The Community shall not be required to accept Effluent for mitigation pursuant to this Paragraph 10.0 except for Effluent provided as mitigation that is delivered above Coolidge Dam.

10.2.5 To the extent that the acquisition or use of a source of water to be used for mitigation pursuant to this Paragraph 10.0 is subject to the approval of other persons or entities, or subject to compliance requirements by third parties, the burden of obtaining such approvals or meeting such compliance requirements is solely and exclusively the burden of the mitigating party and not of any other party.

10.2.6 If the City acquires or obtains a right to use water pursuant to a method authorized in Subparagraphs 5.1.1, 5.1.3, 5.1.5, 5.1.6 or 5.1.7 but does not Allocate such water to increase the Water Budget, the City may use such water

to fulfill its mitigation requirements as set forth in Subparagraph 10.1. With the exception of mitigation required pursuant to Subparagraph 10.1.2, the non-use of any portion of a then existing Water Budget shall not be deemed mitigation for purposes of this Agreement. With respect to mitigation required pursuant to Subparagraph 10.1.2, the non-use in the Year following such temporary exceedance of any portion of the then existing Water Budget may be deemed mitigation for purposes of this Agreement.

11.0 OTHER WATER PROVISIONS

11.1 The Parties shall not object to the City's: (a) construction, modification, relocation, and maintenance of conveyance facilities, including infiltration galleries, flood retention or retardation basins, municipal storage tanks, or other diversion structures; (b) maintenance, operation, repair, deepening and replacement of existing wells; (c) drilling, maintenance, operation, repair, deepening and replacement of future wells that are developed in accordance with this Agreement; or (d) modify, repair, desilt, line, or comply with dam safety requirements on the existing Mount Graham System, provided that no modification shall increase the designed storage capacity of the Mount Graham System as it exists on the Effective Date.

11.2 The Community, the District and the United States shall not object to the City's change in points of Diversion, commingling, and use of water supplies from any or all sources for M&I Uses.

11.3 The City shall implement reasonable conservation measures in accordance with City public policy objectives and existing State law.

12.0 ACCOUNTING

12.1 The following shall be counted in any given Year by the City as a Diversion against the City's Water Budget:

12.1.1 Any water Diverted by the City from within the UV Impact Zone including, but not limited to:

12.1.1.1 Diversions from the existing well commonly known as the J. Ed Smith well or any replacement or modification of the J. Ed Smith well;

12.1.1.2 That portion of the Diversions from a well tested pursuant to the requirements of Subparagraph 9.1 that is determined by the computer simulation required in Subparagraph 9.1.4.2 to affect the flow of the Upper Gila River; and

12.1.1.3 In the event the City elects not to comply with the testing procedures set forth in Subparagraph 9.1 for any new well in the UV Impact Zone, all water Diverted by the City from such well.

12.1.2 Either (i) three thousand eight hundred seventy-six (3,876) AFY of water from Bonita Creek; whether Diverted or not, or (ii) if the City expands the City Facilities to allow for the delivery of more than three thousand eight hundred seventy-six (3,876) acre-feet of water, then the amount of water equal to the capacity of the expanded City Facilities, such amount not to exceed five thousand three hundred and ten (5,310) AFY; provided that the amount of water counted against the Water Budget, whether Diverted or not, pursuant to this Subparagraph shall be decreased during a force majeure event pursuant to Subparagraph 8.2.3;

12.1.3 Any water Diverted from the Mount Graham System;

12.1.4 Any water that is Allocated to the Water Budget in the Water Use Plan, whether Diverted or not for so long as such Allocation remains in effect; and

12.1.5 Any water, not otherwise counted in a given Year, used to off-set the reduction in Diversions from Bonita Creek pursuant to Subparagraph 8.2.3.3.

12.2 The following shall be not be counted by the City in any given Year as a Diversion against the City's Water Budget:

12.2.1 Any water Diverted by the City that is not Allocated to the Water Budget in any given Year, including, but not limited to:

12.2.1.1 Any water Diverted from wells outside the UV Impact Zone;

12.2.1.2 Any recovery of water recharged outside the UV Impact Zone pursuant to Subparagraph 7.7.2; and

12.2.1.3 Any Recovered Effluent.

12.2.2 That portion of the Diversions from new wells tested pursuant to the requirements of Subparagraph 9.1 that is determined by the computer simulation required in Subparagraph 9.1.4.2 to not affect the flow of the Upper Gila River to the extent that such water is not Allocated to the Water Budget in such Year;

12.2.3 Any use or reuse of Effluent to the extent that such Effluent is not Allocated to the Water Budget in such Year;

12.2.4 Any water that would otherwise be counted as a Diversion from Bonita Creek, but that is not actually Diverted, during a force majeure event pursuant to Subparagraph 8.2.3;

12.2.5 Any water that remains in storage in reservoirs in the Mount Graham System, including any additional water stored in any facilities as may be permitted pursuant to Subparagraph 5.1.5; and

12.2.6 Any Irrigation Use of UV Decreed Water Rights on UV Decreed Acres owned or controlled by the City.

12.3 Effluent Credits to which the City is entitled pursuant to Subparagraphs 7.2.1 and 7.2.3 and credits against Diversions to which the City is entitled pursuant to Subparagraph 8.1.2.1 shall be used in the Year in which the City earns such credits.

12.4 Any water sold, exchanged or transferred by the City to a third party shall be counted as a Diversion against the Water Budget if such Diversion would otherwise have been counted against the Water Budget, notwithstanding such sale, exchange or transfer.

12.5 For illustrative purposes only, the Parties have developed a sample accounting spreadsheet to account for Diversions pursuant to Paragraph 12.0, a copy of which is attached as Attachment N.

12.6 In the event of any ambiguity in calculating the amount of water Diverted by the City pursuant to Subparagraph 12.1 or in calculating the amount water use excluded pursuant to Subparagraph 12.2.2, the Parties' intention is that such ambiguity be resolved so as to avoid counting against the Water Budget any particular source of water more than once in any given Year.

13.0 PHREATOPHYTE CONTROL

13.1 The City shall manage agricultural lands it owns or acquires in a manner to keep them reasonably free of Phreatophytes.

13.2 The City shall manage lands within the City limits through weed control ordinances to keep them reasonably free of Phreatophytes to an extent at least as stringent as is required by Chapter 8.08 of the City Ordinance in effect as of the Effective Date, a copy of which is attached hereto as Attachment H.

13.3 The Phreatophyte control requirements set forth in Subparagraphs 13.1 and 13.2 shall not apply to (i) Phreatophytes existing as of the Enforceability Date, or, (ii) ornamental trees or plants used for urban landscaping.

14.0 REPORTING

14.1 No later than the Enforceability Date, the City shall commence installation of metering devices whose accuracy meets industry standards on all pumps and other Diversion facilities owned or operated by or for the City, including all metering of Effluent production and discharges. The City shall complete installation of such metering devices and such devices shall be fully operational no later than one (1) year after the Enforceability Date. Thereafter, the City shall operate and maintain such metering devices in accordance with industry standards.

14.2 Beginning on the Enforceability Date, the City shall keep records of all pumping from all wells and other Diversions, Effluent production, discharges and credits accrued, and shall deliver to the Community and the District a copy of such records together with a summary of the total Diversions within thirty (30) days of the end of each quarter for the preceding quarter. The fourth quarter report for any given Year shall be an annual report for such Year.

15.0 CONFIRMATION OF RIGHTS

15.1 The Community, the District and the United States ratify, confirm, declare to be valid, and agree not to object to, dispute, or challenge in the Gila River Adjudication

Proceedings, or in any other judicial or administrative proceeding, including the Globe Equity Decree proceedings, the City's rights to Divert:

15.1.1 Water from Bonita Creek as described in Attachment A, regardless of whether such water is legally appropriable, non-appropriable, or subject to claims based on federal law; and

15.1.2 Water from Mount Graham System as described in Attachment C, regardless of whether such water is legally appropriable, non-appropriable, or subject to claims based on federal law; and

15.1.3 The City's UV Decreed Water Rights as set forth in Attachments F1 and F4.

15.1.4 The Community, the District and the United States shall not make a call or assert a senior priority against the City's priority and right to store, Divert and use the Initial Water Budget.

16.0 WAIVER AND RELEASE OF CLAIMS

16.1 The waivers and releases of claims, and retention of rights set forth in this Paragraph 16.0 shall be in addition to those set forth in paragraph 25.0 of the Settlement Agreement.

16.2 Waiver of claims by Community and the United States. Except as provided in Subparagraph 16.7, the Community, on behalf of itself and its Members (but not Members in their capacities as Allottees) and the United States on behalf of the Community and its Members (but not Members in their capacities as Allottees), pursuant to the authorization set forth in 207(a)(1)(A) of the Act, shall execute a waiver and release of any and all claims against the City under Federal, State or other law for:

16.2.1 Past, present and future claims for Water Rights for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land, arising from time immemorial and, thereafter, forever;

16.2.2 Past, present and future claims for Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the Community and Members, or their predecessors;

16.2.3 Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land arising from time immemorial through the Enforceability Date;

16.2.4 Past, present and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the Community and Members, or their predecessors ;

16.2.5 Claims for Injury to Water Rights arising after the Enforceability Date for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land resulting from the off-Reservation Diversion or use of water in a manner not in violation ofthis Agreement or State Law; and

16.2.6 Past, present and future claims arising out of or relating in any manner to the negotiation or execution of this Agreement, or the negotiation or enactment of Titles I and II of the Act.

16.3 Waiver of claims by the United States on behalf of Allottees. Except as provided in Subparagraph 16.7, the United States as trustee for the Allottees, pursuant to the authorization set forth in 207(a)(1)(B) of the Act, shall execute a waiver and release of any and all claims against the City under Federal, State or other law for:

16.3.1 Past, present, and future claims for Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial and, thereafter, forever;

16.3.2 Past, present, and future claims for Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of lands by Allottees, or their predecessors;

16.3.3 Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial through the Enforceability Date;

16.3.4 Past, present, and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by Allottees or their predecessors;

16.3.5 Claims for Injury to Water Rights arising after the Enforceability Date for land within the exterior boundaries of the Reservation resulting from the off-Reservation Diversion or use of water in a manner not in violation of this Agreement or State Law; and

16.3.6 Past, present, and future claims arising out of or relating in any manner to the negotiation or execution of this Agreement or the negotiation or enactment of Titles I and II of the Act.

16.4 Waiver of claims by the District. Except as provided in Subparagraph 16.8, the District shall execute a waiver and release of any and all claims against the City under Federal, State or other law for:

16.4.1 Past, present and future claims for Water Rights for land within the District arising from time immemorial and, thereafter, forever;

16.4.2 Past and present claims for Injury to Water Rights for land within the District arising from time immemorial through the Enforceability Date;

16.4.3 Claims for Injury to Water Rights arising after the Enforceability Date for land within the District resulting from the Diversion or use of water by the City in a manner not in violation of this Agreement or State Law; and

16.4.4 Past, present and future claims arising out of or relating in any manner to the negotiation or execution of this Agreement, or the negotiation or enactment of Titles I and II of the Act.

16.5 Waiver of claims by the City. Except as provided in Subparagraph 16.9, the City shall execute a waiver and release of any and all claims under Federal, State or other law against the Community, Members, Allottees, the District and the United States for:

16.5.1 Past and present claims for Injury to Water Rights resulting from the Diversion or use of water on or for the Reservation, Off-Reservation Trust Land, Fee Land or land within the District arising from time immemorial through the Enforceability Date;

16.5.2 Claims for Injury to Water Rights arising after the Enforceability Date resulting from the Diversion or use of water on or for the Reservation, Off-Reservation Trust Land, Fee Land or land within the District in a manner not in violation of the Settlement Agreement or applicable law; and

16.5.3 Past, present and future claims arising out of or related in any manner to the negotiation or execution of this Agreement, or the negotiation or enactment of Titles I and II of the Act.

16.6 Form of waivers. The waiver of claims and release described in Subparagraph 16.2 shall be in the form set forth in Attachment J and shall become effective on the

Enforceability Date. The waiver of claims and release described in Subparagraph 16.3 shall be in the form set forth in Attachment K and shall become effective on the Enforceability Date. The waiver of claims and release described in Subparagraph 16.4 shall be in the form set forth in Attachment L and shall become effective on the Enforceability Date. The waiver of claims and release described in Subparagraph 16.5 shall be in the form set forth in Attachment M and shall become effective on the Enforceability Date. In the event that the City elects to terminate this Agreement pursuant to Subparagraph 18.1, the waivers described in Subparagraphs 16.2 through 16.6 shall be void *ab initio*.

16.7 Reservation of rights and retention of claims by the Community and the United States. Notwithstanding the waivers and releases of claims described in Subparagraphs 16.2 and 16.3, the Community on behalf of itself and its Members (but not Members in their capacities as Allottees) and the United States shall retain any right to:

16.7.1 Subject to the provisions of subparagraph 30.8 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and the United States under this Agreement, the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

16.7.2 Assert claims for injuries to, and seek enforcement of, the rights of the Community and the United States under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A of the Settlement Agreement;

16.7.3 Subject to the terms of this Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and the United States under the Globe Equity Decree including, but not limited to, the judgment and decree

entered by the Globe Equity Enforcement Court, the form of which is attached as exhibit 25.18B of the Settlement Agreement;

16.7.4 Participate in the Gila River Adjudication Proceedings to the extent provided in subparagraph 28.1 of the Settlement Agreement; and

16.7.5 Assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived herein.

16.8 Reservation of rights and retention of claims by the District. Notwithstanding the waivers and releases of claims described in Subparagraph 16.4, the District shall retain any right to:

16.8.1 Subject to the provisions of subparagraph 30.8 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the District under this Agreement, the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

16.8.2 Assert claims for injuries to, and seek enforcement of, the rights of the District under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as Exhibit 25.18A of the Settlement Agreement;

16.8.3 Subject to the terms of this Agreement, assert claims for injuries to, and seek enforcement of, the rights of the District under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as Exhibit 25.18B of the Settlement Agreement; and

16.8.4 Assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived herein.

16.9 Reservation of rights and retention of claims by the City. Notwithstanding the waiver and release of claims described in Subparagraph 16.5, the City shall retain any right to:

16.9.1 Subject to the provisions of subparagraph 30.8 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the City under this Agreement, the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

16.9.2 Assert claims for injuries to, and seek enforcement of, the rights of the City under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as Exhibit 25.18A of the Settlement Agreement;

16.9.3 Subject to the terms of this Agreement, assert claims for injuries to, and seek enforcement of, the rights of the City under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as Exhibit 25.18B of the Settlement Agreement; and

16.9.4 Assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived herein.

16.10 Lands outside the Reservation. Nothing in this Agreement shall affect any rights to water of the Community, the United States, or any Member, Allottee or Successor in Interest to an Allottee for land outside the Reservation that is not Off-Reservation Trust Land or Fee Land.

16.11 Lands outside the District. Nothing in this Agreement shall affect any rights to water of the District or District landowners for land outside the District that is not Miscellaneous Flow Land.

16.12 Individual Member rights. Nothing in this Agreement shall affect any rights of any Member to bring any action available under law for personal injuries or personal property damage. For purposes of this Agreement, personal property damage shall not include claims for Water Rights or Injury to Water Rights.

17.0 DISPUTE RESOLUTION

17.1 Subject to the cure provisions set forth in Subparagraph 17.2, any Party may enforce the rights and obligations under this Agreement in any court of competent jurisdiction (but not the courts of the Community).

17.2 In the event that any of the Parties fails to fulfill an obligation under this Agreement, such Party shall have thirty (30) days, after receiving written notice of such failure from another Party to this Agreement, to cure, or to implement the means to cure, any such breach before such other Party may seek a remedy for such breach. If appropriate measures to cure such breach are not (a) initiated within such thirty (30) day period, and (b) completed within six (6) months following the notice of a breach, the breaching Party shall be able to pursue any and all legal and equitable remedies available to it pursuant to Subparagraph 17.1.

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18.0 MISCELLANEOUS

18.1 City's Unilateral Termination Right. In the event that the City does not receive Congressional appropriations or funding to retire the debt of the Safford Facility in the amount

of Thirteen Million Nine Hundred Thousand Dollars ($13,900,000), plus such sums as may be necessary to cover the interest incurred thereon, within ninety (90) days after the Enforceability Date the City may elect, by written notice to the Community, the United States and the District, that this Agreement be terminated, in which case this Agreement shall have no further force and effect and no waiver of any right or claim in this Agreement or the Settlement Agreement as between the City and any other Party shall be effective. The City's failure to notify the Parties of its election within the ninety (90) day period provided for in this Subparagraph 18.1 shall be treated as a confirmation of this Agreement; provided, however, that the City may, at any time prior to the Enforceability Date, give written notice to the Parties that it relinquishes its right to terminate the Agreement under this provision, in which case this Agreement shall become effective and enforceable on the Enforceability Date.

18.2 Waiver. No waiver of any breach of any of the terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Agreement.

18.3 Severability. If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that if the severance would deprive any Party to this Agreement of its material benefits under this Agreement, that Party to this Agreement shall be released from this Agreement and no Party shall be entitled to the benefits of the waivers provided herein or in the Settlement Agreement.

18.4 Construction and effect. This Agreement and each of its provisions are to be construed fairly and reasonably. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

18.5 Successors and assigns. Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties to this Agreement and their successors and assigns.

18.6 Benefits of agreement. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise here from.

18.7 Third party beneficiaries. The Parties do not intend that there be any third party beneficiaries of this Agreement.

18.8 Good faith negotiations. This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and no information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party to this Agreement hereto in any legal or administrative proceeding other than a proceeding for the approval of this Agreement.

18.9 Conflict with Settlement Agreement. If there is a conflict between the provisions this Agreement and the provisions of the Settlement Agreement, for purposes of interpreting this Agreement only, the provisions of this Agreement shall control.

18.10 Entire agreement. This Agreement is the entire agreement between the Parties. All previous agreements, statements contracts and representations by or among the Parties and their agents relating to the subject matter of this Agreement are hereby merged into this Agreement and no evidence of any such agreement, contract, representation or statement shall be admissible to interpret this Agreement. The Parties warrant that they are not relying on any such agreement, contract, representation or statement as a reason for entering this Agreement. Any modification of this Agreement shall be void unless it is in writing and signed by all the Parties.

18.11 No major Federal action. Execution of this Agreement by the Secretary shall not constitute a major Federal action under the National Environmental Policy Act (42 U.S.C. 1531 *et seq*.).

18.12 .[Intentionally not used]

18.13 No admission by City. By entering this Agreement, the City is not admitting and hereby denies that water pumped in the UV constitutes appropriable subflow or that such Pumping, absent this Agreement, would violate the Globe Equity Decree. Further, the City hereby asserts that such Pumped water does not constitute appropriable subflow and that such Pumping, absent this Agreement, would not be subject to objection by the Community, the District and the United States.

18.14 No admission by the Community, the District or the United States. By entering this Agreement, the Community, the District and the United States are not admitting and hereby deny that water Pumped in the UV does not constitute appropriable subflow or that such Pumping, absent this Agreement, would not violate the Globe Equity Decree. Further, the Community, the District and the United States hereby assert that such Pumped water does

constitute appropriable subflow and that such Pumping, absent this Agreement, would be subject to objection by the Community, the District and the United States.

18.15 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

18.16 No prohibition on objections. Except as expressly provided for in this Agreement, nothing in this Agreement or the Settlement Agreement shall be construed to prohibit or in any way limit any of the Parties from objecting to, or opposing, or seeking to place conditions on any severance, transfer, change of use or exchange of the water of the Gila River.

18.17 Governing law. This Agreement shall be construed in accordance with applicable State and Federal law.

18.18 Applicability. Nothing in this Agreement shall be construed so as to limit the Parties from entering additional written agreements for the use of water in excess of the rights set forth herein upon mutual consent of the City, the Community and the District and the United States in any capacity.

18.19 Approval, consent and ratification. Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement.

18.20 [Intentionally not used].

18.21 Notices. Any notice to be given hereunder shall have been properly given when received by the Officer or Manager designated herein or when deposited in the United States mail in an Arizona or Washington D.C., post office, certified or registered, postage prepaid, addressed as follows:

AS TO THE CITY:	City of Safford Post Office Box 272 Safford, Arizona 85548-0272 Attn: City Manager
AS TO THE COMMUNITY:	Gila River Indian Community Office of the Governor Post Office Box 97 Sacaton, Arizona 85247
AS TO THE DISTRICT:	San Carlos Irrigation and Drainage District P.O. Box 218 Coolidge, Arizona 85228 Attn: General Manager and General Counsel
AS TO THE UNITED STATES:	Secretary of the Interior Department of the Interior Washington, D.C. 20240 And Regional Director Western Regional Office Bureau of Indian Affairs Post Office Box 10 Phoenix, Arizona 85001

Or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Subparagraph 18.21.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year signed below.

GILA RIVER INDIAN COMMUNITY

By: _____
Its: _____
Dated: _____

Attest: _____

Approved as
To Form: _____
Its: _____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By: _____
Its:

Dated: _____

Attest: _____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

CITY OF SAFFORD

By: _____
Mayor
Dated: _____

Attest: _____
Clerk

Approved as
To Form:_____
City Attorney for the City of Safford

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the City of Safford.

_____
Notary Public

My commission expires:
_____

This Agreement is approved pursuant to the Arizona Water Rights Settlement Act, and to the extent required, 25 U.S.C. §81.

THE UNITED STATES OF AMERICA

By: _____
Secretary of the Interior

Dated: _____

Attachment J

Waiver of Claims by the Community and the United States

This Waiver of Claims and Release dated as of _____, is entered into by the Gila River Indian Community, on behalf of itself and its Members (but not Members in their capacities as Allottees) and the United States as trustee for the Community and its Members (but not Members in their capacities as Allottees), in consideration of the benefits realized under the Agreement between the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States and the City of Safford dated as of _____, and in accordance with the commitments under subparagraph 16.2 of the Agreement and pursuant to the authorization contained in Section 207(a)(1)(A) of the Act.

1.0 DEFINITIONS

For purposes of this Waiver of Claims and Release, the following terms shall have the meanings set forth below:

1.1 "Act" shall mean the Arizona Water Settlements Act of 2004, P.L. 108-451.

1.2 "Agreement" shall mean the agreement between the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States and the City of Safford dated as of _____,

1.3 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation, and (B) held in trust by the United States.

1.4 "City of Safford", "Safford", or "City" shall mean the City of Safford, Arizona, a municipal corporation.

1.5 "Diversion" shall mean the act of Diverting.

1.6 "Divert", "Diverted", or "Diverting" shall mean to receive, withdraw or develop and produce or capture groundwater or surface water, by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other device or human act.

1.7 "Effective Date" shall mean the date upon which the City, the Community, the District, and the United States shall have executed the Agreement.

1.8 "Enforceability Date" shall have the same meaning set forth in the Settlement Agreement..

1.9 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.10 "Gila River Indian Community" or "Community" shall mean the sovereign government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476).

1.11 "Gila River Indian Reservation" or "Reservation" shall mean those lands located within the exterior boundaries of the Reservation, as created pursuant to the Act of February 28, 1859, and modified by the executive orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915, but not those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.12 "Globe Equity Decree" shall mean that decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation District, et al.*, Globe Equity No. 59, in the

United States District Court for the District of Arizona, and all court orders and decisions supplemental thereto.

1.13 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of water quality under Federal, State or other law.

1.14 "Injury to Water Rights" shall mean any interference with, diminution of, or deprivation of Water Rights under Federal, State or other law, including changes in the Underground Water table and the effects of such changes, but not including claims for Subsidence Damages or Injuries to Water Quality.

1.15 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.16 "Miscellaneous Flow Lands" shall mean those lands, if any, that are not part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

1.17 "Off-Reservation Trust Land" shall mean land outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the Enforceability Date.

1.18 "Party" shall mean an entity represented by a signatory to the Agreement and "Parties" shall mean more than one of such entities. The United States participation as a Party shall be in the capacity as described in Subparagraph 1.25.

1.19 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.20 “San Carlos Irrigation and Drainage District” or “the District” shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation and drainage district organized under the laws of the State of Arizona.

1.21 “SCIIP”, “SCIP”, “San Carlos Indian Irrigation Project”, or “Project” shall mean that project authorized under the Act of June 7, 1924, 43 Stat. 475. The term “SCIIP” or “SCIP” includes any amendments and supplements to the act described in the preceding sentence.

1.22 “Settlement Agreement” shall mean the Gila River Indian Community Water Rights Settlement Agreement dated as of _____, 2005, and the exhibits attached thereto.

1.23 “Subparagraph” shall mean a numbered subparagraph of this Waiver of Claims and Release.

1.24 “Underground Water” shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.25 “United States of America” or “United States” shall mean the United States of America: (i) acting as trustee on behalf of the Community, Members, and Allottees; (ii) to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the Project and Miscellaneous Flow Lands; and (iii) in no other capacity.

1.26 “Waiver of Claims and Release” shall mean this waiver of claims and release dated as of _____, in its entirety, by the Gila River Indian Community and the United States, a copy of which is attached as Attachment J to the Agreement.

1.27 “Water Rights” shall mean any and all rights in or to Water under Federal, State or other law.

2.0 <u>WAIVER OF CLAIMS AND RELEASE</u>

2.1 Except as provided in Subparagraph 3.0 hereof, the Community, on behalf of itself and Members (but not Members in their capacities as Allottees), and the United States as trustee for the Community and its Members (but not Members in their capacities as Allottees), hereby waive and release any and all claims under Federal, State or other law against the City of Safford for:

2.1.1 Past, present and future claims for Water Rights for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land and Fee Land arising from time immemorial and, thereafter, forever;

2.1.2 Past, present and future claims for Water Rights arising from time immemorial, and thereafter, forever that are based upon aboriginal occupancy of lands by the Community and Members, or their predecessors;

2.1.3 Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation, Off-Reservation Trust Land and Fee Land arising from time immemorial through the Enforceability Date;

2.1.4 Past, present and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based upon aboriginal occupancy of lands by the Community and Members, or their predecessors;

2.1.5 Claims for Injury to Water Rights arising after the Enforceability Date for lands within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land resulting from the Off-Reservation Diversion or use of water by the City in a manner not in violation of this Agreement or State Law; and

2.1.6 Past, present and future claims arising out of or related in any manner to the negotiation or execution of the Agreement, or the negotiation or enactment of Titles I and II of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the District shall retain any right to:

3.1.1 Subject to the provisions of subparagraph 30.8 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the District under this Agreement, the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

3.1.2 Assert claims for injuries to, and seek enforcement of, the rights of the District under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A of the Settlement Agreement;

3.1.3 Subject to the terms of this Agreement, assert claims for injuries to, and seek enforcement of, the rights of the District under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as Exhibit 25.18B of the Settlement Agreement; and

3.1.4 Participate in the Gila River Adjudication Proceedings to the extent provided in subparagraph 28.1 of the Settlement Agreement; and

3.1.5 Assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived herein.

4.0 WAIVER ADDITIONAL TO OTHER WAIVERS GRANTED

The benefits granted to the City of Safford pursuant to this Waiver of Claims and Release shall be in addition to, and not in substitution for, the benefits granted to the City of Safford and other Parties pursuant to the Waivers of Claims and Releases set forth in the Settlement Agreement and the Act.

5.0 DATE WAIVER BECOMES EFFECTIVE

This Waiver of Claims and Release shall become effective upon the date the Agreement becomes effective and enforceable in accordance with subparagraph 18.1 of the Agreement.

IN WITNESS WHEREOF, the United States and the Gila River Indian Community have executed this Waiver of Claims and Release dated as of the day and year first written above.

THE UNITED STATES OF AMERICA

By: _____
Dated:_____
Secretary of the Interior

GILA RIVER INDIAN COMMUNITY

By: _____
Dated:_____

Governor

Attest: _____

Approved as
To Form: _____
General Counsel

Attachment K

Waiver of Claims by the United States on behalf of Allottees

This Waiver of Claims and Release dated as of _____, is entered into by the United States as trustee for Allottees in consideration of the benefits realized under the Agreement between the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States and the City of Safford dated as of _____, and in accordance with the commitments under subparagraph 16.3 of the Agreement and pursuant to the authorization contained in Section 207(a)(1)(B) of the Act.

2.0 DEFINITIONS

For purposes of this Waiver of Claims and Release, the following terms shall have the meanings set forth below:

1.1 "Act" shall mean the Arizona Water Settlements Act of 2004, P.L. 108-451.

1.2 "Agreement" shall mean the agreement between the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States and the City of Safford dated as of _____,

1.3 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation, and (B) held in trust by the United States.

1.4 "City of Safford", "Safford", or "City" shall mean the City of Safford, Arizona, a municipal corporation.

1.5 "Diversion" shall mean the act of Diverting.

1.6 "Divert", "Diverted", or "Diverting" shall mean to receive, withdraw or develop and produce or capture groundwater or surface water, by means of a ditch, canal, flume, bypass,

pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other device or human act.

1.7 "Effective Date" shall mean the date upon which the City, the Community, the District, and the United States shall have executed the Agreement.

1.8 "Enforceability Date" shall have the same meaning set forth in the Settlement Agreement.

1.9 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.10 "Gila River Indian Community" or "Community" shall mean the sovereign government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476).

1.11 "Gila River Indian Reservation" or "Reservation" shall mean those lands located within the exterior boundaries of the Reservation, as created pursuant to the Act of February 28, 1859, and modified by the executive orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915, but not those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.12 "Globe Equity Decree" shall mean that decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation District, et al.*, Globe Equity No. 59, in the United States District Court for the District of Arizona, and all court orders and decisions supplemental thereto.

1.13 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of water quality under Federal, State or other law.

1.14 “Injury to Water Rights” shall mean any interference with, diminution of, or deprivation of Water Rights under Federal, State or other law, including changes in the Underground Water table and the effects of such changes, but not including claims for Subsidence Damages or Injuries to Water Quality.

1.15 “Member” or “Members” shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.16 “Miscellaneous Flow Lands” shall mean those lands, if any, that are not part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

1.17 “Off-Reservation Trust Land” shall mean land outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the “Enforceability Date” as that term is defined in the Settlement Agreement

1.18 “Party” shall mean an entity represented by a signatory to the Agreement and “Parties” shall mean more than one of such entities. The United States participation as a Party shall be in the capacity as described in Subparagraph 1.25.

1.19 “Pump”, “Pumped” or “Pumping” shall mean the withdrawal of Underground Water from a well.

1.20 “San Carlos Irrigation and Drainage District” or “the District” shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation and drainage district organized under the laws of the State of Arizona.

1.21 “SCIIP”, “SCIP”, “San Carlos Indian Irrigation Project”, or “Project” shall mean that project authorized under the Act of June 7, 1924, 43 Stat. 475. The term “SCIIP” or “SCIP” includes any amendments and supplements to the act described in the preceding sentence.

1.22 “Settlement Agreement” shall mean the Gila River Indian Community Water Rights Settlement Agreement dated as of _____, 2005, and the exhibits attached thereto.

1.23 “Subparagraph” shall mean a numbered subparagraph of this Waiver of Claims and Release.

1.24 “Underground Water” shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.25 “United States of America” or “United States” shall mean the United States of America: (i) acting as trustee on behalf of the Community, Members, and Allottees; (ii) to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the Project and Miscellaneous Flow Lands; and (iii) in no other capacity.

1.26 “Waiver of Claims and Release” shall mean this waiver of claims and release dated as of _____, in its entirety, by and the United States, a copy of which is attached as Attachment K to the Agreement.

1.27 “Water Rights” shall mean any and all rights in or to Water under Federal, State or other law.

2.0 <u>WAIVER OF CLAIMS AND RELEASE</u>

2.1 Except as provided in Subparagraph 3.0 hereof, the United States as trustee for the as Allottees, hereby waive and release any and all claims under Federal, State or other law against the City of Safford for:

2.1.1 Past, present and future claims for Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial, and, thereafter, forever;

2.1.2 Past, present and future claims for Water Rights arising from time immemorial, and thereafter, forever that are based upon aboriginal occupancy of lands by the Community and Members, or their predecessors;

2.1.3 Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation, arising from time immemorial through the Enforceability Date;

2.1.4 Past, present and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based upon aboriginal occupancy of lands by Allottees or their predecessors;

2.1.5 Claims for Injury to Water Rights arising after the Enforceability Date for lands within the exterior boundaries of the Reservation, Off-Reservation Trust Land, and Fee Land resulting from the Off-Reservation Diversion or use of water in a manner not in violation of this Agreement or State Law; and

2.1.6 Past, present and future claims arising out of or related in any manner to the negotiation or execution of the Agreement, or the negotiation or enactment of Titles I and II of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the United States shall retain any right to:

3.1.1 Subject to the provisions of subparagraph 30.8 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and the United States under this Agreement, the

Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

3.1.2 Assert claims for injuries to, and seek enforcement of, the rights of the Community and the United States under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A of the Settlement Agreement;

3.1.3 Subject to the terms of this Agreement, assert claims for injuries to, and seek enforcement of, the rights of the District under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as Exhibit 25.18B of the Settlement Agreement;

3.1.4 Participate in the Gila River Adjudication Proceedings to the extent provided in subparagraph 28.1 of the Settlement Agreement; and

3.1.4 Assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived herein.

4.0 WAIVER ADDITIONAL TO OTHER WAIVERS GRANTED

The benefits granted to the City of Safford pursuant to this Waiver of Claims and Release shall be in addition to, and not in substitution for, the benefits granted to the City of Safford and other Parties pursuant to the Waivers of Claims and Releases set forth in the Settlement Agreement and the Act.

5.0 DATE WAIVER BECOMES EFFECTIVE

This Waiver of Claims and Release shall become effective upon the date the Agreement becomes effective and enforceable in accordance with subparagraph 18.1 of the Agreement.

IN WITNESS WHEREOF, the United States has executed this Waiver of Claims and Release dated as of the day and year first written above.

THE UNITED STATES OF AMERICA

By: _____
Dated:_____
Secretary of the Interior

Attachment L

Waiver of Claims by the District

This Waiver of Claims and Release dated as of _____, is entered into by the San Carlos Irrigation and Drainage District in consideration of the benefits realized under the Agreement between the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States and the City of Safford dated as of _____, and in accordance with the commitments under subparagraph 16.4 of the Agreement.

3.0 DEFINITIONS

For purposes of this Waiver of Claims and Release, the following terms shall have the meanings set forth below:

1.1 "Act" shall mean the Arizona Water Settlements Act of 2004, P.L. 108-451.

1.2 "Agreement" shall mean the agreement between the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States and the City of Safford dated as of _____,

1.3 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation, and (B) held in trust by the United States.

1.4 "City of Safford", "Safford", or "City" shall mean the City of Safford, Arizona, a municipal corporation.

1.5 "Diversion" shall mean the act of Diverting.

1.6 "Divert", "Diverted", or "Diverting" shall mean to receive, withdraw or develop and produce or capture groundwater or surface water, by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other device or human act.

1.7 “Effective Date” shall mean the date upon which the City, the Community, the District, and the United States shall have executed the Agreement.

1.8 “Enforceability Date” shall have the same meaning set forth in the Settlement Agreement.

1.9 “Fee Land” shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.10 “Gila River Indian Community” or “Community” shall mean the sovereign government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476).

1.11 “Gila River Indian Reservation” or “Reservation” shall mean those lands located within the exterior boundaries of the Reservation, as created pursuant to the Act of February 28, 1859, and modified by the executive orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915, but not those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.12 “Globe Equity Decree” shall mean that decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation District, et al.*, Globe Equity No. 59, in the United States District Court for the District of Arizona, and all court orders and decisions supplemental thereto.

1.13 “Injury to Water Quality” shall mean any contamination, diminution or deprivation of water quality under Federal, State or other law.

1.14 “Injury to Water Rights” shall mean any interference with, diminution of, or deprivation of Water Rights under Federal, State or other law, including changes in the Underground Water

table and the effects of such changes, but not including claims for Subsidence Damages or Injuries to Water Quality.

1.15 "Member" or "Members" shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.16 "Miscellaneous Flow Lands" shall mean those lands, if any, that are not part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

1.17 "Off-Reservation Trust Land" shall mean land outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the "Enforceability Date" as that term is defined in the Settlement Agreement.

1.18 "Party" shall mean an entity represented by a signatory to the Agreement and "Parties" shall mean more than one of such entities. The United States participation as a Party shall be in the capacity as described in Subparagraph 1.25.

1.19 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.20 "San Carlos Irrigation and Drainage District" or "the District" shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation and drainage district organized under the laws of the State of Arizona.

1.21 "SCIIP", "SCIP", "San Carlos Indian Irrigation Project", or "Project" shall mean that project authorized under the Act of June 7, 1924, 43 Stat. 475. The term "SCIIP" or "SCIP" includes any amendments and supplements to the act described in the preceding sentence.

1.22 "Settlement Agreement" shall mean the Gila River Indian Community Water Rights Settlement Agreement dated as of _____, 2005, and the exhibits attached thereto.

1.23 “Subparagraph” shall mean a numbered subparagraph of this Waiver of Claims and Release.

1.24 “Underground Water” shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.25 “United States of America” or “United States” shall mean the United States of America: (i) acting as trustee on behalf of the Community, Members, and Allottees; (ii) to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the Project and Miscellaneous Flow Lands; and (iii) in no other capacity.

1.26 “Waiver of Claims and Release” shall mean this waiver of claims and release dated as of _____, in its entirety, by the San Carlos Irrigation and Drainage District, a copy of which is attached as Attachment L to the Agreement.

1.27 “Water Rights” shall mean any and all rights in or to Water under Federal, State or other law.

2.0 <u>WAIVER OF CLAIMS AND RELEASE</u>

2.1 Except as provided in Subparagraph 3.0 hereof, the District hereby waive and release any and all claims under Federal, State or other law against the City of Safford for:

2.1.1 Past, present and future claims for Water Rights for land within the District arising from time immemorial and, thereafter, forever;

2.1.2 Past and present claims for Injury to Water Rights for land within the District arising from time immemorial through the Enforceability Date;

2.1.4 Claims for Injury to Water Rights arising after the Enforceability Date for lands within the District resulting from the Diversion or use of water

by the City in a manner not in violation of this Agreement or State Law; and

2.1.6 Past, present and future claims arising out of or related in any manner to the negotiation or execution of the Agreement, or the negotiation or enactment of Titles I and II of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the Community on behalf of itself and its Members and the United States shall retain any right to:

3.1.1 Subject to the provisions of subparagraph 30.8 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the Community and the United States under this Agreement, the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

3.1.2 Assert claims for injuries to, and seek enforcement of, the rights of the Community and the United States under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A of the Settlement Agreement;

3.1.3 Subject to the terms of this Agreement, assert claims for injuries to, and seek enforcement of, the rights of the District under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as Exhibit 25.18B of the Settlement Agreement; and

3.1.4 Assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived herein.

4.0 WAIVER ADDITIONAL TO OTHER WAIVERS GRANTED

The benefits granted to the City of Safford pursuant to this Waiver of Claims and Release shall be in addition to, and not in substitution for, the benefits granted to the City of Safford and other Parties pursuant to the Waivers of Claims and Releases set forth in the Settlement Agreement and the Act.

5.0 DATE WAIVER BECOMES EFFECTIVE

This Waiver of Claims and Release shall become effective upon the date the Agreement becomes effective and enforceable in accordance with subparagraph 18.1 of the Agreement.

IN WITNESS WHEREOF, the District has executed this Waiver of Claims and Release dated as of the day and year first written above.

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By: _____
Dated:_____

Attest: _____

Attachment M

Waiver of Claims by the City of Safford

This Waiver of Claims and Release dated as of _____, is entered into by the City of Safford in consideration of the benefits realized under the Agreement between the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States and the City of Safford dated as of _____, and in accordance with the commitments under subparagraph 16.5 of the Agreement.

1.0 DEFINITIONS

For purposes of this Waiver of Claims and Release, the following terms shall have the meanings set forth below:

1.1 "Act" shall mean the Arizona Water Settlements Act of 2004, P.L. 108-451.

1.2 "Agreement" shall mean the agreement between the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States and the City of Safford dated as of _____,

1.3 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation, and (B) held in trust by the United States.

1.4 "City of Safford", "Safford", or "City" shall mean the City of Safford, Arizona, a municipal corporation.

1.5 "Diversion" shall mean the act of Diverting.

1.6 "Divert", "Diverted", or "Diverting" shall mean to receive, withdraw or develop and produce or capture groundwater or surface water, by means of a ditch, canal, flume, bypass,

pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other device or human act.

1.7 "Effective Date" shall mean the date upon which the City, the Community, the District, and the United States shall have executed the Agreement.

1.8 "Enforceability Date" shall have the same meaning set forth in the Settlement Agreement.

1.9 "Fee Land" shall mean land, other than Off-Reservation Trust Land, owned by the Community outside the exterior boundaries of the Reservation as of December 31, 2002.

1.10 "Gila River Indian Community" or "Community" shall mean the sovereign government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476).

1.11 "Gila River Indian Reservation" or "Reservation" shall mean those lands located within the exterior boundaries of the Reservation, as created pursuant to the Act of February 28, 1859, and modified by the executive orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915, but not those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.12 "Globe Equity Decree" shall mean that decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation District, et al.*, Globe Equity No. 59, in the United States District Court for the District of Arizona, and all court orders and decisions supplemental thereto.

1.13 "Injury to Water Quality" shall mean any contamination, diminution or deprivation of water quality under Federal, State or other law.

1.14 “Injury to Water Rights” shall mean any interference with, diminution of, or deprivation of Water Rights under Federal, State or other law, including changes in the Underground Water table and the effects of such changes, but not including claims for Subsidence Damages or Injuries to Water Quality.

1.15 “Member” or “Members” shall mean any person or persons who are duly enrolled as members of the Gila River Indian Community.

1.16 “Miscellaneous Flow Lands” shall mean those lands, if any, that are not part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

1.17 “Off-Reservation Trust Land” shall mean land outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the Community as of the “Enforceability Date” as that term is defined in the Settlement Agreement.

1.18 “Party” shall mean an entity represented by a signatory to the Agreement and “Parties” shall mean more than one of such entities. The United States participation as a Party shall be in the capacity as described in Subparagraph 1.25.

1.19 “Pump”, “Pumped” or “Pumping” shall mean the withdrawal of Underground Water from a well.

1.20 “San Carlos Irrigation and Drainage District” or “the District” shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation and drainage district organized under the laws of the State of Arizona.

1.21 “SCIIP”, “SCIP”, “San Carlos Indian Irrigation Project”, or “Project” shall mean that project authorized under the Act of June 7, 1924, 43 Stat. 475. The term “SCIIP” or “SCIP” includes any amendments and supplements to the act described in the preceding sentence.

1.22 “Settlement Agreement” shall mean the Gila River Indian Community Water Rights Settlement Agreement dated as of _____, 2005, and the exhibits attached thereto.

1.23 “Subparagraph” shall mean a numbered subparagraph of this Waiver of Claims and Release.

1.24 “Underground Water” shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.25 “United States of America” or “United States” shall mean the United States of America: (i) acting as trustee on behalf of the Community, Members, and Allottees; (ii) to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the Project and Miscellaneous Flow Lands; and (iii) in no other capacity.

1.26 “Waiver of Claims and Release” shall mean this waiver of claims and release dated as of _____, in its entirety, by the City of Safford, a copy of which is attached as Attachment M to the Agreement.

1.27 “Water Rights” shall mean any and all rights in or to Water under Federal, State or other law.

2.0 WAIVER OF CLAIMS AND RELEASE

2.1 Except as provided in Subparagraph 3.0 hereof, the City of Safford hereby waives and releases any and all claims under Federal, State or other law against the Community, Members, Allottees, the San Carlos Irrigation and Drainage District, and the United States for:

2.1.1 Past and present claims for Injury to Water Rights resulting from the Diversion or use of water on or for the Reservation, Off-Reservation Trust Land, Fee land or land within the District arising from time immemorial through the Enforceability Date;

2.1.2 Claims for Injury to Water Rights arising after the Enforceability Date resulting from the Diversion or use of water on or for the Reservation Off-Reservation Trust Land, Fee land or land within the District in a manner not in violation of the Settlement Agreement or applicable law; and

2.1.3 Past, present and future claims arising out of or related in any manner to the negotiation or execution of the Agreement, or the negotiation or enactment of Titles I and II of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

3.1 Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the City of Safford shall retain any right to:

3.1.1 Subject to the provisions of subparagraph 30.8 of the Settlement Agreement, assert claims for injuries to, and seek enforcement of, the rights of the City under this Agreement, the Settlement Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

3.1.2 Assert claims for injuries to, and seek enforcement of, the rights of the City under the judgment and decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as exhibit 25.18A of the Settlement Agreement;

3.1.3 Subject to the terms of this Agreement, assert claims for injuries to, and seek enforcement of, the rights of the City under the Globe Equity Decree including, but not limited to, the judgment and decree entered by the Globe Equity Enforcement Court, the form of which is attached as Exhibit 25.18B of the Settlement Agreement; and

3.1.4 Assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived herein.

4.0 WAIVER ADDITIONAL TO OTHER WAIVERS GRANTED

The benefits granted to the Community, Members, Allottees, the San Carlos Irrigation and Drainage District, and the United States pursuant to this Waiver of Claims and Release shall be in addition to, and not in substitution for, the benefits granted to the Community, Members, Allottees, the San Carlos Irrigation and Drainage District, and the United States and other Parties pursuant to the Waivers of Claims and Releases set forth in the Settlement Agreement and the Act.

5.0 DATE WAIVER BECOMES EFFECTIVE

This Waiver of Claims and Release shall become effective upon the date the Agreement becomes effective and enforceable in accordance with subparagraph 18.1 of the Agreement.

IN WITNESS WHEREOF, the City of Safford has executed this Waiver of Claims and Release dated as of the day and year first written above.

City of Safford

By: _____
Mayor
Dated: _____

Attest: _____
Clerk

Approved as
To Form:_____
City Attorney for the City of Safford

ATTACHMENT N

[INTENTIONALLY NOT USED]

ATTACHMENT O

Effluent Credit, Storage and Recovery Provisions Based Upon Arizona Revised Statutes, Title 45, Waters, Chapter 3.1

For purposes of this Agreement, the intent of the Parties is that the City abide by the provisions in this Attachment O to the extent that such provisions would apply to the City if it were a municipality located within an Active Management Area and were subject to such provisions. Neither this Attachment nor the Agreement shall be construed to confer any jurisdiction or authority on the State of Arizona to approve applications, issue permits or take any other action to administer or monitor the City and its compliance with the AMA provisions in this Attachment O.

ARIZONA REVISED STATUTES

TITLE 45

WATERS

CHAPTER 3.1

UNDER GROUND WATER STORAGE, SAVINGS AND REPLENISHMENT

45-802.01. Definitions

Unless the context otherwise requires, the terms defined in section 45-402 have the same meanings in this chapter and:

1. "Aquifer" means a geologic formation that contains sufficient saturated material to be capable of storing water and transmitting water in usable quantities to a well.

2. "Area of impact" means, as projected on the land surface, the area where the stored water has migrated or is located.

3. "CERCLA" means the comprehensive environmental response, compensation, and liability act of 1980, as amended (P.L. 96-510; 94 Stat. 2767; 42 United States Code sections 9601 through 9657), commonly known as "superfund".

4. "Constructed underground storage facility" means a facility that meets the requirements of section 45-811.01 and that is designed and constructed to store water underground pursuant to permits issued under this chapter.

5. "District" means a groundwater replenishment district established under title 48, chapter 27.

6. "District member" means a member of the groundwater replenishment district as provided by title 48, chapter 27.

7. "Electrical district" means a corporate body established pursuant to title 48, chapter 12.

ATTACHMENT A
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

LIST OF THE CITY'S BONITA CREEK WATER RIGHTS

1. Certificate of Water Right No. 1746; 1,447.84 acre feet per year, priority date of December 20, 1933.

2. Certificate of Water Right No. 1950, 3,629.3 acre feet, priority date of October 18, 1950.

3. Statement of Claim No. 36-80661; 233 acre feet per year, priority date of January 1, 1959.

4. Decision and Decree, and all supplemental Decrees thereto, entered in *Gila Valley Irrigation District, et al, v. Town of Safford*, in the Superior Court of Graham County, State of Arizona, No. 4650, November 9, 1956.

ATTACHMENT B
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

DESCRIPTION OF CERTAIN EXISTING CITY WATER SUPPLY FACILITES AT BONITA CREEK AND WELLS ALONG THE GILA RIVER

B.1 Description of the City Facilities:

a. Infiltration galleries in Bonita Creek generally shown on Map at Attachment E.
b. Diversion facilities associated with the galleries, including the aqueduct pipeline from the galleries through Bonita Creek.
c. Existing Bonita Creek wells in use at the galleries: Registration No. 55-607087; 55-607090; 55-607093 and 55-607094; 55-607097; and 55-607108.

B.2 Land Upon Which the City Facilities are Located:

a. Infiltration Galleries and Associated Diversion Facilities: located in Sections 5 & 6, Township 6 South, Range 28 East, Gila and Salt River Meridian ("G&SRM") and Section 31, Township 5 South, Range 28 East, G&SRM (legal description of patented land contained in United States Patents Nos. 1130309 & 02-64-0034).

b. Pipeline/Aqueduct: the Pipeline/Aqueduct begins at the Infiltration Galleries (described above) and runs through Sections 5, 8, 9, 16, 21, Township 6 South, Range 28 East, G&SRM.

B.3 Description of City's Gila River Wells:

a. Registration Nos: 55-607581; 55-629193; 55-607102; 55-624750; 55-607088; 55-605640; 55-607107; 55-607091; 55-607103; 55-607104; 55-607105; 55-805753; and 55-607101.

B.4 Lands Upon Which the City's Gila River Wells are Located:

a. Located in Section 27, Township 4 South, Range 27 East; Section 11, Township 5 South, Range 27 East; Sections 5, 16 and 21, Township 6 South, Range 28 East G&SRM.

B.5 City's Existing Wells in Bonita Creek Not Associated with Galleries:

a. Registration Nos.: 55-607089; 55-607092; 55-607095; 55-607096; 55-607098; 55-607099; 55-607100; 55-607109 and 55-607110.

ATTACHMENT C
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

LIST OF THE CITY'S MOUNT GRAHAM WATER RIGHTS AND CLAIMS

1. Statement of Claim No. 36-80662, 165 acre feet, priority date of June 28, 1878.

2. Statement of Claim No. 36-80663, 237 acre feet, priority date of June 28, 1878.

3. Statement of Claim No. 36-80664, 38 acre feet, priority date of January 1, 1878.

4. Statement of Claim No. 36-80665, 150 acre feet, priority date of January 1, 1878.

5. Certificate of Water Right No. 54, 1,448 acre feet, priority date of December 27, 1919.

6. Certificate of Water Right No. 4109, 2,540 acre feet, priority date of January 9, 1923.

7. Decision and Decree, and all supplemental Decrees thereto, entered in *Gila Valley Irrigation District, et al, v. Town of Safford*, in the Superior Court of Graham County, State of Arizona, No. 4650, November 9, 1956.

8. Appropriation of Lambert Frye for 500 miners inches in Frye Creek, dated January 17, 1893, recorded in the office of the Graham County Recorder, Book 1 Misc. Records, p 452.

9. Appropriation of Louis C. Riggs for 100 miners inches in Frye Canyon, dated June 3, 1907, recorded B. 5, Misc. Records, p 35.

10. Appropriation of Orson M. and John A. Bigelow for 500 miners inches in a stream running out of Frye Canyon, dated March 20, 1909, recorded Book 5, Misc. Records, Page 185.

11. Appropriation for Samuel S. Campbell for all unappropriated waters in Frye Canyon and its tributaries, dated February 25, 1910 and October 31, 1910, recorded Book 5, Misc. Records, pages 296 and 389.

12. Appropriation of Gila Valley Electric, Gas & Water Co., a corporation, for all the waters in Spring Canyon, dated January 31, 1911, recorded Book 5, Misc. Records, page 412; and the appropriation by the same for all the waters in Rapier, or Deadman Canyon, dated February 28, 1912, recorded Book 5, Misc. Records, page 486; and the appropriation by the same for all the waters in Spring Canyon, dated

February 28, 1912, recorded in Book 5, Misc. Records, page 489; and the appropriation by the same for all the waters in Porter Springs Wash, dated May 18, 1912, recorded in Book 5, Misc. Records, page 503; and the amended appropriation by the same for 200 miners inches in Porter Springs Wash, dated May 31, 1912, recorded in Book 5, Misc. Records, page 507; and the appropriation by the same for all the unappropriated water in Frye Canyon, dated August 30, 1912, recorded in Book 5, Misc. Records, page 526; and the appropriation by the same for all the unappropriated waters in Frye Canyon Wash, dated Sept. 30, 1912, recorded in Book 5, Misc. Records, page 533; and the appropriation by the same for the waters in Frye Canyon Wash, dated Sept. 30, 1912, recorded in Book 5, Misc. Records, page 534; and the appropriation by the same for the waters in Frye Canyon Wash, dated Sept. 30, 1912, recorded in Book 5, Misc. Records, page 535.

13. The appropriation of S. J. Sims for 200 miners inches of the underground flow of Charlson and Rapier Canyons, dated Sept. 25, 1912, recorded in Book 5, Misc. Records, page 532; and the appropriation by the same for 100 miners inches of water in Robinson Wash, dated October 29, 1912, recorded in Book 5, Misc. Records, Page 547.

14. The appropriation of S.S. Campbell for all the unappropriated waters in Frye and Deadman Canyons, dated May 19, 1914, recorded in Book 6, Misc. Records, page 1; and the appropriation by the same for all of the unappropriated waters in Frye Canyon or Creek, dated February 18, 1915.

15. The Certificate of Water Right for the Appropriation made by Thatcher Water Company, permit No. A-24 and Permit No. R-8, for 2 second-feet of the waters in Frye and Rapier Canyons, dated June 6, 1922, recorded in Records of State Water Commissioner, Volume 1, page 54; and in Graham County Book 1, Certificates of Water Rights, page 4.

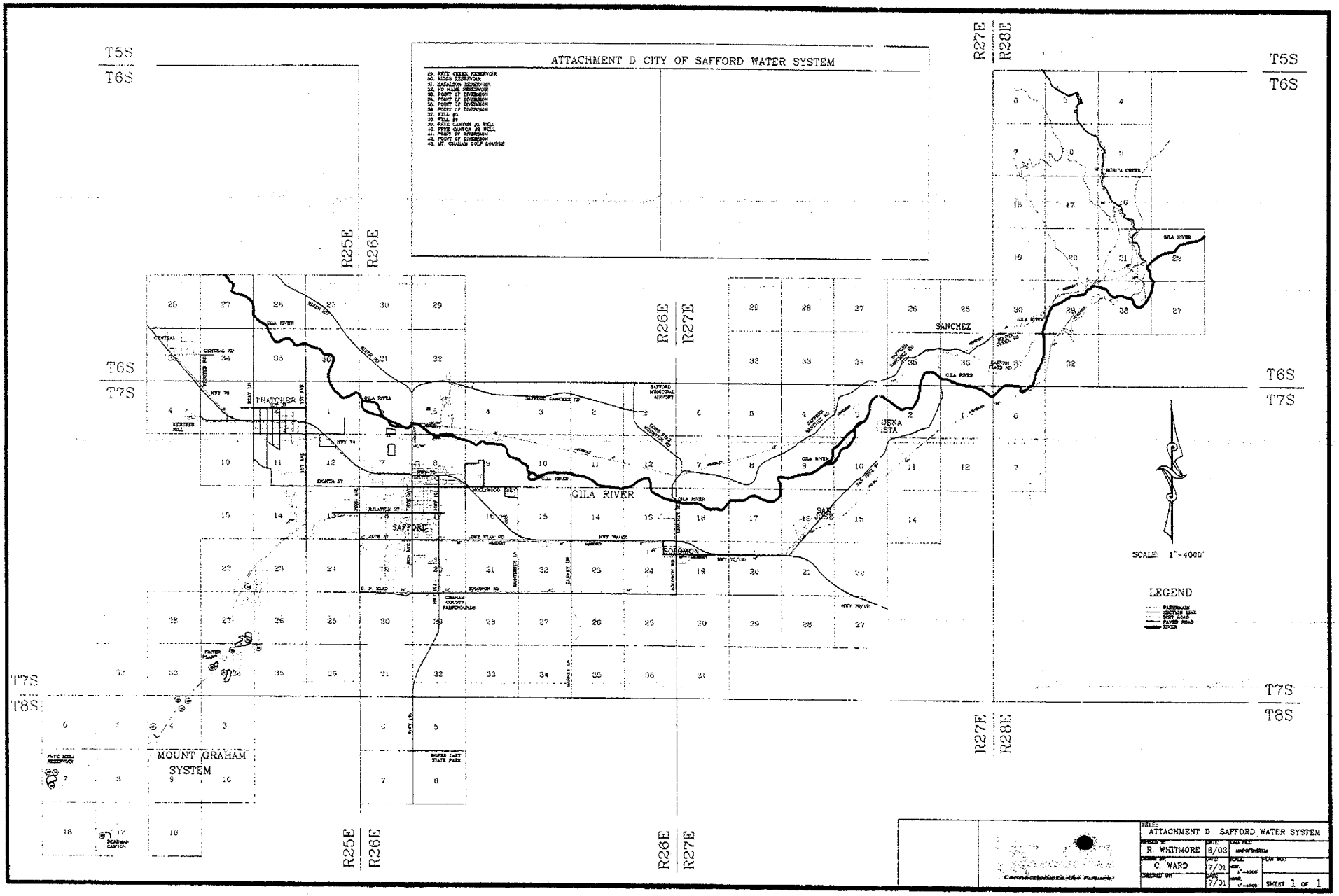
16. Appropriation by Thatcher Water Company under State Permit No. A-413, for 90 second-feet of water in Frye Canyon, approved by State Water Commissioner June 16, 1925, filed in Book No. 3 of Permits, page 400.

17. Frye Reservoir, *See* Certificate of Water Right 4109; 135 acre feet; priority date of July 9, 1923; solely as applied to the Southwest ¼ of the Northwest ¼ of Section 7, Township 8 South, Range 25 East, G&SRBM.

ATTACHMENT D
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

MAP (FOR ILLUSTRATIVE PURPOSES ONLY) GENERALLY DEPICTING THE MOUNT GRAHAM SYSTEM AND THE EXISTING SAFFORD MOUNT GRAHAM MUNICIPAL GOLF COURSE

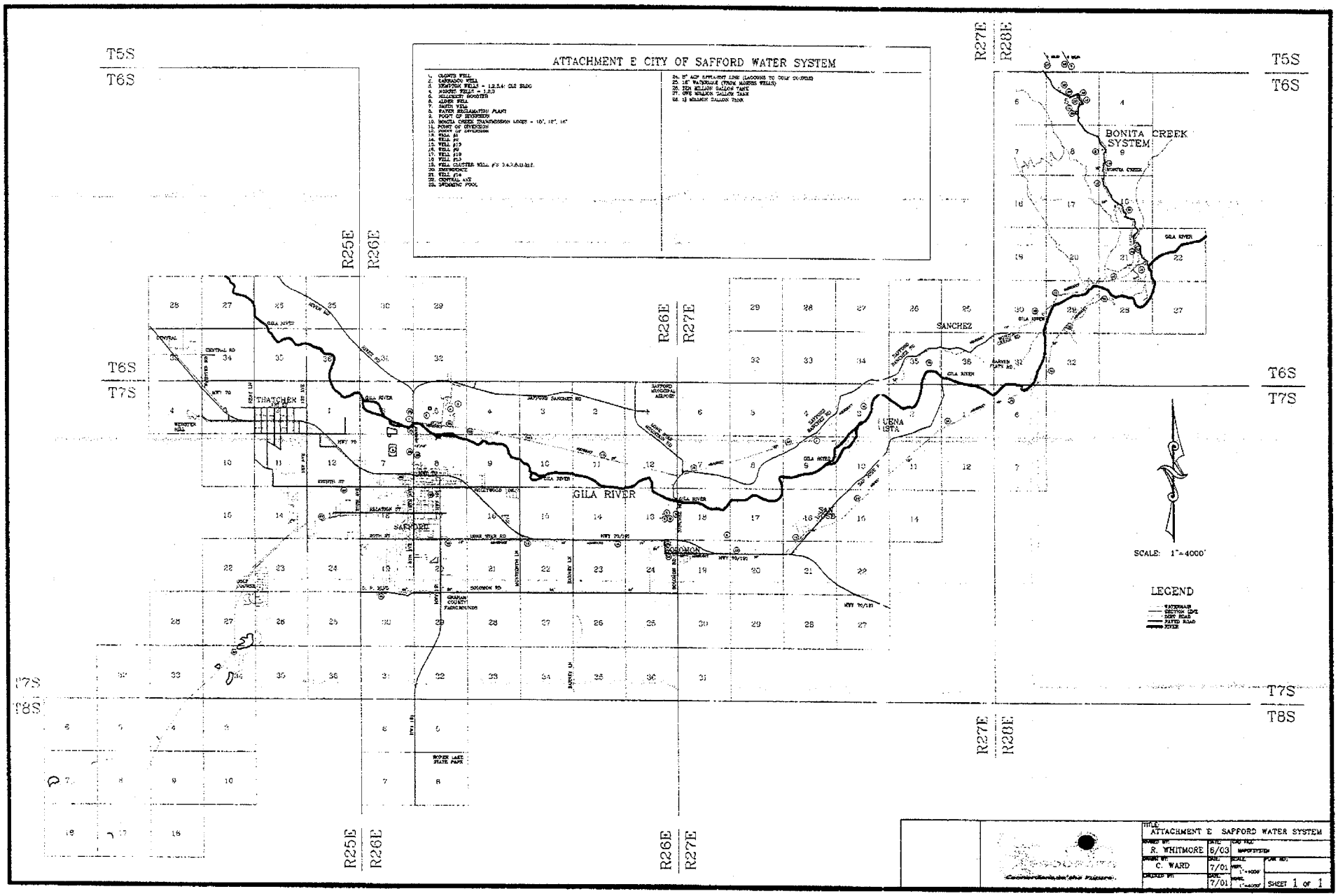
(see attached)


ATTACHMENT D CITY OF SAFFORD WATER SYSTEM
T5S
T6S
T7S
T8S
R25E
R26E
R27E
R28E
THATCHER
SAFFORD
GILA RIVER
BOROMON
SANCHEZ
SAN JOSE
MOUNT GRAHAM SYSTEM
SCALE: 1"=4000'
LEGEND
TITLE:
ATTACHMENT D SAFFORD WATER SYSTEM
R. WHITMORE
6/03
C. WARD
7/01
7/01
SHEET 1 OF 1

ATTACHMENT E
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

MAP (FOR ILLUSTRATIVE PURPOSES ONLY) GENERALLY DEPICTING CITY FACILITIES; AND INCLUDING WELLS IN THE GILA RIVER AND THE MAIN DISTRIBUTION SYSTEM

(see attached)


ATTACHMENT E CITY OF SAFFORD WATER SYSTEM
T5S
T6S
T7S
T8S
R25E
R26E
R27E
R28E
BONITA CREEK SYSTEM
BONITA CREEK
GILA RIVER
SANCHEZ
THATCHER
SAFFORD
SAN JOSE
UENA VISTA
SAFFORD MUNICIPAL AIRPORT
SOLOMON
GRAHAM COUNTY FAIRGROUNDS
ROSEWOOD INC.
SCALE: 1"=4000'
LEGEND
WATERMAIN
SECTION LINE
DIRT ROAD
PAVED ROAD
RIVER
TITLE: ATTACHMENT E SAFFORD WATER SYSTEM
SURVEY BY: R. WHITMORE
DATE: 6/03
CAD FILE: MAPOFSYSTEM
DRAWN BY: C. WARD
DATE: 7/01
SCALE: HORZ. 1"=4000'
FILM NO:
CHECKED BY:
DATE: 7/01
SCALE: VERT. (1"=4000')
SHEET 1 OF 1

ATTACHMENT F
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

LIST OF CITY'S AND OTHER UV DECREED WATER RIGHTS

F. Globe Equity Decree, *Globe Equity No. 59*, entered into on June 29, 1935, in the District Court of the United States, in and for the District of Arizona:

F.1 Safford Decreed rights, 233.4 acres, solely as applied to the Northeast ¼ of the Southeast ¼ of Section 7 of Township 7 South, Range 26 East; the Southeast ¼ of the Southeast ¼ of Section 7 of Township 7 South, Range 26 East; the Southwest ¼ of the Southwest ¼ of Section 8 of Township 7 South, Range 26 East; the Southeast ¼ of the Southwest ¼ of Section 8 of Township 7 South, Range 26 East; the Northwest ¼ of the Southwest ¼ of Section 8 of Township 7 South, Range 26 East; the Northeast ¼ of the Southwest ¼ of Section 8 of Township 7 South, Range 26 East; the Southwest ¼ of the Southeast ¼ of Section 8 of Township 7 South, Range 26 East; the Northwest ¼ of the Northeast ¼ of Section 17 of Township 7 South, Range 26 East; the Southwest ¼ of the Northwest ¼ of Section 17 of Township 7 South, Range 26 East; the Southeast ¼ of the Northwest ¼ of Section 17 of Township 7 South, Range 26 East; the Northwest ¼ of the Northwest ¼ of Section 17 of Township 7 South, Range 26 East; the Northeast ¼ of the Northwest ¼ of Section 17 of Township 7 South, Range 26 East; the Northwest ¼ of the Northwest ¼ of Section 17 of Township 7 South, Range 26 East; the Northeast ¼ of the Northwest ¼ of Section 17 of Township 7 South, Range 26 East; the Northwest ¼ of the Northwest ¼ of Section 17 of Township 7 South, Range 26 East; the Northeast ¼ of the Northeast ¼ of Section 18 of Township 7 South, Range 26 East; the Northeast ¼ of the Northeast ¼ of Section 18 of Township 7 South, Range 26 East; the Southeast ¼ of the Northeast ¼ of Section 18 of Township 7 South, Range 26 East, G&SRBM (municipal).

F.2 Thatcher Decreed rights, 636.8 acres, solely as applied to the Southwest ¼ of the Southwest ¼ of Section 2 of Township 7 South, Range 25 East; the Southeast ¼ of the Southwest ¼ of Section 2 of Township 7 South, Range 25 East; the Northeast ¼ of the Northeast ¼ of Section 11 of Township 7 South, Range 25 East; the Northwest ¼ of the Northeast ¼ of Section 11 of Township 7 South, Range 25 East; the Northeast ¼ of the Northwest ¼ of Section 11 of Township 7 South, Range 25 East; the Southwest ¼ of the Northwest ¼ of Section 11 of Township 7 South, Range 25 East; the Northeast ¼ of the Southwest ¼ of Section 11 of Township 7 South, Range 25 East; the Northeast ¼ of the

Southeast ¼ of Section 11 of Township 7 South, Range 25 East; the Northeast ¼ of the Northeast ¼ of Section 10 of Township 7 South, Range 25 East; the Southeast ¼ of the Northeast ¼ of Section 10 of Township 7 South, Range 25 East; the Southwest ¼ of the Northeast ¼ of Section 11 of Township 7 South, Range 25 East; the Southeast ¼ of the Northeast ¼ of Section 11 of Township 7 South, Range 25 East; the Northwest ¼ of the Northwest ¼ of Section 11 of Township 7 South, Range 25 East; the Southeast ¼ of the Northwest ¼ of Section 11 of Township 7 South, Range 25 East; the Northwest ¼ of the Southwest ¼ of Section 11 of Township 7 South, Range 26 East; the Northwest ¼ of the Southeast ¼ of Section 11 of Township 7 South, Range 25 East; the Northwest ¼ of the Northwest ¼ of Section 12 of Township 7 South, Range 25 East; the Southwest ¼ of the Northwest ¼ of Section 12 of Township 7 South, Range 25 East; the Northwest ¼ of the Southwest ¼ of Section 12 of Township 7 South, Range 25 East; the Southwest ¼ of the Northwest ¼ of Section 1 of Township 7 South, Range 25 East; the Northwest ¼ of the Southwest ¼ of Section 1 of Township 7 South, Range 25 East; the Southwest ¼ of the Southwest ¼ of Section 1 of Township 7 South, Range 25 East; the Southwest ¼ of the Northeast ¼ of Section 2 of Township 7 South, Range 25 East; the Southeast ¼ of the Northeast ¼ of Section 2 of Township 7 South, Range 25 East; the Southwest ¼ of the Northwest ¼ of Section 2 of Township 7 South, Range 25 East; the Southeast ¼ of the Northwest ¼ of Section 2 of Township 7 South, Range 25 East; the Northeast ¼ of the Southwest ¼ of Section 2 of Township 7 South, Range 25 East; the Northwest ¼ of the Southwest ¼ of Section 2 of Township 7 South, Range 25 East; the Southwest ¼ of the Southwest ¼ of Section 2 of Township 7 South, Range 25 East; the Southeast ¼ of the Southwest ¼ of Section 2 of Township 7 South, Range 25 East; the Northeast ¼ of the Southeast ¼ of Section 2 of Township 7 South, Range 25 East the Northwest ¼ of the Southeast ¼ of Section 2 of Township 7 South, Range 25 East; the Southwest ¼ of the Southeast ¼ of Section 2 of Township 7 South, Range 25 East; the Southeast ¼ of the Southeast ¼ of Section 2 of Township 7 South, Range 25 East; the Southeast ¼ of the Northeast ¼ of Section 3 of Township 7 South, Range 25 East; the Northeast ¼ of the Southeast ¼ of Section 3 of Township 7 South, Range 25 East; the Southeast ¼ of the Southeast ¼ of Section 3 of Township 7 South, Range 25 East; the Northeast ¼ of the Northeast ¼ of Section 11 of Township 7 South, Range 25 East; the Northwest ¼ of the Northwest ¼ of Section 12 of Township 7 South, Range 25 East (municipal).

F.3 Report prepared by ADWR entitled: "Urbanized and Permanently Retired Globe Equity No. 59 Agricultural Lands in the Upper Gila River Valleys In Re the General Adjudication of the Gila River System and Source, September, 1994" (municipal). (see attached)

F.4 Decreed rights acquired by Safford (irrigation/municipal)

F.4.A. Carrasco Farm (52.2 acres)

Parcel One – beginning at the Southeast Corner of Section 18, Township South, Range 27 East of the Gila and Salt River Meridian, Graham County, Arizona; running thence North, 160 rods; thence West, 55 rods; thence South, 160 rods; thence East, 55 rods to the Point of Beginning.

The East 55 rods of Lot 10 of Section 18, Township 7 South, Range 27 East of the Gila and Salt River Meridian, Graham County, Arizona.

F.4.B. Kempton Farm (13.0 acres)

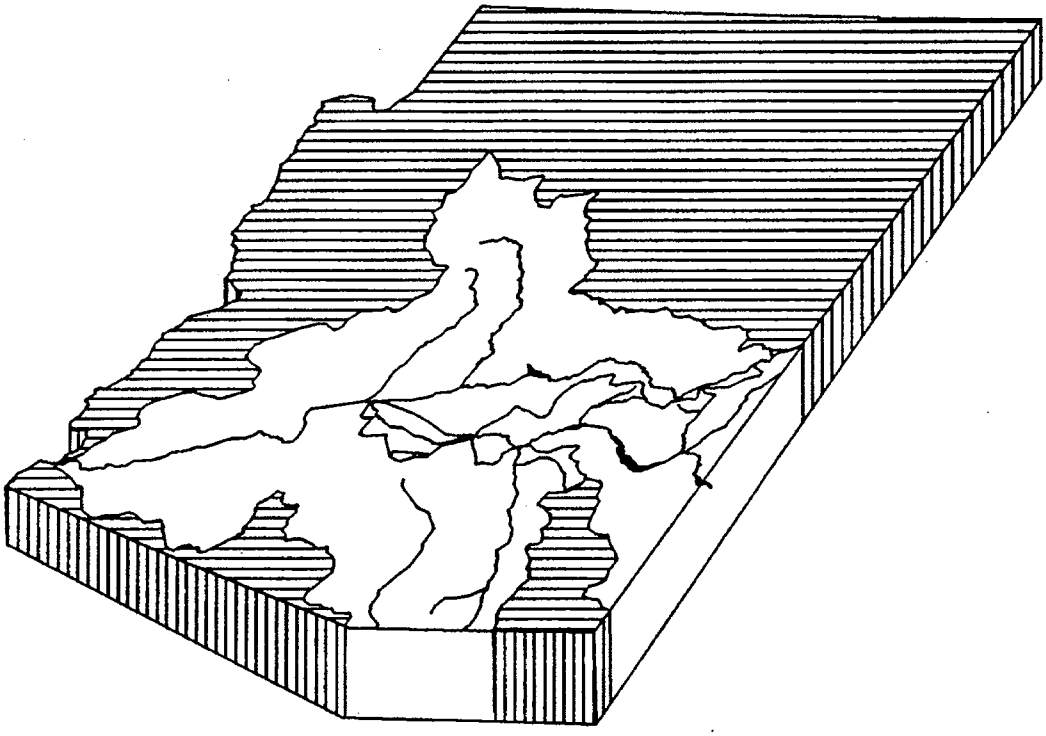
That part of the East half of Section 13, Township 7 South, Range 26 East, Gila and Salt River Meridian, Graham County, Arizona, more particularly described as commencing at the Southeast corner of said Section 13; thence North 00 deg. 04' 45" East, along the East boundary of said Section 13 and the basis for bearing, a distance of 2,323.64 feet to the Point of Beginning; thence South 87 deg. 27' 04" West a distance of 1,783.32 feet; thence North 00 deg. 04' 45" East a distance of 1,018.73 feet; thence South 89 deg. 55" 15" East a distance of 1,781.45 feet to said East boundary; thence South 00 deg. 04' 45" West a distance of 936.97 feet to the Point of Beginning.

F.4.C. Ferguson Farm (60.4 acres)

Beginning at the Northwest corner of the Northeast Quarter of Section 7, Township 7 South, Range 26 East, Gila and Salt River Meridian, Graham County, Arizona; thence East a distance of 660.00 feet; thence North a distance of 49.50 feet; thence East a distance of 711.15 feet; thence South a distance of 1,407.945 feet; thence West a distance of 679.635 feet; thence South a distance of 1,281.72 feet; thence West a distance of 691.515 feet; thence North a distance of 2,640 feet to the Point of Beginning.

URBANIZED AND PERMANENTLY RETIRED GLOBE EQUITY NO. 59 AGRICULTURAL LANDS IN THE UPPER GILA RIVER VALLEYS

In Re The General Adjudication Of The
Gila River System And Source



Arizona Department of Water Resources

September 1994

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LIST OF ABBREVIATIONS AND ACRONYMS

DWR	-	Arizona Department of Water Resources
FID	-	Franklin Irrigation District
GIS	-	Geographic Information System
GRIC	-	Gila River Indian Community
GVID	-	Gila Valley Irrigation District
GWC	-	Gila Water Commissioner
HSR	-	Hydrographic Survey Report
SCAT	-	San Carlos Apache Tribe
SCIDD	-	San Carlos Irrigation and Drainage District
USGS	-	United States Geological Survey

CHAPTER 1: INTRODUCTION AND BACKGROUND

On October 14, 1992, the Arizona Department of Water Resources (DWR) offered to prepare a report for the Globe Equity No. 59 Rulesmaking Committee which identified and described those decreed lands within the Gila Valley Irrigation District and Franklin Irrigation District which have " . . . been permanently removed from agricultural use" (See U.S. District Court, Memorandum & Order, March 18,1992, p. 38). Specifically, the DWR offer (APPENDIX A) stated that DWR would:

> 1. Conduct a historic review of the lands in the Globe Equity Decree, using maps from the Gila Water Commissioner's office and aerial photography supplied by DWR to determine where urban development ("buildings, streets, roads, and parking lots") has removed land permanently from agricultural production in the Safford and Duncan Valley;
>
> 2. Conduct a similar historic review with respect to "farm structures, canals, and roads, as well as land permanently removed from farming uses" on decreed agricultural lands since 1935 in the Safford and Duncan-Virden Valleys;
>
> 3. Compile this information in report form, identifying first those lands which DWR believes fit the specified categories, and supplementing those conclusions with appendices of relevant data from which the conclusions may be analyzed by the interested reader;
>
> 4. Complete this report for public dissemination by the first quarter of 1994.
>
> (DWR letter to Gila Water Commissioner, October 14, 1992)

This report consists of text, data in a tabular format, appendices, and a set of color map plates which depict those lands classified by DWR as being permanently removed from agricultural production. This report was released in a draft format with a 45-day public review and comment period (DWR Letter to Gila Water Commissioner, April 8, 1993 - APPENDIX B) in April 1994. Formal objections to data presented in the report were submitted to the office of the Gila Water Commissioner in Safford, Arizona. Those objections which the Gila Water Commissioner (GWC) believed had merit were forwarded to DWR for consideration. A total of 232 objections were considered to have merit.

The remainder of this chapter covers a brief description of the Globe Equity No. 59 Decree and some important assumptions made by DWR for the analysis. Chapter 2 describes the methodologies employed by DWR in the urbanziation study. Chapter 3 presents the results of the study, discusses changes made as a result of the objections and DWR review, and describes the disposition of the objections that were received from the GWC.

1.1 THE GLOBE EQUITY NO. 59 CONSENT DECREE

A substantial amount of material regarding the Globe Equity No. 59 Consent Decree, entered on June 29, 1935, may be found in a report prepared by DWR in April 1993. This 140 page report and accompanying appendices is entitled: "Briefing Report on HSR Investigations of Globe Equity No. 59 Rights." This report was prepared at the request of the Gila River Adjudication Court as part of DWR's initiation of hydrographic survey report (HSR) investigations in the Upper Gila River watershed. The interested reader who requires additional data or information beyond that provided here is encouraged to examine the material provided in that report.

The court action which led to the Globe Equity No. 59 Consent Decree was initiated by the United States in 1925 to protect the water supply of the Gila River Indian Community (GRIC) and San Carlos Apache Tribe (SCAT). An initial Bill of Complaint was filed with the United States District Court on October 2, 1925. The named defendants were the water users above and below the proposed San Carlos Dam (now Coolidge Dam) and Reservoir. The final decree was entered into the record on June 29, 1935, and was titled: United States of America v. Gila Valley Irrigation District, et al. - Globe Equity No. 59.

Briefly, the lands described in the Decree are some 40,000 acres in the Safford and Duncan-Virden Valleys (collectively referred to as the "Upper Valley" lands); approximately 1,000 acres of decreed lands on the San Carlos Apache Reservation; approximately 2,000 acres of decreed lands near Winkelman; approximately 50,000 acres of cultivated lands in what is now the San Carlos Irrigation and Drainage District (SCIDD); and an additional 50,000 acres of irrigated lands on the Gila River Indian Reservation. This report is only analyzing those lands which are permanently removed from agricultural production through urbanization processes within the Upper Valleys (those decreed lands above the San Carlos Apache Indian Reservation).

Decreed lands in the Duncan-Virden Valley are contained within the Franklin Irrigation District (FID) which begins at the Sunset Canal Diversion Dam several miles upstream of the Arizona-New Mexico stateline and continues downstream to the vicinity where U.S. Route 191 crosses the Gila River near Guthrie, Arizona. There are currently 3 surface water diversions and canal works in the FID: the Sunset, New

Model, and Valley Canals. All three of the diversion works are located in the New Mexico portion of the FID. There is also a pumping plant, the Laura Short Pump, which supplies a small amount of acreage in York Valley. The GWC's 1992 Annual Report indicates that water was issued for 6,901.15 acres of decreed land within the FID, although there are a total of 8,061.35 acres decreed in Globe Equity No. 59 (Distribution of Waters of the Gila River, Gila Water Commissioner, 1992, Plate 3).

The Gila Valley Irrigation District (GVID) comprises the Safford Valley portion of the "Upper Valleys." Currently, there are 11 canal companies within the GVID which maintain and utilize 6 active surface water diversion works and distribution systems. The GWC's 1992 Annual Report indicates that water was issued to 32,512.4 acres of decreed land within the GVID (Distribution of Waters of the Gila River, Gila Water Commissioner, 1992, Plate 3).

The Globe Equity No. 59 Decree describes a total of 40,573.75 acres of decreed lands within the Upper Valleys. These are the decreed acreages which were evaluated by DWR in this report to determine those lands permanently removed from agricultural production through urbanization processes.

1.2 ASSUMPTIONS UTILIZED IN DATA ANALYSIS AND REPORT PREPARATION

During the course of conducting the analysis and preparing this report, DWR was required to make several assumptions regarding the use of historical information or data. This section of the report will explain these assumptions and provide relevant examples.

DECREE SPECIFICITY

DWR carefully evaluated the Globe Equity No. 59 Decree and determined that this decree, like many other water rights decrees, lacks specificity regarding the actual location of decreed lands within the decreed ¼, ¼ section or 40 acre tract. For example, if a landowner is granted a decreed right to water for 12.7 acres in Globe Equity No. 59, the Decree would simply portray it as:

ACRES	TOWNSHIP	RANGE	SECTION	SUBDIVISION	OWNERSHIP
12.7	6 South	27 East	31	SW¼, SE¼	John Q. Landowner

Consequently, it was not possible for DWR to categorically identify which of the acres within the SW¼, SE¼ of Section 31 are the **decreed** 12.7 acres referenced. Some of this lack of decree specificity was ameliorated by the use of the "Decree" maps maintained in the office of the GWC.

GILA WATER COMMISSIONER "DECREE" MAPS

The GWC's maps utilize as their base, or source, a set of maps created by the State Water Commissioner, W.S. Norviel, which were surveyed in 1920 as part of an original adjudication of water rights along the Upper Gila River in the 1920s. Additionally, the GWC utilizes a series of maps which were prepared by the New Mexico State Engineer in 1926 which portray the New Mexico lands within the FID. It does not appear that there were any additional maps actually prepared for, and

submitted to, the Globe Equity No. 59 Decree at the time it was entered on June 29, 1935. Therefore, DWR has assumed that these two sets of maps, even though they were developed between 9 and 15 years prior to the Decree's entry, represent conditions in the Upper Valleys in 1935.

Also, it should be pointed out that the GWC's maps only state that they were "surveyed" in 1920. DWR is not aware of any explanation which describes the methodologies which went into the preparation of these maps and their data. For example, DWR researched the Graham County Assessor's office records regarding land ownership prior to preparing the mylar overlays on the 1991-1992 aerial photographic enlargements. It was apparent that there are sections within some of the townships and ranges which are less than or greater than 640 acres in total land area. The GWC's "decree" maps do not portray anything other than exactly square, 640 acre, sections within all of the townships and ranges "surveyed." DWR has accepted the data portrayed on these maps at face value, yet recognizes that they may not accurately represent the surveyed conditions of the sections as depicted on the United States Geological Survey topographic quadrangle maps.

CONDITIONS AT THE TIME OF THE ENTRY OF THE DECREE

With respect to the Upper Valleys, the Globe Equity No. 59 Decree does not appear to represent 1935 conditions. DWR believes that this portion of the Decree actually may be a "quilt" comprised of earlier decrees stemming from litigation in Superior Courts or the original adjudications conducted under the authority of the State Water Commissioner.

For example, in the Safford Valley there were four actions which determined the relative rights and priorities of water uses prior to the entry of the Globe Equity No. 59 Decree. They were, in chronological order: Montezuma Canal Co., et al. v. San Jose Irrigating Co., Chiricahua Cattle Co., et al., No. 505, February 17, 1897; San Jose Irrigating Co. v. Tidwell, et al., No. 797, June 29, 1901; Smithville Canal Co., et al. v. Oregon Canal Co., et al., No. 1089, April 28, 1905 (also known as the "Doan Decree"); In Re The Matter of the Determination of the Relative Rights to the Uses of the Waters of the Gila River and its Tributaries in Graham County, Arizona, No. 1168, November

19, 1925 (also known as the "Jenkes Decree"). In fact, it appears that the first two actions were integrated into the 1905 Doan Decree, which in turn was itself incorporated into the Globe Equity No. 59 Decree, as was the Jenkes Decree.

A similar situation exists in the Duncan-Virden Valley. In 1927, the Superior Court of Greenlee County recognized the relative rights and priorities to water uses of the Gila River and tributaries. This decree, commonly called the "Ling Decree", was entitled: In Re The Matter of the Determination of the Relative Rights to the use of Waters of the Gila River and its Tributaries in Greenlee County, Arizona, No. 1154-B, November 28, 1927 (the Ling Decree was amended on April 27, 1936). The portions of the Ling Decree which described and prioritized uses in the FID were subsequently incorporated into the 1935 Globe Equity No. 59 Decree. The portions of the Ling Decree describing uses along the San Francisco River were not added to the Globe Equity No. 59 Decree.

Even though the Globe Equity No. 59 Decree does not appear to accurately portray conditions in the FID and GVID in 1935, DWR has assumed that the Decree can be considered as representing "baseline" conditions for the year 1935.

ACCOUNTING FOR ROADS AND CANALS IN THE 1935 DECREE

A careful analysis of the GWC's "decree" maps and the Globe Equity No. 59 Decree reveals that some, if not all of the roads and canals present within the irrigation districts during the time of the State Water Commissioner's surveys in 1920 have been deducted from actual acreage decreed to individual landowners. For example, scrutiny of the "decree" map which portrays **T.7S., R.26E.** and the **SW¼, SW¼** of **Section 14** and the **SE¼, SW¼** of **Section 14** describes approximately 80 acres owned by **Edward M. Claridge.** In the case of the SW¼, SW¼ of Section 14, the map classifies an actual cultivated acreage (coded "c" on the map) of **37.0 acres.** Similarly, for the SE¼, SW¼ of Section 14, the cultivated acreage is computed to be **38.2 acres.** It is clear from the map that a county road runs along the southern boundary of the Claridge property, and that **1.8 acres** has been deducted from the **40 acres** originally found within the SE¼, SW¼ of Section 14. Also, the map reveals that a "never cultivated" (coded on the map as "NC") strip runs along the western boundary of the SW¼, SW¼ of this

section. The combination of the "NC" strip and the county road have cumulatively removed **3.0 acres** from the original 40 acres in the quarter-quarter section. Table 1 of the Globe Equity No. 59 Decree (page 73) which contains the entries for the above specified quarter-quarter sections also describes this numerical relationship.

DWR did not remove those roads or canals as "lands permanently removed from agricultural production" that were portrayed on the GWC's "decree" maps. DWR assumed that these deductions were made by the framers of the various decrees and actions and were subsequently incorporated into the 1935 consent decree. The analysis performed by DWR concentrated on those activities and modifications to lands portrayed as "cultivated" on the GWC's maps and which were described in the Decree.

DECREED ACREAGE TRANSFERS

The GWC's "decree" maps also contain hand-drawn sketches of parcels of irrigated decreed lands which have been "transferred." There are two types of transfers portrayed on the GWC's maps. The first type of transfer involves the physical transfer of an amount of decreed cultivated land from one specific location to another location. Ostensibly, the sum total of the lands relocated should equal the original acreage prior to transferral.

The second type of transfer portrayed on the GWC's maps are those which are a transfer of service from one canal company to another canal company. For example, in order for an irrigator to obtain a better irrigation head he might change his source of supply from the original canal company and utilize a lateral to convey his water from the new canal company more efficiently. In other words, the actual decreed acreage did not physically move, the acreage is simply transferred to the new canal company's records and deleted from the original canal company books. The GWC's office has reported the existence of 237 approved transfers which involve either an actual transfer of some decreed acreage or change in source of supply within the GVID and FID.

The source of the hand-drawn sketches on the GWC's maps is unknown. Apparently, the transfer applicant has submitted information of an unknown quality

"decree" maps using this data. DWR then drafted this data onto the mylar overlays which covered the 1935 aerial photography on which had been transcribed all of the land status information portrayed on the GWC's "decree" maps.

Consequently, there are conceivably three layers of potential spatial errors with regard to depicting the transferred parcels in a Geographic Information System (GIS) format. The first spatial error could be contained in the drafting and description submitted by the transfer applicant to the GWC. The second error could have been introduced by the GWC's staff during the transference of the data onto the "decree" maps. Finally, spatial errors could exist based upon DWR's drafting of the data onto the mylar overlays and subsequent digitizing into the GIS. Notwithstanding these potential spatial errors, DWR believes that the information contained in this report is the most accurate information concerning transfers of decreed lands available.

CHAPTER 2: URBANIZATION ANALYSIS METHODOLOGY

This chapter explains the procedures used by the Arizona Department of Water Resources (DWR) in analyzing the data and preparing the report. An explanation is provided regarding each of the sources of data and information used in the process, description of field investigations, and the statistical sampling and quality control procedures implemented. Appendices of relevant information are included which provide additional or background material regarding sources of data used in the report.

2.1 SOURCES OF DATA UTILIZED IN REPORT PREPARATION

DWR used several specific sources of data and information in preparing this report. These sources are: Arizona State Water Commission Maps (Gila River Determinations - 1920), also known as the Gila Water Commissioner "Decree" maps; Irrigable Areas Lower Gila River Valley Maps (Gila River Investigations, State of New Mexico - 1926), also considered part of the Gila Water Commissioner's "Decree" maps; the Globe Equity No. 59 Consent Decree (1935); 1935 enlarged aerial photography (Soil Conservation Service - SCS); 1991-1992 enlarged aerial photography (DWR); and the United States Geological Survey (USGS) 7.5 minute series topographic quadrangle maps.

GILA WATER COMMISSIONER "DECREE" MAPS

The maps which the Gila Water Commissioner (GWC) uses to maintain and record pertinent decree information are those maps originally created by the Arizona State Water Commissioner in 1920 and by the New Mexico State Engineer in 1926. The GWC has possession of at least two copies of each of the pertinent map sheets. Tables 2-1 and 2-2 describe each of the maps which are in the possession of the GWC and the actual townships, ranges, and sections that they depict.

One copy is a set of very fragile linen (cloth) maps on which is printed the "decree" information. Several of the linen map sheets are in various stages of disrepair or are missing large pieces of cloth and associated information. However, the GWC does maintain a more permanent set of the maps which were printed on paper and then mounted onto large pieces of masonite.

TABLE 2-1

ARIZONA STATE WATER COMMISSIONER MAPS
(Gila River Determination - 1920)

MAP NUMBER	YEAR	EXTENT OF COVERAGE	SCALE
1	1920	T.8S. & T.9S., R.31E. & R.32E.	1:4,000
2	1920	T.7S., R.31E.	1:4,000
3	1920	T.5S. & T.6S., R.30E. & R.31E.	1:4,000
4	1920	T.6S. & T.7S., R.27E. & R.28E.	1:4,000
6	1920	T.7S., R.26E.	1:4,000
7	1920	T.6S., R.25E. & R.26E.	1:4,000
10	1920	T.5S., R.24E.	1:4,000
11	1920	T.6S., R.24E.	1:4,000
12	1920	T.5S., R23E.	1:4,000
13	1920	T.4S., R.22E. & R.23E.	1:4,000

TABLE 2-2

IRRIGABLE AREAS MAPS
LOWER GILA RIVER VALLEY
(New Mexico State Engineer - Gila River Investigations 1926)

MAP NUMBER	YEAR	EXTENT OF COVERAGE	SCALE
16	1926	T.18S. & T.19S., R.21W.	1:4,000
17	1926	T.18S. & T.19S., R.21W.	1:4,000
18	1926	T.19S., R.20W. & R.21W.	1:4,000

DWR borrowed the GWC's maps and had them photographed and negatives created. Positives were then generated from the negatives which became a primary investigative tool in the process.

The "decree" data, which involved status of lands at the time the maps were "surveyed" in 1920 and 1926, was then carefully transcribed onto mylar (translucent plastic) overlays which were placed over the 1935 enlarged aerial photography (the aerial photography will be discussed in a following section). The GWC's maps also contained the information regarding the transfers of decreed lands. The transfer information was also carefully scribed onto these mylar overlays. Consequently, DWR created a rendition of the GWC's "decree" maps on each of the mylar overlays on the 1935 enlarged aerial photography.

GLOBE EQUITY NO. 59 CONSENT DECREE

The Globe Equity No. 59 Consent Decree specifies the location of decreed acreages to the quarter-quarter section (i.e., 40-acre tract) within the tables contained in the Decree. Each unique quarter-quarter section was input into DWR's Geographic Information System (GIS) database. Approximately 1,660 individual 40-acre tracts were identified in the Decree and input into the GIS database. This does not imply that there were only 1,660 "decreed parcels" quantified in the Globe Equity No. 59 Decree. In fact, there are substantially more than this number as several different landowners

might have decreed acreages all within the same quarter-quarter section of land. DWR created this database simply to identify each 40-acre tract which contained some amount of decreed land within it.

1935 AERIAL PHOTOGRAPHY

The primary purpose of the historic aerial photographic enlargements is to provide a photographic representation of the GWC's "decree" maps at the time that the Decree was entered on June 29, 1935. DWR researched available historical photography repositories and determined that the earliest available complete aerial photographic coverage for the Gila Valley Irrigation District (GVID) and Franklin Irrigation District (FID) was flown in 1935 by the United States Department of Agriculture - Soil Conservation Service (SCS). Indices of this coverage were obtained from the National Archives and evaluated by DWR in order to determine the selected photography to be used in the analysis.

DWR purchased 9 inch by 9 inch (9X9), black and white, nominal 1:24,000 scale copies of this photography. From the 9X9 photography, DWR then selected which photographs to have enlarged to 1:660 scale (one mile is approximately equal to 8 inches). Tables 2-3 and 2-4 list each of the 1935 aerial photo enlargements and the townships, ranges, sections, and irrigation districts which each photo and mylar pair illustrate.

The enlargements were mounted onto foam-core board to make them more permanent. Each of the photographs was then covered with a mylar overlay. Each mylar overlay was "registered" to the enlarged aerial photo using several "tick" marks to avoid shifting of the mylar during the data transcribing process.

As was described in the previous section on the GWC's Decree Maps, the relevant data from the GWC's maps was drafted onto the 1935 photo mylar overlays by DWR. Cultivated lands on the "decree" maps were depicted on the overlay as **green-hachured**. The transferred lands were delineated simply with **green lines** outlining the actual transferred parcel. Not only was the final disposition of the transfer depicted but the original decreed location of the transferred lands was shown as well.

TABLE 2-3

FRANKLIN IRRIGATION DISTRICT
1935 AERIAL PHOTOGRAPHY

PHOTO NUMBER	STATE	TOWNSHIP	RANGE	SECTIONS
1033	ARIZONA	6 SOUTH	30 EAST	1
		6 SOUTH	31 EAST	6,7,8,17,18
1035	ARIZONA	6 SOUTH	31 EAST	19,20,29,30,32
		7 SOUTH	31 EAST	4,5
1258	ARIZONA	7 SOUTH	31 EAST	8,9,16,17,20,21
1260	ARIZONA	7 SOUTH	31 EAST	27,28,33,34
		8 SOUTH	31 EAST	2,3,4,11
1740	ARIZONA	8 SOUTH	32 EAST	19,20,21,29,30,31,32
1742	ARIZONA	8 SOUTH	31 EAST	12,13,14
		8 SOUTH	32 EAST	7,17,18
2481	ARIZONA	8 SOUTH	32 EAST	27,28,33,34
		9 SOUTH	32 EAST	3,4,5
	NEW MEXICO	18 SOUTH	21 WEST	31,32
		19 SOUTH	21 WEST	5,6
2502	NEW MEXICO	18 SOUTH	21 WEST	33,34
		19 SOUTH	21 WEST	2,3,4,10,11
2592	NEW MEXICO	19 SOUTH	21 WEST	1,12,13
		19 SOUTH	20 WEST	7,17,18
6371	ARIZONA	5 SOUTH	30 EAST	33,34
		6 SOUTH	30 EAST	2,3

TABLE 2-4
GILA VALLEY IRRIGATION DISTRICT
1935 AERIAL PHOTOGRAPHY

PHOTO NUMBER	TOWNSHIP	RANGE	SECTIONS
150	7 SOUTH	26 EAST	22,23,24,25,26,27
	7 SOUTH	27 EAST	30
152	7 SOUTH	26 EAST	12,13,14,15,22,23,24
159	7 SOUTH	27 EAST	3
160	7 SOUTH	27 EAST	3,4,7,8,9,10,15,16,17,18,19,20
240	4 SOUTH	23 EAST	17,20,21,22,27,28,29,33,34
256	5 SOUTH	23 EAST	13,14,23,24,25
	5 SOUTH	24 EAST	18,19,30
257	4 SOUTH	23 EAST	35,36
	5 SOUTH	23 EAST	1,2,11,12
	5 SOUTH	24 EAST	6,7,8,17,19
258	4 SOUTH	23 EAST	26,35
269	5 SOUTH	23 EAST	36
	5 SOUTH	24 EAST	19,20,21,28,29,30,31,32,33
270	6 SOUTH	24 EAST	3,4,5,6,8,9,10,15,16
288	6 SOUTH	24 EAST	13,14,23,24,25
290	6 SOUTH	24 EAST	1,2,11,12,13,14
302	6 SOUTH	25 EAST	6,7,8,9,15,16,17,18,20,21,22
303	6 SOUTH	25 EAST	19,27,28,29,30,31,32,33,34
305	7 SOUTH	25 EAST	3,4,10
311	7 SOUTH	25 EAST	13,14
	7 SOUTH	26 EAST	18
312	7 SOUTH	25 EAST	11,12
	7 SOUTH	26 EAST	5,6,7
313	6 SOUTH	25 EAST	23,25,26,35,36
	6 SOUTH	26 EAST	31
	7 SOUTH	25 EAST	1,2
329	7 SOUTH	26 EAST	8,9,16,17
330	7 SOUTH	26 EAST	19,20,21,28
341	6 SOUTH	27 EAST	34,35,36
	6 SOUTH	28 EAST	30,31
	7 SOUTH	27 EAST	1,2
1588	4 SOUTH	23 EAST	6,18,19

The enlarged 1935 photo mylars were also annotated with the appropriate townships, ranges, sections, and applicable cultural features such as roads, canals, the Gila and San Simon Rivers, pertinent surface water diversions, etc. The outlines of the townsites of Duncan, Virden, Safford, Thatcher, Pima, and Fort Thomas were sketched onto the mylar overlays if they were delineated on the GWC's "decree" maps.

1991-1992 ENLARGED AERIAL PHOTOGRAPHY

DWR, as part of its hydrographic survey report (HSR) investigations, had the Upper Gila River watershed flown for black and white aerial photographic coverage. This photography was also flown at a nominal scale of 1:24,000 in order to be more compatible with the USGS 7.5 series minute topographic quadrangle sheet maps. DWR had the Safford Valley, encompassing the GVID, flown on June 20 and July 2, 1992. The Duncan-Virden-York Valleys were flown on July 2, 1991, June 6 and November 2, 1992. The dates upon which the photography was flown have no special significance and are simply the days in which there were adequate weather conditions to photograph the areas.

DWR then evaluated the 9X9 inch photography and selected those frames suitable for enlargement. These selected photos were then enlarged to the 1:660 scale, equivalent to the 1935 enlargements. Tables 2-5 and 2-6 list each of the 1991-1992 aerial photographic enlargements, townships, ranges, sections, and the irrigation districts depicted on each of the overlays. The GVID and FID each had 100% enlarged aerial photographic coverage. In fact, the coverage was so extensive (with considerable overlap from photo to photo) that DWR was able to restrict much of the actual mapping and interpretation to the center portions of each photo in order to minimize the effect of photographic distortion along the edges.

The enlarged 1991-1992 aerial photography was also covered with mylar overlays upon which information could be sketched. The appropriate townships, ranges, and sections were delineated. Additionally, cultural and geographic features were identified in a fashion similar to that used on the 1935 photography. For example, the San Carlos Apache Indian Reservation boundary, the Gila and San Simon Rivers, major roads and highways, canals and diversion works, locations of gages and

TABLE 2-5

FRANKLIN IRRIGATION DISTRICT
1991-1992 AERIAL PHOTOGRAPHY

PHOTO NUMBER	STATE	TOWNSHIP	RANGE	SECTIONS
14-2	ARIZONA	7 SOUTH	31 EAST	8,9,16,17,20,21
14-23	ARIZONA	6 SOUTH	31 EAST	17,18,19,20
15-4	ARIZONA	7 SOUTH	31 EAST	27,28,33,34
15-14	ARIZONA	5 SOUTH	30 EAST	33
		6 SOUTH	30 EAST	1,2,3
		6 SOUTH	31 EAST	6,7,8
16-4	ARIZONA	8 SOUTH	31 EAST	2,3,10,11,12,13,14
17-4	ARIZONA	8 SOUTH	31 EAST	12,13
		8 SOUTH	32 EAST	7,17,18,19,20,21
18-4	ARIZONA	8 SOUTH	32 EAST	21,28,29,30,31,32,33
18-6	ARIZONA	8 SOUTH	32 EAST	27,34
18-7	NEW MEXICO	18 SOUTH	21 WEST	31,32,33,34
		19 SOUTH	21 WEST	5,6
19-4	ARIZONA	9 SOUTH	32 EAST	3,4,5
19-7	NEW MEXICO	19 SOUTH	21 WEST	2,3,4,10,11
19-8	NEW MEXICO	19 SOUTH	21 WEST	2,11,12
19-9	NEW MEXICO	19 SOUTH	20 WEST	7,17,18
		19 SOUTH	21 WEST	13
21-4	ARIZONA	6 SOUTH	31 EAST	32,33
22-4	ARIZONA	7 SOUTH	31 EAST	4,5

TABLE 2-6
GILA VALLEY IRRIGATION DISTRICT
1991 AERIAL PHOTOGRAPHY

PHOTO NUMBER	TOWNSHIP	RANGE	SECTIONS
1-2	4 SOUTH	22 EAST	12,13
	4 SOUTH	23 EAST	7,18,19
2-4	4 SOUTH	23 EAST	17,19,20,21,22,29,30,32
3-5	4 SOUTH	23 EAST	26,27,28,33,34,35
4-4	5 SOUTH	23 EAST	1,2,11,12
5-1	5 SOUTH	23 EAST	13,14,23,24
5-2	5 SOUTH	24 EAST	7,8,17,18,19
6-3	5 SOUTH	23 EAST	25
	5 SOUTH	24 EAST	20,30,31
6-4	5 SOUTH	24 EAST	21,28,29,32,33
	6 SOUTH	24 EAST	4,5
7-4	6 SOUTH	24 EAST	2,3,4,5,9,10
7-5	6 SOUTH	24 EAST	1,12
	6 SOUTH	25 EAST	6,7
8-3	6 SOUTH	24 EAST	11,13,14,23,24
8-4	6 SOUTH	25 EAST	7,8,17,18,19,20
8-5	6 SOUTH	25 EAST	9,15,16,21,22
9-5	6 SOUTH	24 EAST	25
	6 SOUTH	25 EAST	29,30,31,32
9-6	6 SOUTH	25 EAST	28,33
9-8	6 SOUTH	25 EAST	25,26,27,34,35,36
9-18	6 SOUTH	27 EAST	34,35,36
	6 SOUTH	28 EAST	31
10-7	7 SOUTH	25 EAST	1,2,3,10,11,12,13
10-9	6 SOUTH	26 EAST	31
	7 SOUTH	26 EAST	5,6,7,8
10-15	7 SOUTH	27 EAST	8
10-16	7 SOUTH	27 EAST	1,2,3,4,9,10,11,15
11-5	7 SOUTH	25 EAST	13
	7 SOUTH	26 EAST	16,17,18,19,20,21,28
11-6	7 SOUTH	26 EAST	14,15,22,23,26,27
11-8	7 SOUTH	26 EAST	12,13,14,22,24,25
	7 SOUTH	27 EAST	7,18,19,30
11-9	7 SOUTH	27 EAST	16,17,20

flumes, and locations of 1935 townsite boundaries. DWR also mapped the current county assessor land ownership information on the 1991-1992 photo mylar overlays.

Finally, those lands which were determined to have been permanently removed from agricultural production were identified in **orange-hachured** on the mylar overlays. DWR made this determination based upon a comparison of the lands on the 1991-1992 photography with that represented on the 1935 photography and the GWC's "decree" maps. This process will be described in more detail in a following section in this chapter.

UNITED STATES GEOLOGICAL SURVEY 7.5 MINUTE TOPOGRAPHIC QUADRANGLE MAP SHEETS

DWR used the USGS 7.5 minute topographic quadrangle map sheets in the analysis in order to carefully plot the location of section corners, township and range lines, and other important cultural or geographic features on the mylar overlays covering both the 1935 and 1991-1992 photography. Table 2-7 lists each of the USGS topographic quadrangle map sheets and the map scale for each map within the project area.

TABLE 2-7
UNITED STATES GEOLOGICAL SURVEY
TOPOGRAPHIC QUADRANGLE MAP SHEETS
(7.5 Minute Series)

QUADRANGLE MAP NAME	SCALE
Canador Peak, New Mexico	1:24,000
Duncan, Arizona, New Mexico	1:24,000
Eden, Arizona	1:24,000
Fort Thomas, Arizona	1:24,000
Geronimo, Arizona	1:24,000
Guthrie, Arizona	1:24,000
Hot Well, Arizona	1:24,000
Lone Star, Arizona	1:24,000
Pima, Arizona	1:24,000
Safford, Arizona	1:24,000
San Jose, Arizona	1:24,000
Sheldon, Arizona	1:24,000
Thatcher, Arizona	1:24,000
Weber Peak, Arizona	1:24,000
York, Arizona	1:24,000

2.2 URBANIZATION ANALYSIS PROCEDURES

DWR collected and compiled a substantial amount of information prior to determining those lands urbanized and removed from agricultural production. Once all of this data had been collected and analyzed, the process of classifying the "urbanized" or lands "permanently removed from production" was a relatively straight forward process.

Each quarter-quarter section (40-acre tract) of land on the 1991-1992 enlarged aerial photography was compared to its counterpart on the enlarged 1935 photography and associated mylar depicting the GWC's "decree" information. All of those areas which appeared to have been urbanized or permanently removed from agricultural production were hachured in **orange**.

This analysis was also applied to those rural portions of the GVID and FID outside of the town limits or populated areas. In other words, DWR evaluated whether decreed agricultural lands had been replaced with new "permanent" structures (houses, barns, etc.). Additionally, if new permanent roads or canals were evident, these too were hachured in **orange** on the 1991-1992 mylar overlays.

DWR discovered, through analysis of the aerial photography, that some "farm roads" probably cannot be considered as permanently removed from agricultural production. Apparently, irrigators periodically alter the layout and access to their fields, dependent upon the crops being raised, irrigation water conveyance systems, and requirements of moving farm machinery about the farmed lands. At the close of the agricultural season, many irrigators will have the existing fields plowed under and laser-levelled, thus potentially changing the internal structure and layout of the fields in preparation for the next growing season. Consequently, these temporary features were not classified by DWR as being lands permanently removed.

The areas in and around Solomon within the GVID contained such a density of structures and very tiny pieces of potentially cultivated acreages that an accurate evaluation of the land status could not be performed on the 1:660 scale enlarged 1991-1992 aerial photography. For this area, DWR selected 1 frame of the available photography enlarged to an approximate scale of 1:330 (16 inches equals one mile).

2.3 STATISTICAL SAMPLING PROCEDURES

After the data had been analyzed and evaluated and the 1991-1992 mylar overlays annotated with DWR's classification of the lands permanently removed, a procedure was developed to test the validity of the office methodologies. This procedure involved selecting a statistically pertinent number of quarter-quarter sections (40-acre tracts) for field inspection. DWR field investigated each of the sample sites as well as additional areas which, during the office analysis, were determined to be difficult to classify. For example, it was difficult to accurately classify some of the lands located along the highway "artery" through the towns of Fort Thomas, Pima, Thatcher, and Safford. Some of these areas required careful scrutiny during the field investigation phase.

DWR consulted with two professors (E. Burns and F. Aldrich) associated with the Arizona State University Geography Department. They indicated that because DWR was "sampling" (through the actual analysis) 100% of the study area (the Upper Valleys) that the "science of statistical analysis" was not required to strengthen the study. However, DWR decided to randomly sample selected 40-acre tracts within the Upper Valleys to test the decision process.

DWR also examined a standard college geography text entitled: "Introduction to Geographic Field Methods and Techniques," Second Edition, John F. Lounsbury and Frank T. Aldrich, 1986. The statistical sampling procedure which DWR selected for use is known as the "stratified random sampling procedure." A "matrix" was created using the townships and ranges which contained any portion of the decreed lands within the Upper Valleys. Within each of the matrix cells, a 40-acre tract was randomly located from each section (640 acres) which contained decreed acreage. Within the GVID, 124 sample cells were selected for field investigation. In the FID, an additional 61 sample cells were selected for field checks.

FIELD INVESTIGATIONS

On March 14-16, 1994, DWR conducted field investigations associated with verifying the classifications of "urbanized" or "lands permanently removed from

agricultural production" on the 1991-1992 aerial photograph mylar overlays. DWR utilized the 1991-1992 aerial photography, applicable USGS topographic quadrangle map sheets, the Globe Equity No. 59 Consent Decree, the small scale mylar "positives" of the GWC's "decree" maps, and a preliminary set of the maps depicting the "urbanized" lands during the field evaluations of the GVID and FID. All of the selected sample sites in the GVID and FID were field inspected by DWR and compared to the results of the office analysis. The results of the sampling procedure and field investigations confirmed DWR's office procedures and analyses.

2.4 DEVELOPMENT OF THE DATABASE

Upon completion of the "urbanization analysis" and statistical analysis, DWR digitized the information developed on the 1991-1992 enlarged aerial photographic mylars into a Geographic Information System (GIS) database. From this GIS database, DWR generated a set of 6 map plates (PLATES 1-6 in the back of this report). PLATE 1 is an Index Map (scale of 1½ inches to 1 mile) which gives a graphic overview of the entire study area within the Upper Valleys. PLATES 2-6 are portions of each of the irrigation districts (scale 2 inches equals 1 mile). Only those lands which DWR has identified as being permanently removed from agricultural production are delineated on these plates.

Having the information in the GIS database format allowed DWR to report the results of the urbanization study in a number of ways which are highlighted below:

- By state (Arizona or New Mexico)
- By irrigation district (GVID or FID)
- Franklin Irrigation District by state
- By individual canal companies
- By township, range, and section for Arizona and New Mexico
- By township, range section, and quarter-quarter section for Arizona and New Mexico

The results of the urbanization analysis including a discussion of changes from the preliminary report and dispostion of the objections made are described in the next chapter (Chapter 3).

CHAPTER 3: RESULTS OF THE ANALYSIS

This chapter describes the results of the Arizona Department of Water Resources (DWR) "urbanization analysis" of the Globe Equity No. 59 Decree lands in the Upper Valleys of the Gila River. Changes from the preliminary report and disposition of the the objections forwarded to DWR by the Gila Water Commissioner (GWC) are also discussed.

3.1 RESULTS OF THE URBANIZATION ANALYSIS

The analysis shows that for the Upper Valleys, DWR has identified approximately **1,314** acres of decreed lands which can be classified as urbanized or permanently removed from agricultural production. There are about **1,282** acres of urbanized lands located in Arizona and **32** acres located in New Mexico.

For the Franklin Irrigation District (FID), the analysis identified about **93** acres that have been permanently removed. Of this amount, approximately **61** acres are in the Arizona portion of FID and the remaining **32** acres in the New Mexico portion. Within the FID, DWR identified **67** acres of urbanized lands within present canal company boundaries. Nearly **26** acres classified as urbanized lie in areas outside of the currently established canal companies.

Similarly, within the Gila Valley Irrigation District (GVID), DWR classified approximately **1,221** acres as permanently removed from agricultural production or urbanized. DWR identified nearly **1,037** acres as urbanized within the confines of the canal companies. There are approximately **184** acres of urbanized lands which lie outside of the current canal company boundaries. These lands may prove to be a portion of one or more of the canal companies. The designations assigned by DWR are based upon a lack of certainty regarding which canal company supplied these formerly irrigated lands. However, DWR has determined that all of the lands are decreed and are located within the present boundaries of the GVID. Some of these lands are very closely associated with towns (Virden, Duncan, Safford, Thatcher, and Pima), and in

some cases, have been incorporated within the present city or town limits, making the determination of current canal company administration difficult. Table 3-1 summarizes the results of the analysis. APPENDIX C contains additional tables which describe the urbanized lands by the following categories:

- Urbanized lands in Arizona and New Mexico
- Urbanized lands within the FID and GVID
- FID urbanized lands in Arizona and New Mexico
- Urbanized lands by canal companies associated with the FID and GVID
- Urbanized lands by township, range and section in Arizona and New Mexico
- Urbanized lands by township, range, and quarter-quarter section in Arizona and New Mexico

TABLE 3-1

GLOBE EQUITY NO. 59 DECREE
URBANIZED LANDS IN THE UPPER VALLEYS - ARIZONA AND NEW MEXICO

UPPER VALLEYS LANDS	ACRES
Arizona Lands Classified As "Urbanized"	1,281.20
New Mexico Lands Classified As "Urbanized"	32.38
TOTAL	**1,313.58**
IRRIGATION DISTRICT LANDS	**ACRES**
Franklin Irrigation District Lands Classified as "Urbanized"	92.84
(Arizona portion)	(60.46)
(New Mexico portion)	(32.38)
Gila Valley Irrigation District Lands Classified as "Urbanized"	1,220.74
TOTAL	**1,313.58**

3.2 CHANGES FROM THE DRAFT REPORT

This section discusses the change in the study results from the draft report. The draft report indicated that there were approximately 1,676 acres of urbanized lands in the Upper valleys. This report now shows that there are only 1,314 acres of urbanized lands, a difference of 362 acres. The following factors contributed to this change:

- DWR review of the draft report data and maps
- Objections filed by the Gila Valley Irrigation District
- DWR reanalysis of the decreed acreage for the Pima, Safford, and Thatcher townsites

These factors are discussed below.

DWR REVIEW OF DRAFT REPORT DATA AND MAPS

DWR undertook a thorough scrutiny of the data and maps generated for the draft report. All of the areas that were identified as being urbanized on the 1991-1992 aerial photo mylars were reviewed to determine if they were actually decreed lands, if they were in fact urbanized, or if they were part of transferred acreage. This review resulted in a net change of +117 acres. A summary of this review for each quarter-quarter section is listed in APPENDIX D.

GILA VALLEY IRRIGATION DISTRICT ANALYSIS OF URBANIZED, DECREED ACREAGE

The Gila Valley Irrigation District filed an objection pertaining to DWR's classification of decreed acreage as urbanized within the GVID. A portion of GVID objection's also consisted of a quarter-quarter section analysis of the urbanized lands with their service boundaries. GVID's analysis was used in conjunction with DWR's review of the draft report. DWR's evaluation of GVID's analysis is also shown in APPENDIX D. GVID's analysis resulted in a net change of −479 acres.

DWR ANALYSIS OF THE DECREED ACREAGE FOR PIMA, SAFFORD, AND THATCHER TOWNSITES

DWR reviewed the Globe Equity No. 59 Decree and the GWC decree maps as they pertain to the townsites of Pima, Safford, and Thatcher. The decreed townsite boundaries were placed on the 1991-1992 enlarged aerial photography mylars. DWR then determined which lands outside these boundaries have been urbanized. For Safford, there were 3 additions (Smith's, Beebe, and Unnamed) that contained decreed acreage. The total acreage within these additions is 96 acres (shown in APPENDIX E) which DWR considered to be urbanized. The analysis resulted in 96 acres being classified as urbanized.

3.3 DISPOSITION OF THE OBJECTIONS

DWR received 232 objections from the Gila Water Commissioner which were deemed to have merit. Two of the objections were filed by the Gila Valley Irrigation District (GVID) and the Gila River Indian Community (GRIC) and concerned DWR's methodology and results. The remaining 230 objections were filed by individual landowners within the GVID and concerned DWR's classification of their parcel as completely urbanized. The disposition of these objections are discussed below.

OBJECTION FILED BY THE GILA VALLEY IRRIGATION DISTRICT

The GVID's objection (shown in APPENDIX F) identified 6 categories of errors that GVID believed were made by DWR in the urbanization study. The categories are listed as follows:

- Category 1 - Determination That Non-Decreed Land Has Been Urbanized
- Category 2 - Determination That Land From Which Water Rights Have Been Transferred Has Been Urbanized
- Category 3 - Lands Presently Under Cultivation
- Category 4 - Lands Not Shown On The Tables In The Draft Study, But Shown On The Accompanying Maps
- Category 5 - Lands Shown On The Tables In The Draft Study As Having Been Permanently Retired From Agricultural Use, But Not So Depicted On The Accompanying Maps
- Category 6 - Small Parcels (Under Two Acres)

Categories 1 through 5 have been addressed by DWR in its review of the draft report data and maps as described in Section 3.1. DWR acknowledges GVID's concerns stated in Category 6 pertaining to small residential parcels that DWR has classified as entirely urbanized, even though there might be some portion of the parcel which is

irrigated. DWR believes this is an issue for the Court to decide as to whether these lands can be still considered as "then being irrigated."

OBJECTION FILED BY THE GILA RIVER INDIAN COMMUNITY

The objection filed by the GRIC (shown in APPENDIX F) focuses on the amount of decreed "urbanized" lands in the GVID. The GRIC undertook an analysis of the Graham County assessor land use codes assigned to all of the decreed parcels within the GVID. Any parcel that was not designated as "RANCH PROPERTY" (which includes land use codes of PLANT NURSERIES, FIELD CROPS, VINEYARDS, TREE CROPS, CITRUS CROPS, HIGH DENSITY AGRICULTURE, IMMATURE TREES, RANCH PROPERTY, PASTURE LAND, and NONUSED FARM LAND) by the county assessor were assumed by the GRIC to be removed from agricultural production. The GRIC's analysis was based upon a "Water User and Parcel Numbers, January 1989" list obtained from the GVID, which shows 32,512.4 acres of decreed land. The GRIC calculated that there are 28,780.38 acres of land listed as "RANCH PROPERTY." The GRIC then deducted this amount from the 32,512.4 acres of GVID decreed acreage, leaving 3,732.02 acres not classified as "RANCH PROPERTY." GRIC states that "lands that are not classified as 'Ranch Property' have apparently been removed from agricultural production."

DWR has analyzed the county assessor codes associated with the GVID lands and has determined there are 28,624 acres of lands coded "RANCH PROPERTY." DWR has also evaluated the other land use code types and have estimated that there are an additional 945 acres of irrigated lands. These acreages are shown in APPENDIX G. DWR believes that the transferred acreage should be included in the GRIC analysis. Adding these acres, which total 104 acres , to the "RANCH PROPERTY" acreage results in an irrigated acreage value of 29,673 acres. Subtracting this value from the GVID acreage gives 2,839.4 acres. DWR has found out that the 2,839.4 acres includes the decreed lands for Pima, Safford, and Thatcher. DWR believes this acreage, which totals 1,024 acres (shown in APPENDIX H) should also be deducted from the GRIC apparent urbanized value resulting in 1,815.4 acres removed from

agricultural purposes. This is of the same magnitude as DWR's determination of 1,221 acres for the GVID.

OBJECTIONS FILED BY OTHERS

There were 230 other objections submitted by individual landowners, primarily located within the GVID. Sixteen of the objections were associated with nondecreed lands and were not addressed by DWR. The remaining 214 objections pertained to small irrigated parcels. As stated earlier, DWR is not changing its classification of these parcels as "urbanized." As assistance to the Court on the issue of these small parcels (GVID objection), DWR has analyzed those parcels that indicated some sort of structure existing on the property (i.e., "urbanized"). Based upon the data provided in the objections, the total parcel acreage is 283.59 acres, the total irrigated area is 249.30 acres or 88%, and the total area devoted to structures is 33.89 acres or 12%. In other words, about 12% of total acreage of these small parcels could be considered "urbanized" or "permanently removed from agricultural production." APPENDIX I lists all of the objections sent to DWR by the Gila Water Commissioner.

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APPENDIX B:	DWR LETTER TO GILA WATER COMMISSIONER, APRIL 8, 1993	TAN
APPENDIX C:	GLOBE EQUITY NO. 59 CONSENT DECREE - URBANIZED AND PERMANENTLY RETIRED AGRICULTURAL LANDS IN THE UPPER GILA RIVER VALLEYS	GOLDENROD
APPENDIX D:	SUMMARY OF CHANGES FROM THE DRAFT REPORT OF URBANIZED AND PERMANENTLY RETIRED AGRICULTURAL LANDS IN THE UPPER GILA RIVER VALLEYS	BLUE
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APPENDIX A

ARIZONA DEPARTMENT OF WATER RESOURCES

15 South 15th Avenue, Phoenix, Arizona 85007
Telephone (602) 542-1553
Fax (602) 256-0506

FIFE SYMINGTON
Governor

ELIZABETH ANN RIEKE
Director

October 14, 1992

Mr. Donald L. Weesner
Gila Water Commissioner
P.O. Box 152
Safford, Arizona 85548

Re: Globe Equity No. 59 Decree

Dear Mr. Weesner,

This letter is in reference to your chairmanship of the Rules Committee designed to resolve certain yet remaining disputes between the water users of the rights adjudicated in the Globe Equity No. 59 Decree. This Committee, formed under the Memorandum and Order signed by United States District Judge John C. Coughenour on March 16, 1992, was directed to determine whether certain lands having water rights under the 1935 Decree have been permanently removed from agricultural production. Specifically, Judge Coughenour has ruled that:

> There is little dispute that the commissioner should be directed to determine what acreage has been permanently removed from agricultural use. Clearly, such acreage includes lands now occupied by buildings, streets, roads, and parking lots within the districts.
>
> * * *
>
> The Court agrees with SCAT that land being used for farm structures, canals, and roads, as well as land permanently removed from farming uses, is not "then being irrigated" for purposes of the Decree.
>
> * * *

> The Court directs the Rules Committee to consider proposals for an aerial survey, or other methods, to determine which decreed acres are no longer used for farming purposes at all.

For the last several months, representatives of the Department of Water Resources ("DWR") have attended the Rules Committee meetings and have given thought to the methods by which you may carry out this directive. As you know, DWR is also faced with a similar task in preparing the Hydrographic Survey Report ("HSR") for the Upper Gila River and will, in the course of that endeavor, do much of the research necessary for your work. Unfortunately, the Preliminary HSR will not be ready for publication until approximately 1997. Therefore, the committee has entertained the thought of seeking an order from the superior court allowing release of information from DWR concerning the Upper Gila River as early as 1994. While DWR is not necessarily opposed to such an idea, we do believe that it causes precedential problems and may result in the assemblage of information in a form not useful to the District Court.

Instead of this approach, DWR has suggested that the committee request a special report from DWR documenting our initial review of the Upper Gila River with respect to land retired from agricultural production. This report would be a public document, produced entirely outside any ongoing adjudication. It would be prepared with the express understanding that it is not binding on the Federal Court governing the Globe Equity litigation or on the State Court governing the Gila River adjudication. Nor would it be binding on DWR, as we prepare our Preliminary HSR for the Gila River. Although we anticipate at this time that most of the information contained in this special report will be transferrable to the HSR, we must reserve the right to reconsider the facts as time progresses and make changes accordingly, just as your committee will reserve the right to challenge the information supplied by DWR before Judge Coughenour.

If your committee decides to request this special report in lieu of court ordered discovery, we are prepared to do the following:

> 1. Conduct a historic review of the lands in the Globe Equity Decree, using maps from the Commissioner's office and aerial photography supplied by DWR to determine where urban development ("buildings, streets, roads, and parking lots") has removed land permanently from agricultural production in the Safford and Duncan-Virden valleys.

2. Conduct a similar historic review with respect to "farm structures, canals, and roads, as well as land permanently removed from farming uses" on decreed agricultural lands since 1935 in the Safford and Duncan-Virden valleys.

3. Compile this information in report form, identifying first those lands which DWR believes fit the specified categories, and supplementing those conclusions with appendices of relevant data from which the conclusions may be analyzed by the interested reader.

4. Complete this Report for public dissemination by the first quarter of 1994.

The information contained within this report will necessarily suffer some limitations. First, we will make no attempt to determine the ownership of the lands specified. The land will be described by geographic criteria only. Also, we may, in some instances, be unable to determine whether developed land is actually land which had appurtenant rights under the 1935 Decree. This is so because of the lack of specificity in the Decree itself as to where certain lands are located within a 40 acre quarter section. Naturally, we will do our best to determine the precise boundaries of the decreed lands, and our current analysis will be of detail sufficient to pinpoint the post 1935 improvements, but it may not always be possible to accomplish the desired objective with absolute certainty. Those areas where detail is lacking, if any, will have to be resolved by other means.

Despite such limitations, we believe that much can be accomplished by the preparation of this report. DWR will benefit by the research, which can later be included in the Preliminary HSR. Your committee will undoubtedly benefit by the collection of significant amounts of data in a singular format. In summary, we believe that a special report will be the most efficient means of sharing the information needed by your committee to fulfill its obligations to the District Court.

. . . .

. . . .

. . . .

At this juncture, we have only considered this task with respect to the Upper Valleys of the Gila River, as we believed this to be the primary focus of Judge Coughenour's order. We are prepared, however, to conduct a similar survey of the Lower Valley lands. If specifically requested to do so by your committee, we will analyze that task and suggest an appropriate time frame for completion.

Sincerely,

C. Laurence Linser
Deputy Director
Office of Engineering and Adjudications

CLL/mjp

c: Mr. Brent Moody,
Ryley Carlock & Applewhite

Mr. Donald Weesner
HCR Box 95F
Payson, Arizona 85541

APPENDIX B

ARIZONA DEPARTMENT OF WATER RESOURCES
15 South 15th Avenue, Phoenix, Arizona 85007
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FIFE SYMINGTON
Governor

RITA P. PEARSON
Director

April 8, 1993

Mr. Donald L. Weesner
Gila Water Commissioner
P.O. Box 152
Safford, Arizona 85548

Re: Globe Equity No. 59 Decree

Dear Mr. Weesner,

This letter supplements our October 14, 1992 letter concerning the preparation of a special report on urbanization of agricultural lands in the upper Gila river valleys. As you know, we are undertaking to prepare that report at the request of the Rules Committee established by order of United States District Court Judge John C. Coughenour.

Since our original proposal, members of our staff have become aware that the Rules Committee would like to see a modification of our original scope of work. This modification would allow for the release of the report in draft form, followed by a brief review period where interested parties can request changes in the conclusions drawn by DWR. We have agreed to incorporate this suggestion into our work, on a limited basis, as defined by the terms expressed in this letter.

When the report is completed in the first quarter of 1994, we will distribute a copy to each member of the Rules Committee. We will also provide you with two copies for your office, and will maintain two copies for inspection at the offices of DWR. Other copies may be available for sale, depending on demand.

From the date of distribution, any interested party will have 30 days in which to examine the document and request changes. Any such request must be submitted to you in writing. You have agreed to accept responsibility for collecting these requests, performing an initial review, and rejecting those which you believe have no merit. If you find that a request has merit, you will forward it to us for consideration. All such requests

will be forwarded within 45 days from the date the report was distributed.

Upon receipt of the requests for change, DWR will make them available for any party to Globe Equity No. 59 proceedings to review. Requests to examine the documents shall be made for reasonable times and on reasonable notice. Meanwhile, DWR will be reviewing the requests and determining whether any changes will be made to the draft report. It is anticipated that our review will be completed within 30 days and a final report will be promptly issued. Any changes made to the report will be expressly noted when the final report is released, together with the reasons for change. After the final report is issued, any party still dissatisfied may address further complaints to the United States District Court.

Finally, DWR reserves the right to reject any request for change without stating the reason. Parties should also be aware that they are not required to submit a request for change in order to preserve their right to argue error in the report to the United States District Court.

We hope that, in providing this informal review process, we have accomplished the goal of allowing the parties to the decree an opportunity to correct factual errors committed by DWR without the expense of formal appearances in court. At the same time, we hope that the report will be of such quality that few, if any, corrections will have to be made.

Sincerely,

C. Laurence Linser
Deputy Director
Office of Engineering

c: Mr. Brent Moody
Ryley, Carlock & Applewhite

Mr. Donald Weesner
2338 East Cheryl Drive
Phoenix, Arizona 85028

Members of the Globe Equity Rules Committee

Rita P. Pearson, Acting Director ADWR

APPENDIX C: GLOBE EQUITY NO. 59 CONSENT DECREE - URBANIZED AND PERMANENTLY RETIRED AGRICULTURAL LANDS IN THE UPPER GILA RIVER VALLEYS

Appendix C contains 8 tables that portray the results of the Arizona Department of Water Resources urbanization analysis for the Globe Equity No. 59 decreed agricultural lands in the Upper Valleys of the Gila River. The following list describes each table found in this appendix and its page number.

TABLE NUMBER	TABLE DESCRIPTION	PAGE NUMBER
TABLE C-1	Globe Equity No. 59 - Urbanized Lands in the Upper Valleys - Arizona and New Mexico	C-2
TABLE C-2	Globe Equity No. 59 - Urbanized Lands in the Upper Valleys by Irrigation Districts	C-2
TABLE C-3	Franklin Irrigation District - Urbanized Lands in Arizona and New Mexico	C-2
TABLE C-4	Franklin Irrigation District - Urbanized Lands by Canal Company	C-3
TABLE C-5	Gila Valley Irrigation District - Urbanized Lands By Canal Company	C-3
TABLE C-6	Globe Equity No. 59 - Urbanized Lands in the Upper Valleys by Township, Range, and Section	C-4
TABLE C-7	Globe Equity No. 59 - Urbanized Lands in the Upper Valleys - Arizona Portion - by Township, Range, Section, and Quarter-quarter Section	C-8
TABLE C-8	Globe Equity No. 59 - Urbanized Lands in the Upper Valleys - New Mexico Portion - by Township, Range, Section, and Quarter-quarter Section	C-22

TABLE C-1

GLOBE EQUITY NO. 59
URBANIZED LANDS IN THE UPPER VALLEYS - ARIZONA AND NEW MEXICO

UPPER VALLEYS TOTALS	ACRES
Arizona Lands classified as "Urbanized"	1,281.20
New Mexico Lands classified as "Urbanized"	32.38
TOTAL	1,313.58

TABLE C-2

GLOBE EQUITY NO. 59
URBANIZED LANDS IN THE UPPER VALLEYS BY IRRIGATION DISTRICTS

IRRIGATION DISTRICT NAME	ACRES
Franklin Irrigation District	92.84
Gila Valley Irrigation District	1,220.74
TOTAL	1,313.58

TABLE C-3

FRANKLIN IRRIGATION DISTRICT
URBANIZED LANDS IN ARIZONA AND NEW MEXICO

FRANKLIN IRRIGATION DISTRICT TOTALS	ACRES
Franklin Irrigation District (ARIZONA)	60.46
Franklin Irrigation District (NEW MEXICO)	32.38
TOTAL	92.84

TABLE C-4

FRANKLIN IRRIGATION DISTRICT
URBANIZED LANDS BY CANAL COMPANY

FRANKLIN IRRIGATION DISTRICT CANAL COMPANY TOTALS	ACRES
New Model Canal	27.84
Sunset Canal	33.55
Valley Canal	5.98
Outside Canal Companies	25.47
TOTAL	92.84

TABLE C-5

GILA VALLEY IRRIGATION DISTRICT
URBANIZED LANDS BY CANAL COMPANY

GILA VALLEY IRRIGATION DISTRICT CANAL COMPANY TOTALS	ACRES
Brown Canal	7.95
Curtis Canal	7.92
Dodge-Nevada Canal	4.07
Fort Thomas Canal	20.57
Graham Canal	39.54
Montezuma Canal	314.54
Union Canal	513.34
San Jose Canal	89.89
Smithville Canal	39.40
Outside Canal Companies	183.52
TOTAL	1,220.74

TABLE C-6

GLOBE EQUITY NO.59
URBANIZED LANDS IN THE UPPER VALLEYS
BY TOWNSHIP, RANGE, AND SECTION

TOWNSHIP/RANGE/SECTION TOTALS	ACRES
T.4S., R.23E., SECTION 17	0.77
T.4S., R.23E., SECTION 18	0.20
T.4S., R.23E., SECTION 19	0.47
T.4S., R.23E., SECTION 20	11.99
T.4S., R.23E., SECTION 27	0.86
T.4S., R.23E., SECTION 29	2.60
T.4S., R.23E., SECTION 34	0.03
T.4S., R.23E., SECTION 35	26.22
T.5S., R.23E., SECTION 2	3.19
T.5S., R.23E., SECTION 13	1.02
T.5S., R.24E., SECTION 19	1.93
T.5S., R.24E., SECTION 28	3.07
T.5S., R.24E., SECTION 29	3.16
T.5S., R.24E., SECTION 30	0.29
T.5S., R.24E., SECTION 31	0.51
T.5S., R.24E., SECTION 32	0.08
T.5S., R.24E., SECTION 33	5.01
T.6S., R.24E., SECTION 1	0.77
T.6S., R.24E., SECTION 2	1.55
T.6S., R.24E., SECTION 11	0.60
T.6S., R.24E., SECTION 13	2.78
T.6S., R.24E., SECTION 14	7.07
T.6S., R.24E., SECTION 23	0.67
T.6S., R.24E., SECTION 24	26.55
T.6S., R.24E., SECTION 25	0.49
T.6S., R.25E., SECTION 7	16.93

TABLE C-6
(Continued)

TOWNSHIP/RANGE/SECTION TOTALS	ACRES
T.6S., R.25E., SECTION 8	0.66
T.6S., R.25E., SECTION 17	12.77
T.6S., R.25E., SECTION 18	2.04
T.6S., R.25E., SECTION 19	6.43
T.6S., R.25E., SECTION 20	20.06
T.6S., R.25E., SECTION 21	0.69
T.6S., R.25E., SECTION 22	2.39
T.6S., R.25E., SECTION 25	10.87
T.6S., R.25E., SECTION 26	8.88
T.6S., R.25E., SECTION 27	2.10
T.6S., R.25E., SECTION 28	8.56
T.6S., R.25E., SECTION 29	19.78
T.6S., R.25E., SECTION 30	24.37
T.6S., R.25E., SECTION 31	0.33
T.6S., R.25E., SECTION 33	44.34
T.6S., R.25E., SECTION 34	14.13
T.6S., R.25E., SECTION 36	2.79
T.6S., R.27E., SECTION 04	0.02
T.6S., R.27E., SECTION 35	10.48
T.6S., R.27E., SECTION 36	1.16
T.6S., R.28E., SECTION 31	2.36
T.6S., R.31E., SECTION 17	3.41
T.7S., R.25E., SECTION 1	4.12
T.7S., R.25E., SECTION 2	7.00
T.7S., R.25E., SECTION 3	42.57
T.7S., R.25E., SECTION 4	2.73
T.7S., R.25E., SECTION 11	17.19
T.7S., R.25E., SECTION 12	103.42

TABLE C-6
(Continued)

TOWNSHIP/RANGE/SECTION TOTALS	ACRES
T.7S., R.25E., SECTION 13	46.29
T.7S., R,25E., SECTION 14	8.48
T.7S., R.26E., SECTION 5	0.11
T.7S., R.26E., SECTION 6	0.95
T.7S., R.26E., SECTION 7	104.76
T.7S., R.26E., SECTION 8	75.08
T.7S., R.26E., SECTION 9	14.74
T.7S., R.26E., SECTION 14	0.94
T.7S., R.26E., SECTION 15	13.71
T.7S., R.26E., SECTION 16	40.91
T.7S., R.26E., SECTION 17	161.09
T.7S., R.26E., SECTION 18	164.17
T.7S., R.26E., SECTION 19	22.40
T.7S., R.26E., SECTION 20	37.69
T.7S., R.26E., SECTION 21	6.64
T.7S., R.26E., SECTION 22	5.88
T.7S., R.26E., SECTION 23	4.71
T.7S., R.26E., SECTION 24	1.95
T.7S., R.26E., SECTION 26	0.35
T.7S., R.26E., SECTION 28	2.42
T.7S., R.27E., SECTION 3	6.70
T.7S., R.27E., SECTION 4	0.33
T.7S., R.27E., SECTION 9	5.52
T.7S., R.27E., SECTION 16	0.82
T.7S., R.27E., SECTION 19	1.44
T.7S., R.27E., SECTION 20	1.61
T.7S., R.31E., SECTION 4	1.37
T.7S., R.31E., SECTION 16	1.45

TABLE C-6
(Continued)

TOWNSHIP/RANGE/SECTION TOTALS	ACRES
T.7S., R.31E., SECTION 21	4.73
T.8S., R.31E., SECTION 12	0.10
T.8S., R.32E., SECTION 7	0.03
T.8S., R.32E., SECTION 18	0.88
T.8S., R.32E., SECTION 19	0.14
T.8S., R.32E., SECTION 20	3.47
T.8S., R.32E., SECTION 21	0.03
T.8S., R.32E., SECTION 27	0.74
T.8S., R.32E., SECTION 28	0.07
T.8S., R.32E., SECTION 29	5.95
T.8S., R.32E., SECTION 32	1.70
T.8S., R.32E., SECTION 33	1.63
T.8S., R.32E., SECTION 34	19.12
T.9S., R.32E., SECTION 3	5.95
T.9S., R.32E., SECTION 4	9.18
T.9S., R.32E., SECTION 5	0.51
T.18S., R.21W., SECTION 32	9.91
T.18S., R.21W., SECTION 33	3.85
T.19S., R.20W., SECTION 18	2.88
T.19S., R.21W., SECTION 2	5.74
T.19S., R.21W., SECTION 3	2.24
T.19S., R.21W., SECTION 5	2.47
T.19S., R.21W., SECTION 10	0.42
T.19S., R.21W., SECTION 11	0.01
T.19S., R.21W., SECTION 12	4.12
T.19S., R.21W., SECTION 13	0.74
TOTAL ACRES	1,313.58

TABLE C-7

GLOBE EQUITY NO.59
URBANIZED LANDS IN THE UPPER VALLEYS
ARIZONA PORTION - BY TOWNSHIP, RANGE, SECTION,
AND QUARTER-QUARTER SECTION

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.4S., R.23E., SECTION 17, SW¼, SW¼	0.77
T.4S., R.23E., SECTION 18, SE¼, SE¼	0.20
T.4S., R.23E., SECTION 19, NE¼, NE¼	0.37
T.4S., R.23E., SECTION 19, SE¼, NE¼	0.10
T.4S., R.23E., SECTION 20, NW¼, NW¼	1.51
T.4S., R.23E., SECTION 20, NW¼, SW¼	0.35
T.4S., R.23E., SECTION 20, SE¼, SW¼	0.63
T.4S., R.23E., SECTION 20, SW¼, NE¼	0.36
T.4S., R.23E., SECTION 20, SW¼, NW¼	7.47
T.4S., R.23E., SECTION 20, SW¼, SE¼	1.67
T.4S., R.23E., SECTION 27, SW¼, SW¼	0.86
T.4S., R.23E., SECTION 29, NE¼, NE¼	2.60
T.4S., R.23E., SECTION 34, NW¼, NW¼	0.03
T.4S., R.23E., SECTION 35, SE¼, SW¼	0.50
T.4S., R.23E., SECTION 35, SW¼, NE¼	1.85
T.4S., R.23E., SECTION 35, SW¼, NW¼	6.40
T.4S., R.23E., SECTION 35, SW¼, SW¼	17.47
T.5S., R.23E., SECTION 2, NW¼, NE¼	1.82
T.5S., R.23E., SECTION 2, NE¼, NW¼	0.56
T.5S., R.23E., SECTION 2, NE¼, SW¼	0.81
T.5S., R.23E., SECTION 13, NW¼, NE¼	0.62
T.5S., R.23E., SECTION 13, NW¼, SW¼	0.40
T.5S., R.24E., SECTION 19, SW¼, NE¼	1.35
T.5S., R.24E., SECTION 19, SW¼, NW¼	0.58
T.5S., R.24E., SECTION 28, SW¼, SW¼	1.76

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.5S., R.24E., SECTION 28, NE¼, SE¼	0.48
T.5S., R.24E., SECTION 28, NW¼, NW¼	0.33
T.5S., R.24E., SECTION 28, NW¼, SW¼	0.50
T.5S., R.24E., SECTION 29, NE¼, SW¼	0.01
T.5S., R.24E., SECTION 29, NE¼, NE¼	0.77
T.5S., R.24E., SECTION 29, NW¼, SE¼	0.04
T.5S., R.24E., SECTION 29, SE¼, NE¼	1.07
T.5S., R.24E., SECTION 29, SE¼, NW¼	0.04
T.5S., R.24E., SECTION 29, SE¼, SE¼	0.85
T.5S., R.24E., SECTION 29, SW¼, NE¼	0.38
T.5S., R.24E., SECTION 30, SE¼, SW¼	0.29
T.5S., R.24E., SECTION 31, SE¼, NE¼	0.51
T.5S., R.24E., SECTION 32, NE¼, NE¼	0.08
T.5S., R.24E., SECTION 33, NW¼, NE¼	2.11
T.5S., R.24E., SECTION 33, NW¼, NW¼	2.90
T.6S., R.24E., SECTION 1, SE¼, SE¼	0.77
T.6S., R.24E., SECTION 2, NE¼, SE¼	0.04
T.6S., R.24E., SECTION 2, NE¼, SW¼	0.09
T.6S., R.24E., SECTION 2, SE¼, NE¼	1.42
T.6S., R.24E., SECTION 11, SE¼, SW¼	0.05
T.6S., R.24E., SECTION 11, SW¼, SE¼	0.54
T.6S., R.24E., SECTION 11, SW¼, SW¼	0.01
T.6S., R.24E., SECTION 13, SE¼, SE¼	1.57
T.6S., R.24E., SECTION 13, SW¼, NW¼	1.21
T.6S., R.24E., SECTION 14, NE¼, NE¼	1.37
T.6S., R.24E., SECTION 14, NE¼, NW¼	3.13
T.6S., R.24E., SECTION 14, NW¼, NE¼	1.83
T.6S., R.24E., SECTION 14, NW¼, SE¼	0.74

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.6S., R.24E., SECTION 23, NE¼, NE¼	0.06
T.6S., R.24E., SECTION 23, NE¼, SE¼	0.61
T.6S., R.24E., SECTION 24, NE¼, NE¼	5.82
T.6S., R.24E., SECTION 24, NE¼, NW¼	2.45
T.6S., R.24E., SECTION 24, NE¼, SE¼	3.40
T.6S., R.24E., SECTION 24, NE¼, SW¼	2.80
T.6S., R.24E., SECTION 24, NW¼, NE¼	8.55
T.6S., R.24E., SECTION 24, NW¼, NW¼	1.04
T.6S., R.24E., SECTION 24, NW¼, SE¼	0.42
T.6S., R.24E., SECTION 24, NW¼, SW¼	2.07
T.6S., R.24E., SECTION 25, NE¼, NE¼	0.49
T.6S., R.25E., SECTION 7, NE¼, SE¼	1.44
T.6S., R.25E., SECTION 7, NE¼, SW¼	1.72
T.6S., R.25E., SECTION 7, NW¼, NE¼	1.93
T.6S., R.25E., SECTION 7, NW¼, SE¼	1.82
T.6S., R.25E., SECTION 7, NW¼, SW¼	0.74
T.6S., R.25E., SECTION 7, SE¼, NE¼	1.51
T.6S., R.25E., SECTION 7, SE¼, NW¼	3.30
T.6S., R.25E., SECTION 7, SE¼, SW¼	0.09
T.6S., R.25E., SECTION 7, SW¼, NE¼	4.38
T.6S., R.25E., SECTION 8, NW¼, SW¼	0.66
T.6S., R.25E., SECTION 17, NW¼, SE¼	3.47
T.6S., R.25E., SECTION 17, SW¼, SW¼	2.46
T.6S., R.25E., SECTION 17, SE¼, SE¼	6.84
T.6S., R.25E., SECTION 18, SE¼, NW¼	0.54
T.6S..,R.25E., SECTION 18, SE¼, SW¼	0.68
T.6S., R.25E., SECTION 18, SW¼, SE¼	0.82
T.6S., R.25E., SECTION 19, NE¼, NE¼	3.27

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.6S., R.25E., SECTION 19, NE¼, NW¼	3.08
T.6S., R.25E., SECTION 19, NW¼, NE¼	0.08
T.6S., R.25E., SECTION 20, NW¼, SE¼	4.24
T.6S., R.25E., SECTION 20, NW¼, SW¼	0.17
T.6S., R.25E., SECTION 20, SE¼, SW¼	0.22
T.6S., R.25E., SECTION 20, SW¼, NE¼	1.32
T.6S., R.25E., SECTION 20, SW¼, NW¼	0.92
T.6S., R.25E., SECTION 20, SW¼, SE¼	3.08
T.6S., R.25E., SECTION 20, SW¼, SW¼	10.11
T.6S., R.25E., SECTION 21, NE¼, NW¼	0.33
T.6S., R.25E., SECTION 21, NW¼, NE¼	0.36
T.6S., R.25E., SECTION 22, NE¼, SW¼	0.57
T.6S., R.25E., SECTION 22, NW¼, SE¼	0.50
T.6S., R.25E., SECTION 22, SE¼, NW¼	0.33
T.6S., R.25E., SECTION 22, SW¼, NE¼	0.99
T.6S., R.25E., SECTION 25, SE¼, SW¼	1.83
T.6S., R.25E., SECTION 25, SW¼, NW¼	6.15
T.6S., R.25E., SECTION 25, SW¼, SW¼	2.89
T.6S., R.25E., SECTION 26, NE¼, SW¼	1.05
T.6S., R.25E., SECTION 26, NW¼, NE¼	0.35
T.6S., R.25E., SECTION 26, NW¼, NW¼	2.77
T.6S., R.25E., SECTION 26, NW¼, SE¼	1.81
T.6S., R.25E., SECTION 26, SE¼, NE¼	1.80
T.6S., R.25E., SECTION 26, SE¼, NW¼	1.10
T.6S., R.25E., SECTION 27, NE¼, NE¼	0.91
T.6S., R.25E., SECTION 27, SE¼, SE¼	0.25
T.6S., R.25E., SECTION 27, SE¼, SW¼	0.63
T.6S., R.25E., SECTION 27, SW¼, SW¼	0.31

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.6S., R.25E., SECTION 28, SE¼, SE¼	0.78
T.6S., R.25E., SECTION 28, SE¼, SW¼	4.24
T.6S., R.25E., SECTION 28, SW¼, SE¼	0.62
T.6S., R.25E., SECTION 28, SW¼, NE¼	0.09
T.6S., R.25E., SECTION 28, SW¼, NW¼	1.93
T.6S., R.25E., SECTION 28, SW¼, SW¼	0.90
T.6S., R.25E., SECTION 29, NE¼, NW¼	0.93
T.6S., R.25E., SECTION 29, NW¼, NE¼	0.78
T.6S., R.25E., SECTION 29, NW¼, NW¼	2.09
T.6S., R.25E., SECTION 29, NW¼, SE¼	0.15
T.6S., R.25E., SECTION 29, NW¼, SW¼	2.12
T.6S., R.25E., SECTION 29, SW¼, NW¼	11.00
T.6S., R.25E., SECTION 29, SW¼, SW¼	2.71
T.6S., R.25E., SECTION 30, NE¼, NW¼	0.08
T.6S., R.25E., SECTION 30, NE¼, SE¼	0.26
T.6S., R.25E., SECTION 30, NE¼, SW¼	3.54
T.6S., R.25E., SECTION 30, NW¼, NE¼	1.28
T.6S., R.25E., SECTION 30, NW¼, NW¼	6.50
T.6S., R.25E., SECTION 30, NW¼, SE¼	3.96
T.6S., R.25E., SECTION 30, SE¼, NE¼	0.37
T.6S., R.25E., SECTION 30, SE¼, NW¼	1.24
T.6S., R.25E., SECTION 30, SE¼, SE¼	1.66
T.6S., R.25E., SECTION 30, NW¼, SW¼	0.14
T.6S., R.25E., SECTION 30, SW¼, NE¼	2.53
T.6S., R.25E., SECTION 30, SW¼, SE¼	2.81
T.6S., R.25E., SECTION 31, NW¼, NE¼	0.33
T.6S., R.25E., SECTION 33, NE¼, NE¼	0.91
T.6S., R.25E., SECTION 33, NE¼, NW¼	3.77

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.6S., R.25E., SECTION 33, NE¼, SE¼	9.69
T.6S., R.25E., SECTION 33, NE¼, SW¼	6.61
T.6S., R.25E., SECTION 33, NW¼, NE¼	5.60
T.6S., R.25E., SECTION 33, NW¼, NW¼	1.63
T.6S., R.25E., SECTION 33, NW¼, SE¼	4.35
T.6S., R.25E., SECTION 33, NW¼, SW¼	2.31
T.6S., R.25E., SECTION 33, SE¼, NE¼	1.79
T.6S., R.25E., SECTION 33, SE¼, NW¼	1.60
T.6S., R.25E., SECTION 33, SE¼, SE¼	0.74
T.6S., R.25E., SECTION 33, SE¼, SW¼	1.82
T.6S., R.25E., SECTION 33, SW¼, NE¼	1.55
T.6S., R.25E., SECTION 33, SW¼, NW¼	1.16
T.6S., R.25E., SECTION 33, SW¼, SW¼	0.81
T.6S., R.25E., SECTION 34, NE¼, NE¼	2.30
T.6S., R.25E., SECTION 34, NW¼, NE¼	0.74
T.6S., R.25E., SECTION 34, NW¼, SW¼	4.63
T.6S., R.25E., SECTION 34, NW¼, SE¼	0.83
T.6S., R.25E., SECTION 34, SE¼, SE¼	1.28
T.6S., R.25E., SECTION 34, SW¼, NW¼	4.06
T.6S., R.25E., SECTION 34, SW¼, SW¼	0.29
T.6S., R.25E., SECTION 36, NE¼, NE¼	0.09
T.6S., R.25E., SECTION 36, NE¼, NW¼	1.69
T.6S., R.25E., SECTION 36, NE¼, SE¼	0.52
T.6S., R.25E., SECTION 36, NE¼, SW¼	0.49
T.6S., R.27E., SECTION 34, SE¼, SW¼	0.02
T.6S., R.27E., SECTION 35, NE¼, SE¼	1.95
T.6S., R.27E., SECTION 35, NE¼, SW¼	8.53
T.6S., R.27E., SECTION 36, NW¼, SE¼	0.51

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.6S., R.27E., SECTION 36, SE¼, NW¼	0.65
T.6S., R.28E., SECTION 31, SE¼, SE¼	0.38
T.6S., R.28E., SECTION 31, NE¼, SE¼	0.09
T.6S., R.28E., SECTION 31, SE¼, NE¼	1.89
T.6S., R.31E., SECTION 17, NW¼, NW¼	2.49
T.6S., R.31E., SECTION 17, NW¼, SW¼	0.92
T.7S., R.25E., SECTION 1, SW¼, SE¼	2.15
T.7S., R.25E., SECTION 1, SW¼, SW¼	1.97
T.7S., R.25E., SECTION 2, NE¼, SE¼	3.27
T.7S., R.25E., SECTION 2, NW¼, SE¼	0.21
T.7S., R.25E., SECTION 2, NW¼, SW¼	3.52
T.7S., R.25E., SECTION 3, NW¼, SE¼	1.67
T.7S., R.25E., SECTION 3, NW¼, SW¼	3.08
T.7S., R.25E., SECTION 3, SE¼, NE¼	3.51
T.7S., R.25E., SECTION 3, SE¼, NW¼	7.50
T.7S., R.25E., SECTION 3, SE¼, SE¼	5.08
T.7S., R.25E., SECTION 3, SE¼, SW¼	6.90
T.7S., R.25E., SECTION 3, SW¼, NW¼	0.29
T.7S., R.25E., SECTION 3, SW¼, NE¼	7.58
T.7S., R.25E., SECTION 3, NW¼, NW¼	1.43
T.7S., R.25E., SECTION 3, NE¼, NE¼	0.23
T.7S., R.25E., SECTION 3, SW¼, SE¼	3.85
T.7S., R.25E., SECTION 3, SW¼, SW¼	1.45
T.7S., R.25E., SECTION 4, NE¼, SE¼	0.83
T.7S., R.25E., SECTION 4, SE¼, NE¼	1.90
T.7S., R.25E., SECTION 11, NW¼, NW¼	2.73
T.7S., R.25E., SECTION 11, SE¼, NE¼	8.38
T.7S., R.25E., SECTION 11, SE¼, NW¼	1.35

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.7S., R.25E., SECTION 11, SE¼, SE¼	4.73
T.7S., R.25E., SECTION 12, NE¼, NW¼	0.10
T.7S., R.25E., SECTION 12, NE¼, SE¼	3.37
T.7S., R.25E., SECTION 12, NE¼, SW¼	21.66
T.7S., R.25E., SECTION 12, NW¼, NE¼	17.36
T.7S., R.25E., SECTION 12, NW¼, NW¼	4.48
T.7S., R.25E., SECTION 12, NW¼, SE¼	8.16
T.7S., R.25E., SECTION 12, SE¼, NE¼	24.96
T.7S., R.25E., SECTION 12, SE¼, NW¼	8.26
T.7S., R.25E., SECTION 12, SE¼, SE¼	2.97
T.7S., R.25E., SECTION 12, SW¼, NE¼	2.62
T.7S., R.25E., SECTION 12, SW¼, NW¼	1.09
T.7S., R.25E., SECTION 12, SW¼, SE¼	1.83
T.7S., R.25E., SECTION 12, SW¼, SW¼	6.56
T.7S., R.25E., SECTION 13, NE¼, NE¼	4.06
T.7S., R.25E., SECTION 13, NE¼, NW¼	0.55
T.7S., R.25E., SECTION 13, NE¼, SE¼	4.14
T.7S., R.25E., SECTION 13, NE¼, SW¼	4.94
T.7S., R.25E., SECTION 13, NW¼, NE¼	1.29
T.7S., R.25E., SECTION 13, NW¼, NW¼	1.00
T.7S., R.25E., SECTION 13, NW¼, SW¼	0.17
T.7S., R.25E., SECTION 13, SE¼, NE¼	18.10
T.7S., R.25E., SECTION 13, SE¼, NW¼	4.05
T.7S., R.25E., SECTION 13, SE¼, SE¼	7.99
T.7S., R.25E., SECTION 14, NE¼, NE¼	7.65
T.7S., R.25E., SECTION 14, NE¼, SE¼	0.83
T.7S., R.26E., SECTION 5, NW¼,SW¼	0.11
T.7S., R.26E., SECTION 6, NE¼, SE¼	0.95

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.7S., R.26E., SECTION 7, NW¼, SW¼	4.53
T.7S., R.26E., SECTION 7, SE¼, NW¼	8.58
T.7S., R.26E., SECTION 7, SE¼, SW¼	18.05
T.7S., R.26E., SECTION 7, SW¼, NE¼	9.83
T.7S., R.26E., SECTION 7, SW¼, NW¼	16.37
T.7S., R.26E., SECTION 7, SW¼, SE¼	33.33
T.7S., R.26E., SECTION 7, SW¼, SW¼	14.07
T.7S., R.26E., SECTION 8, NE¼, SW¼	0.68
T.7S., R.26E., SECTION 8, NW¼, SE¼	0.13
T.7S., R.26E., SECTION 8, SE¼, NE¼	9.20
T.7S., R.26E., SECTION 8. SE¼, SW¼	23.91
T.7S., R.26E., SECTION 8, SE¼, SE¼	21.28
T.7S., R.26E., SECTION 8, SE¼, NW¼	14.14
T.7S., R.26E., SECTION 8, SW¼, NE¼	1.00
T.7S., R.26E., SECTION 8, SW¼, SE¼	0.03
T.7S., R.26E., SECTION 8, SW¼, NW¼	4.71
T.7S., R.26E., SECTION 9, SW¼, SW¼	14.74
T.7S., R.26E., SECTION 14, SE¼, SW¼	0.68
T.7S., R.26E., SECTION 14, SW¼, SE¼	0.26
T.7S., R.26E., SECTION 15, NW¼, SE¼	0.18
T.7S., R.26E., SECTION 15, SE¼, NW¼	0.38
T.7S., R.26E., SECTION 15, SW¼, NW¼	3.14
T.7S., R.26E., SECTION 15, SW¼, SE¼	0.17
T.7S., R.26E., SECTION 15, SW¼, SW¼	9.84
T.7S., R.26E., SECTION 16, NE¼, NW¼	1.53
T.7S., R.26E., SECTION 16, NE¼, SE¼	0.32
T.7S., R.26E., SECTION 16, NE¼, SW¼	2.15
T.7S., R.26E., SECTION 16, NW¼, NE¼	1.30

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.7S., R.26E., SECTION 16, NW¼, NW¼	3.58
T.7S., R.26E., SECTION 16, NW¼, SE¼	3.24
T.7S., R.26E., SECTION 16, SE¼, NE¼	13.18
T.7S., R.26E., SECTION 16, SE¼, NW¼	11.00
T.7S., R.26E., SECTION 16, SE¼, SE¼	2.90
T.7S., R.26E., SECTION 16, SE¼, SW¼	0.18
T.7S., R.26E., SECTION 16, SW¼, SE¼	1.37
T.7S., R.26E., SECTION 16, SW¼, SW¼	0.16
T.7S., R.26E., SECTION 17, NE¼, NW¼	0.53
T.7S., R.26E., SECTION 17, NE¼, NE¼	1.03
T.7S., R.26E., SECTION 17, NE¼, SE¼	0.49
T.7S., R.26E., SECTION 17, NW¼, SW¼	7.40
T.7S., R.26E., SECTION 17, NW¼, SE¼	10.90
T.7S., R.26E., SECTION 17, NE¼, SW¼	9.54
T.7S., R.26E., SECTION 17, SE¼, NW¼	12.82
T.7S., R.26E., SECTION 17, SE¼, SE¼	1.93
T.7S., R.26E., SECTION 17, SE¼, SW¼	15.43
T.7S., R.26E., SECTION 17, SW¼, NW¼	29.86
T.7S., R.26E., SECTION 17, SW¼, NE¼	33.47
T.7S., R.26E., SECTION 17, SW¼, SE¼	12.17
T.7S., R.26E., SECTION 17, SW¼, SW¼	25.52
T.7S., R.26E., SECTION 18, NE¼, NW¼	11.75
T.7S., R.26E., SECTION 18, NE¼, SE¼	18.98
T.7S., R.26E., SECTION 18, NE¼, SW¼	13.32
T.7S., R.26E., SECTION 18, NW¼, NE¼	1.56
T.7S., R.26E., SECTION 18, NW¼, NW¼	2.68
T.7S., R.26E., SECTION 18, NW¼, SE¼	2.78
T.7S., R.26E., SECTION 18, NW¼, SW¼	3.73

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.7S., R.26E., SECTION 18, SE¼, NE¼	38.59
T.7S., R.26E., SECTION 18, SE¼, NW¼	10.44
T.7S., R.26E., SECTION 18, SE¼, SE¼	28.55
T.7S., R.26E., SECTION 18, SE¼, SW¼	7.41
T.7S., R.26E., SECTION 18, SW¼, NE¼	8.43
T.7S., R.26E., SECTION 18, SW¼, NW¼	12.89
T.7S., R.26E., SECTION 18, SW¼, SW¼	3.06
T.7S., R.26E., SECTION 19, NE¼, NE¼	22.40
T.7S., R.26E., SECTION 20, NE¼, NE¼	1.48
T.7S., R.26E., SECTION 20, NE¼, NW¼	4.98
T.7S., R.26E., SECTION 20, NE¼, SW¼	0.93
T.7S., R.26E., SECTION 20, NW¼, NE¼	12.56
T.7S., R.26E., SECTION 20, NW¼, NW¼	4.42
T.7S., R.26E., SECTION 20, NW¼, SE¼	5.45
T.7S., R.26E., SECTION 20, SE¼, NW¼	3.62
T.7S., R.26E., SECTION 20, SW¼, NE¼	4.25
T.7S., R.26E., SECTION 21, NE¼, NE¼	4.30
T.7S., R.26E., SECTION 21, NE¼, NW¼	0.11
T.7S., R.26E., SECTION 21, NW¼, NE¼	1.21
T.7S., R.26E., SECTION 21, NW¼, NW¼	0.25
T.7S., R.26E., SECTION 21, SE¼, NE¼	0.17
T.7S., R.26E., SECTION 21, SE¼, NW¼	0.36
T.7S., R.26E., SECTION 21, SE¼, SE¼	0.05
T.7S., R.26E., SECTION 21, SE¼, SW¼	0.01
T.7S., R.26E., SECTION 21, SW¼, NE¼	0.07
T.7S., R.26E., SECTION 21, SW¼, SE¼	0.01
T.7S., R.26E., SECTION 21, SW¼, SW¼	0.10
T.7S., R.26E., SECTION 22, NE¼, NE¼	0.20

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.7S., R.26E., SECTION 22, NE¼, NW¼	3.47
T.7S., R.26E., SECTION 22, NW¼, NE¼	1.13
T.7S., R.26W., SECTION 22, NW¼, SE¼	0.01
T.7S., R.26E., SECTION 22, NW¼, NW¼	0.29
T.7S., R.26E., SECTION 22, NW¼, SW¼	0.05
T.7S., R.26E., SECTION 22, SE¼, SE¼	0.49
T.7S., R.26E., SECTION 22, SW¼, NE¼	0.08
T.7S., R.26E., SECTION 22, SW¼, NW¼	0.07
T.7S., R.26E., SECTION 22, SW¼, SW¼	0.09
T.7S., R.26E., SECTION 23, NE¼, NW¼	2.39
T.7S., R.26E., SECTION 23, NW¼, NE¼	0.83
T.7S., R.26E., SECTION 23, NW¼, NW¼	1.38
T.7S., R.26E., SECTION 23, SW¼, NW¼	0.11
T.7S., R.26E., SECTION 24, NE¼, NE¼	1.39
T.7S., R.26E., SECTION 24, NE¼, NW¼	0.56
T.7S., R.26E., SECTION 26, NW¼, NW¼	0.35
T.7S., R.26E., SECTION 28, NE¼, NE¼	0.14
T.7S., R.26E., SECTION 28, NE¼, NW¼	2.18
T.7S., R.26E., SECTION 28, NW¼, NE¼	0.10
T.7S., R.27E., SECTION 3, NE¼, NE¼	1.34
T.7S., R.27E., SECTION 3, NE¼, NW¼	0.88
T.7S., R.27E., SECTION 3, SW¼, NW¼	2.70
T.7S., R.27E., SECTION 3, NW¼, SW¼	1.78
T.7S., R.27E., SECTION 4, SE¼, NE¼	0.10
T.7S., R.27E., SECTION 4, SE¼, SW¼	0.23
T.7S., R.27E., SECTION 9, NE¼, NW¼	0.23
T.7S., R.27E., SECTION 9, NW¼, NE¼	2.43
T.7S., R.27E., SECTION 9, NW¼, NW¼	2.81

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.7S., R.27E., SECTION 9, NW¼, SW¼	0.05
T.7S., R.27E., SECTION 16, NW¼, NE¼	0.47
T.7S., R.27E., SECTION 16, SW¼, NE¼	0.35
T.7S., R.27E., SECTION 19, NW¼, SW¼	1.44
T.7S., R.27E., SECTION 20, NE¼, NW¼	0.34
T.7S., R.27E., SECTION 20, NE¼, SW¼	0.49
T.7S., R.27E., SECTION 20, NW¼, NE¼	0.47
T.7S., R.27E., SECTION 20, NW¼, NW¼	0.20
T.7S., R.27E., SECTION 20, NW¼, SE¼	0.11
T.7S., R.31E., SECTION 4, SW¼, NW¼	1.37
T.7S., R.31E., SECTION 16, SW¼, NE¼	1.45
T.7S., R.31E., SECTION 21, SE¼, NE¼	1.59
T.7S., R.31E., SECTION 21, SE¼, NW¼	2.00
T.7S., R.31E., SECTION 21, SE¼, SE¼	1.14
T.8S., R.31E., SECTION 12, SE¼, NE¼	0.10
T.8S., R.32E., SECTION 7, SW¼, SE¼	0.03
T.8S., R.32E., SECTION 18, SE¼, SE¼	0.71
T.8S., R.32E., SECTION 18, SE¼, SW¼	0.17
T.8S., R.32E., SECTION 19, NE¼, NW¼	0.05
T.8S., R.32E., SECTION 19, NW¼, NE¼	0.07
T.8S., R.32E., SECTION 19, NW¼, SE¼	0.02
T.8S., R.32E., SECTION 20, NW¼, NW¼	3.11
T.8S., R.32E., SECTION 20, NW¼, SE¼	0.02
T.8S., R.32E., SECTION 20, SW¼, NE¼	0.22
T.8S., R.32E., SECTION 20, SW¼, NW¼	0.12
T.8S., R.32E., SECTION 21, SE¼, SW¼	0.03
T.8S., R.32E., SECTION 27, SW¼, NW¼	0.48
T.8S., R.32E., SECTION 27, SW¼, SW¼	0.26

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.8S., R.32E., SECTION 28, NE¼, NW¼	0.03
T.8S., R.32E., SECTION 28, SE¼, SE¼	0.04
T.8S., R.32E., SECTION 29, SE¼, NW¼	0.05
T.8S., R.32E., SECTION 29, SE¼, SW¼	0.54
T.8S., R.32E., SECTION 29, SW¼, NE¼	4.66
T.8S., R.32E., SECTION 29, SW¼, NW¼	0.43
T.8S., R.32E., SECTION 29, SW¼, SE¼	0.17
T.8S., R.32E., SECTION 29, SW¼, SW¼	0.10
T.8S., R.32E., SECTION 32, NW¼, NW¼	1.01
T.8S., R.32E., SECTION 32, SE¼, NW¼	0.06
T.8S., R.32E., SECTION 32, SE¼, SW¼	0.18
T.8S., R.32E., SECTION 32, SW¼, NE¼	0.33
T.8S., R.32E., SECTION 32, SW¼, NW¼	0.12
T.8S., R.32E., SECTION 33, SE¼, SE¼	0.03
T.8S., R.32E., SECTION 33, SW¼, SE¼	1.60
T.8S., R.32E., SECTION 34, NE¼, SE¼	1.51
T.8S., R.32E., SECTION 34, NE¼, SW¼	2.33
T.8S., R.32E., SECTION 34, NW¼, SE¼	1.80
T.8S., R.32E., SECTION 34, SE¼, NE¼	1.48
T.8S., R.32E., SECTION 34, SE¼, NW¼	10.12
T.8S., R.32E., SECTION 34, SW¼, NE¼	0.48
T.8S., R.32E., SECTION 34, SW¼, SW¼	1.40
T.9S., R.32E., SECTION 3, NE¼, NE¼	4.16
T.9S., R.32E., SECTION 3, NE¼, SE¼	1.04
T.9S., R.32E., SECTION 3, NW¼, SW¼	0.25
T.9S., R.32E., SECTION 3, SW¼, NW¼	0.50
T.9S., R.32E., SECTION 4, NW¼, NE¼	2.58
T.9S., R.32E., SECTION 4, NW¼, NW¼	1.44

TABLE C-7
(Continued)

QUARTER-QUARTER SECTION TOTALS - ARIZONA	ACRES
T.9S., R.32E., SECTION 4, NW¼, SE¼	2.46
T.9S., R.32E., SECTION 4, NW¼, SW¼	0.03
T.9S., R.32E., SECTION 4, SE¼, NW¼	2.67
T.9S., R.32E., SECTION 5, NE¼, NE¼	0.51
TOTAL ACRES	1,281.20

TABLE C-8

GLOBE EQUITY NO.59
URBANIZED LANDS IN THE UPPER VALLEYS
NEW MEXICO - BY TOWNSHIP, RANGE, SECTION,
AND QUARTER-QUARTER SECTION

QUARTER-QUARTER SECTION TOTALS - NEW MEXICO	ACRES
T.18S., R.21W., SECTION 32, SE¼, NE¼	2.93
T.18S., R.21W., SECTION 32, SE¼, SE¼	1.07
T.18S., R.21W., SECTION 32, SE¼, SW¼	3.72
T.18S., R.21W., SECTION 32, SW¼, NE¼	0.35
T.18S., R.21W., SECTION 32, SW¼, NW¼	0.24
T.18S., R.21W., SECTION 32, SW¼, SE¼	0.05
T.18S., R.21W., SECTION 32, SW¼, SW¼	1.55
T.18S., R.21W., SECTION 33, SE¼, SE¼	2.35
T.18S., R.21W., SECTION 33, SE¼, SW¼	0.40
T.18S., R.21W., SECTION 33, SW¼, SE¼	0.30
T.18S., R.21W., SECTION 33, SW¼, SW¼	0.80
T.19S., R.20W., SECTION 18, NE¼, NW¼	0.51
T.19S., R.20W., SECTION 18, NW¼, NE¼	2.25
T.19S., R.20W., SECTION 18, NW¼, NW¼	0.02
T.19S., R.20W., SECTION 18, NW¼, SW¼	0.10

TABLE C-8
(Continued)

QUARTER-QUARTER SECTION TOTALS - NEW MEXICO	ACRES
T.19S., R.21W., SECTION 2, SE¼, SE¼	5.74
T.19S., R.21W., SECTION 3, NE¼, SE¼	0.34
T.19S., R.21W., SECTION 3, NE¼, SW¼	0.60
T.19S., R.21W., SECTION 3, NW¼, NW¼	0.61
T.19S., R.21W., SECTION 3, NW¼, SE¼	0.48
T.19S., R.21W., SECTION 3, SE¼, SW¼	0.21
T.19S., R.21W., SECTION 5, NE¼, NW¼	0.65
T.19S., R.21W., SECTION 5, NE¼, SW¼	1.82
T.19S., R.21W., SECTION 10, NE¼, NW¼	0.42
T.19S., R.21W., SECTION 11, NE¼, NE¼	0.01
T.19S., R.21W., SECTION 12, NE¼, SE¼	0.84
T.19S., R.21W., SECTION 12, NW¼, NW¼	0.29
T.19S., R.21W., SECTION 12, SE¼, NE¼	2.18
T.19S., R.21W., SECTION 12, SE¼, SE¼	0.81
T.19S., R.21W., SECTION 13, NE¼, NE¼	0.49
T.19S., R.21W., SECTION 13, NE¼, SE¼	0.25
TOTAL ACRES	32.38

APPENDIX D: SUMMARY OF CHANGES FROM THE DRAFT REPORT OF URBANIZED AND PERMANENTLY RETIRED GLOBE EQUITY NO. 59 AGRICULTURAL LANDS IN THE UPPER GILA RIVER VALLEYS

This appendix summarizes the changes made by the Arizona Department of Water Resources (DWR) to the "Draft Report of Urbanized and Permanently Retired Globe Equity No. 59 Agricultural Lands in the Upper Gila River Valleys." The changes were based upon DWR review of the report and data, and evaluation of the objection filed by the Gila Valley Irrigation District (GVID) (APPENDIX F). The review resulted in the following acreage changes:

- Acreage added by DWR review - 348
- Acreage deleted by DWR review - 231
- Acreage added by GVID comment - 0
- Acreage deleted by GVID comment - 479
- Net acreage deleted - 362

TABLE D-1

SUMMARY OF CHANGES FROM THE DRAFT REPORT OF URBANIZED AND PERMANENTLY RETIRED GLOBE EQUITY NO. 59 AGRICULTURAL LANDS IN THE UPPER GILA RIVER VALLEYS

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.4S., R.23E., SECTION 18, SE¼, SE¼	0.42	0.20	-0.22	NON-DECREED LAND	DWR REVIEW
T.4S., R.23E., SECTION 18, SE¼, SW¼	0.29	0.00	-0.29	NON-DECREED LAND	DWR REVIEW
T.4S., R.23E., SECTION 19, NE¼, SE¼	0.08	0.00	-0.08	NON-DECREED LAND	GVID OBJECTION
T.4S., R.23E., SECTION 19, SE¼, NE¼	4.67	0.10	-4.57	NON-DECREED LAND	GVID OBJECTION
T.4S., R.23E., SECTION 20, NW¼, SW¼	0.44	0.35	-0.09	NON-DECREED LAND	GVID OBJECTION
T.4S., R.23E., SECTION 20, SW¼, NW¼	8.73	7.47	-1.26	NON-DECREED LAND	GVID OBJECTION
T.4S., R.23E., SECTION 27, SW¼, SW¼	0.00	0.86	+0.86	URBANIZED LAND	DWR REVIEW
T.4S., R.23E., SECTION 29, NE¼, NE¼	0.00	2.60	+2.60	URBANIZED LAND	DWR REVIEW
T.4S., R.23E., SECTION 34, NW¼, NW¼	0.00	0.03	+0.03	URBANIZED LAND	DWR REVIEW
T.4S., R.23E., SECTION 35, NW¼, SW¼	3.11	0.00	-3.11	NON-DECREED LAND	GVID OBJECTION
T.4S., R.23E., SECTION 35, SE¼, SW¼	0.98	0.50	-0.48	NON-DECREED LAND	DWR REVIEW
T.4S., R.23E., SECTION 35, SW¼, NE¼	2.11	1.85	-0.26	NON-DECREED LAND	DWR REVIEW
T.4S., R.23E., SECTION 35, SW¼, NW¼	10.30	6.40	-3.90	NON-DECREED LAND	GVID OBJECTION
T.4S., R.23E., SECTION 35, SW¼, SW¼	20.85	17.47	-3.38	NON-DECREED LAND	DWR REVIEW
T.5S., R.23E., SECTION 02, NW¼, NE¼	0.00	1.82	+1.82	URBANIZED LAND	DWR REVIEW
T.5S., R.23E., SECTION 11, NE¼, SE¼	0.06	0.00	-0.06	NON-DECREED LAND	GVID OBJECTION
T.5S., R.23E., SECTION 12, SW¼, NW¼	1.51	0.00	-1.51	NON-DECREED LAND	DWR REVIEW
T.5S., R.23E., SECTION 13, SW¼, NW¼	0.48	0.00	-0.48	NON-DECREED LAND	GVID OBJECTION
T.5S., R.23E., SECTION 24, SW¼, NW¼	0.03	0.00	-0.03	REPORT ERROR	GVID OBJECTION
T.5S., R.24E., SECTION 19, SW¼, NE¼	0.00	1.35	+1.35	URBANIZED LAND	DWR REVIEW
T.5S., R.24E., SECTION 19, SW¼, NW¼	0.00	0.58	+0.58	URBANIZED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.5S., R.24E., SECTION 20, SW¼, SE¼	0.02	0.00	-0.02	REPORT ERROR	GVID OBJECTION
T.5S., R.24E., SECTION 28, NE¼, SE¼	0.00	0.48	+0.48	URBANIZED LAND	DWR REVIEW
T.5S., R.24E., SECTION 28, NW¼, NW¼	0.00	0.33	+0.33	URBANIZED LAND	DWR REVIEW
T.5S., R.24E., SECTION 28, NW¼, SW¼	0.00	0.50	+0.50	URBANIZED LAND	DWR REVIEW
T.5S., R.24E., SECTION 28, SW¼, SW¼	1.49	1.76	+0.27	URBANIZED LAND	DWR REVIEW
T.5S., R.24E., SECTION 29, NE¼, SE¼	0.48	0.00	-0.48	NON-DECREED LAND	DWR REVIEW
T.5S., R.24E., SECTION 29, NE¼, SW¼	0.00	0.01	0.01	REPORT ERROR	DWR REVIEW
T.5S., R.24E., SECTION 29, NW¼, NE¼	0.14	0.00	-0.14	REPORT ERROR	DWR REVIEW
T.5S., R.24E., SECTION 29, NW¼, NW¼	0.03	0.00	-0.03	REPORT ERROR	DWR REVIEW
T.5S., R.24E., SECTION 31, SE¼, NE¼	0.73	0.51	-0.22	NON-DECREED LAND	GVID OBJECTION
T.5S., R.24E., SECTION 32, NW¼, NE¼	0.01	0.00	-0.01	REPORT ERROR	GVID OBJECTION
T.5S., R.24E., SECTION 32, SW¼, NW¼	1.26	0.00	-1.26	NON-DECREED LAND	GVID OBJECTION
T.5S., R.24E., SECTION 33, NW¼, NE¼	1.64	2.11	+0.47	URBANIZED LAND	DWR REVIEW
T.5S., R.24E., SECTION 33, NW¼, NW¼	0.48	2.90	+2.42	URBANIZED LAND	DWR REVIEW
T.6S., R.24E., SECTION 01, NE¼, SW¼	0.02	0.00	-0.02	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 01, NW¼, SE¼	0.11	0.00	-0.11	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 01, NW¼, SW¼	0.02	0.00	-0.02	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 01, SE¼, NE¼	0.48	0.00	-0.48	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 01, SE¼, NW¼	0.17	0.00	-0.17	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 01, SE¼, SE¼	0.77	0.77	0.00	URBANIZED LAND	DWR REVIEW
T.6S., R.24E., SECTION 01, SW¼, NE¼	0.33	0.00	-0.33	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 01, SW¼, NW¼	0.70	0.00	-0.70	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 02, NE¼, NW¼	0.00	0.00	0.00	REPORT ERROR	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.6S., R.24E., SECTION 02, NE¼, SE¼	0.96	0.04	-0.92	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 02, NE¼, SW¼	0.17	0.09	-0.08	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 02, SE¼, NE¼	1.67	1.42	-0.25	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 02, SE¼, NW¼	0.15	0.00	-0.15	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 04, NE¼, NE¼	0.58	0.00	-0.58	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 04, NW¼, SW¼	0.27	0.00	-0.27	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 04, SW¼, NW¼	0.74	0.00	-0.74	CULTIVATED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 05, NE¼, SE¼	2.26	0.00	-2.26	CULTIVATED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 05, SE¼, NE¼	0.92	0.00	-0.92	CULTIVATED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 11, SW¼, SW¼	1.44	0.00	-1.44	NON-DECREED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 13, NW¼, SW¼	1.04	0.00	-1.04	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 13, SW¼, NW¼	2.05	1.21	-0.84	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 13, SW¼, SW¼	1.78	0.00	-1.78	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 14, NE¼, NW¼	3.95	3.13	-0.82	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 14, NW¼, NW¼	5.89	0.00	-5.89	NON-DECREED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 14, SE¼, NE¼	0.60	0.00	-0.60	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 14, SE¼, SE¼	0.19	0.00	-0.19	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 23, NE¼, NE¼	0.80	0.06	-0.74	NON-DECREED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 23, NE¼, SE¼	0.67	0.61	-0.06	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 23, NW¼, NE¼	0.46	0.00	-0.46	NON-DECREED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 24, NE¼, NE¼	5.84	5.82	-0.02	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 24, NE¼, NW¼	4.93	2.45	-2.48	NON-DECREED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 24, NE¼, SE¼	3.63	3.40	-0.23	NON-DECREED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.6S., R.24E., SECTION 24, NE¼, SW¼	1.25	2.80	+1.55	URBANIZED LAND	DWR REVIEW
T.6S., R.24E., SECTION 24, NW¼, NE¼	11.27	8.55	-2.72	NON-DECREED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 24, NW¼, NW¼	6.45	1.04	-5.41	NON-DECREED LAND	GVID OBJECTION
T.6S., R.24E., SECTION 24, NW¼, SE¼	1.03	0.42	-0.61	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 24, NW¼, SW¼	3.25	2.07	-1.18	NON-DECREED LAND	DWR REVIEW
T.6S., R.24E., SECTION 25, NE¼, NE¼	2.32	0.49	-1.83	CULTIVATED LAND	DWR REVIEW
T.6S., R.25E., SECTION 07, NE¼, SE¼	2.09	1.44	-0.65	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 07, NE¼, SW¼	2.86	1.72	-1.14	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 07, NW¼, NE¼	5.21	1.93	-3.28	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 07, NW¼, SE¼	5.63	1.82	-3.81	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 07, SE¼, NE¼	1.64	1.51	-0.13	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 07, SE¼, NW¼	4.17	3.30	-0.87	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 07, SW¼, NE¼	4.52	4.38	-0.14	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 08, NW¼, SW¼	1.15	0.66	-0.49	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 08, SW¼, NW¼	0.42	0.00	-0.42	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 16, SE¼, NW¼	0.23	0.00	-0.23	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 16, SW¼, NE¼	3.65	0.00	-3.65	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 17, NW¼, SE¼	0.00	3.47	+3.47	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 17, SW¼, SW¼	2.56	2.46	-0.10	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 17, SE¼, SE¼	0.00	6.84	+6.84	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 18, SE¼, SE¼	6.74	0.00	-6.74	REPORT ERROR	DWR REVIEW
T.6S., R.25E., SECTION 18, SE¼, SW¼	0.00	0.68	+0.68	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 18, SW¼, SE¼	0.00	0.82	+0.82	URBANIZED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.6S., R.25E., SECTION 19, NE¼, NW¼	3.98	3.08	-0.90	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 19, NW¼, NE¼	1.04	0.08	-0.96	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 19, NW¼, NW¼	0.29	0.00	-0.29	CULTIVATED LAND	DWR REVIEW
T.6S., R.25E., SECTION 20, NW¼, SE¼	0.00	4.24	+4.24	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 20, NW¼, SW¼	0.00	0.17	+0.17	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 20, SW¼, NE¼	1.01	1.32	+0.31	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 20, SW¼, NW¼	0.77	0.92	+0.15	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 20, SW¼, SW¼	1.87	10.11	+8.24	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 21, NE¼, SE¼	0.32	0.00	-0.32	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 22, NE¼, SW¼	0.09	0.57	+0.48	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 22, NW¼, SW¼	0.01	0.00	-0.01	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 25, SW¼, NW¼	0.44	6.15	+5.71	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 25, SW¼, SW¼	0.99	2.89	+1.90	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 26, NE¼, NW¼	2.60	0.00	-2.60	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 26, NE¼, SW¼	7.68	1.05	-6.63	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 26, NW¼, SE¼	5.68	1.81	-3.87	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 26, SE¼, NE¼	0.65	1.80	+1.15	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 26, SE¼, NW¼	2.20	1.10	-1.10	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 26, SW¼, NE¼	2.15	0.00	-2.15	NON-DECREED LAND	GVID OBJECTION
T.6S., R.26E., SECTION 27, SE¼, SE¼	0.00	0.25	+0.25	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 27, SE¼, SW¼	0.00	0.63	+0.63	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 28, SE¼, SE¼	0.61	0.78	+0.17	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 28, SE¼, SW¼	0.93	4.24	+3.31	URBANIZED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.6S., R.25E., SECTION 28, SW¼, NE¼	0.00	0.09	+0.09	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 28, SW¼, NW¼	0.00	1.93	+1.93	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 28, SW¼, SE¼	0.26	0.62	+0.36	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 28, SW¼, SW¼	0.29	0.90	+0.61	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 29, NW¼, NW¼	0.15	2.09	+1.94	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 29, SE¼, SW¼	0.67	0.00	-0.67	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 29, SW¼, NE¼	1.99	0.00	-1.99	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 29, SW¼, NW¼	11.50	11.00	-0.50	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 29, SW¼, SW¼	2.80	2.71	-0.09	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 30, NE¼, NE¼	0.90	0.00	-0.90	TOWN OF PIMA	GVID OBJECTION
T.6S., R.25E., SECTION 30, NE¼, NW¼	21.53	0.08	-21.45	TOWN OF PIMA	GVID OBJECTION
T.6S., R.25E., SECTION 30, NW¼, NE¼	12.47	1.28	-11.19	TOWN OF PIMA	GVID OBJECTION
T.6S., R.25E., SECTION 30, NW¼, NW¼	7.16	6.50	-0.66	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 30, NW¼, SW¼	0.00	0.14	+0.14	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 30, SE¼, NW¼	0.85	1.24	+0.39	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 30, SW¼, NW¼	1.15	0.00	-1.15	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 30, SW¼, SE¼	6.92	2.81	-4.11	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 31, NW¼, NE¼	3.63	0.33	-3.30	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 32, NE¼, NW¼	1.47	0.00	-1.47	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 32, NE¼, SE¼	0.01	0.00	-0.01	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 32, SE¼, NE¼	2.38	0.00	-2.38	REPORT ERROR	GVID OBJECTION
T.6S., R.25E., SECTION 33, NE¼, NE¼	1.31	0.91	-0.40	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 33, NE¼, NW¼	3.88	3.77	-0.11	NON-DECREED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.6S., R.25E., SECTION 33, NE¼, SE¼	8.88	9.69	+0.81	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 33, NE¼, SW¼	6.12	6.61	+0.49	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 33, NW¼, NE¼	5.21	5.60	+0.39	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 33, NW¼, SW¼	2.32	2.31	-0.01	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 33, SE¼, SE¼	0.79	0.74	-0.05	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 33, SW¼, NW¼	4.93	1.16	-3.77	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 33, SW¼, SW¼	2.06	0.81	-1.25	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 34, NE¼, NE¼	1.09	2.30	+1.21	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 34, NE¼, SE¼	28.53	0.00	-28.53	NON-DECREED LAND	GVID OBJECTION
T.6S., R.25E., SECTION 34, NW¼, NE¼	0.17	0.74	+0.57	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 34, NW¼, SE¼	0.00	0.83	+0.83	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 34, NW¼, SW¼	3.47	4.63	+1.16	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 34, SE¼, SE¼	0.84	1.28	+0.44	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 34, SW¼, NW¼	2.63	4.06	+1.43	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 34, SE¼, NE¼	1.73	0.00	-1.73	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 34, SW¼, SW¼	0.77	0.29	-0.48	NON-DECREED LAND	DWR REVIEW
T.6S., R.25E., SECTION 35, NW¼, SW¼	0.49	0.00	-0.49	TRANSFER	GVID OBJECTION
T.6S., R.25E., SECTION 35, SE¼, SW¼	0.24	0.00	-0.24	TRANSFER	GVID OBJECTION
T.6S., R.25E., SECTION 35, SW¼, NW¼	0.05	0.00	-0.05	TRANSFER	GVID OBJECTION
T.6S., R.25E., SECTION 35, SW¼, SE¼	0.89	0.00	-0.89	TRANSFER	GVID OBJECTION
T.6S., R.25E., SECTION 35, SW¼, SW¼	1.98	0.00	-1.98	TRANSFER	GVID OBJECTION
T.6S., R.27E., SECTION 34, SE¼, SW¼	0.00	0.02	+0.02	URBANIZED LAND	DWR REVIEW
T.6S., R.27E., SECTION 35, NE¼, SE¼	0.00	1.95	+1.95	URBANIZED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.6S., R.27E., SECTION 35, NE¼, SW¼	4.40	8.53	+4.13	URBANIZED LAND	DWR REVIEW
T.6S., R.25E., SECTION 36, NE¼, SE¼	0.00	0.52	+0.52	URBANIZED LAND	DWR REVIEW
T.6S., R.31E., SECTION 17, NW¼, SW¼	0.93	0.92	-0.01	NON-DECREED LAND	DWR REVIEW
T.6S., R.31E., SECTION 17, SW¼, SW¼	0.85	0.00	-0.85	NON-DECREED LAND	DWR REVIEW
T.6S., R.32E., SECTION 32, SE¼, SE¼	3.68	0.00	-3.68	NON-DECREED LAND	DWR REVIEW
T.6S., R.32E., SECTION 32, SE¼, SW¼	6.64	0.00	-6.64	NON-DECREED LAND	DWR REVIEW
T.7S., R.25E., SECTION 01, NW¼, SE¼	0.11	0.00	-0.11	REPORT ERROR	GVID OBJECTION
T.7S., R.25E., SECTION 01, SE¼, NW¼	1.10	0.00	-1.10	REPORT ERROR	GVID OBJECTION
T.7S., R.25E., SECTION 01, SW¼, SE¼	1.58	2.15	+0.57	URBANIZED LAND	DWR REVIEW
T.7S., R.25E., SECTION 01, SW¼, SW¼	10.06	1.97	-8.09	TOWN OF THATCHER	DWR REVIEW
T.7S., R.25E., SECTION 02, NE¼, SE¼	7.66	3.27	-4.39	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, NW¼, SE¼	7.75	0.21	-7.54	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, NW¼, SW¼	5.84	3.52	-2.32	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, NE¼, NW¼	2.34	0.00	-2.34	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, NE¼, NE¼	2.38	0.00	-2.38	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, NE¼, SW¼	4.75	0.00	-4.75	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, NW¼, NE¼	1.98	0.00	-1.98	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, NW¼, NW¼	4.71	0,00	-4.71	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, SE¼, NE¼	13.47	0.00	-13.47	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, SE¼, NW¼	7.68	0.00	-7.68	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, SE¼, SE¼	3.17	0.00	-3.17	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, SE¼, SW¼	0.11	0.00	-0.11	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, SW¼, NE¼	4.14	0.00	-4.14	TOWN OF THATCHER	GVID OBJECTION

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.7S., R.25E., SECTION 02, SW¼, NW¼	4.21	0.00	-4.21	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 02, SW¼, SW¼	1.27	0.00	-1.27	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 03, NW¼, NW¼	0.00	1.43	+1.43	URBANIZED LAND	DWR REVIEW
T.7S., R.25E., SECTION 03, NE¼, NE¼	1.13	0.23	-0.90	URBANIZED LAND	DWR REVIEW
T.7S., R.25E., SECTION 03, SE¼, NE¼	17.56	3.51	-14.05	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 03, SE¼, SE¼	11.12	5.08	-6.04	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 03, SE¼, SW¼	8.26	6.90	-1.36	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 03, SW¼, NE¼	12.25	7.58	-4.67	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 03, SW¼, SE¼	9.74	3.85	-5.89	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 03, NE¼, SE¼	1.06	0.00	-1.06	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 03, NW¼, SW¼	2.13	3.08	+0.95	URBANIZATION	DWR REVIEW
T.7S., R.25E., SECTION 03, SW¼, NW¼	0.36	0.29	-0.07	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 03, SW¼, SW¼	4.40	1.45	-2.95	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 04, NE¼, SE¼	0.00	0.83	+0.83	URBANIZED LAND	DWR REVIEW
T.7S., R.25E., SECTION 04, SE¼, NE¼	1.19	1.90	+0.71	URBANIZED LAND	DWR REVIEW
T.7S., R.25E., SECTION 10, NE¼, NW¼	2.18	0.00	-2.18	CULTIVATED LAND	GVID OBJECTION
T.7S., R.25E., SECTION 10, NW¼, NE¼	0.00	0.00	0.00	REPORT ERROR	DWR REVIEW
T.7S., R.25E., SECTION 11, NE¼, NE¼	2.58	0.00	-2.58	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 11, NE¼, SE¼	1.46	0.00	-1.46	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 11, NW¼, NW¼	5.26	2.73	-2.53	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 11, NW¼, SW¼	4.17	0.00	-4.17	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 11, SE¼, NE¼	14.01	8.38	-5.63	NON-DECREED LAND	GVID OBJECTION
T.7S., R.25E., SECTION 11, SE¼, NW¼	7.61	1.35	-6.26	NON-DECREED LAND	GVID OBJECTION

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.7S., R.25E., SECTION 11, SE¼, SE¼	9.25	4.73	-4.52	NON-DECREED LAND	GVID OBJECTION
T.7S., R.25E., SECTION 11, SE¼, SW¼	2.46	0.00	-2.46	NON-DECREED LAND	GVID OBJECTION
T.7S., R.25E., SECTION 11, SW¼, NW¼	2.50	0.00	-2.50	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 12, NE¼, SW¼	22.19	21.66	-0.53	NON-DECREED LAND	DWR REVIEW
T.7S., R.25E., SECTION 12, NW¼, NW¼	6.08	4.48	-1.60	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 12, SW¼, NW¼	1.55	1.09	-0.46	TOWN OF THATCHER	GVID OBJECTION
T.7S., R.25E., SECTION 13, NE¼, NE¼	3.02	4.06	+1.04	URBANIZED LAND	DWR REVIEW
T.7S., R.25E., SECTION 13, NE¼, SW¼	7.95	4.94	-3.01	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 05, NW¼, SW¼	0.08	0.11	+0.03	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 06, NE¼, SE¼	0.98	0.95	-0.03	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 06, SE¼, SW¼	12.74	0.00	-12.74	NON-DECREED LAND	GVID OBJECTION
T.7S., R.26E., SECTION 07, NW¼, SW¼	1.32	4.53	+3.21	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 07, SE¼, SW¼	4.69	18.05	+13.36	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 07, SW¼, NE¼	9.39	9.83	+0.44	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 07, SE¼, NW¼	0.00	8.58	+8.58	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 07, SW¼, SE¼	34.32	33.33	-0.99	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 08, NW¼, SW¼	3.21	0.00	-3.21	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 08, SW¼, SE¼	0.00	0.03	+0.03	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 08, SW¼, NW¼	0.00	4.71	+4.71	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 08, SE¼, NE¼	0.00	9.20	+9.20	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 08, SE¼, NW¼	0.78	14.14	+13.36	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 08, SE¼, SE¼	0.00	21.28	+21.28	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 08, SE¼, SW¼	0.00	23.91	+23.91	URBANIZED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.7S., R.26E., SECTION 08, SW¼, NE¼	0.22	1.00	+0.78	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 09, SW¼, NW¼	4.71	0.00	-4.71	REPORT ERROR	DWR REVIEW
T.7S., R.26E., SECTION 09, SW¼, SW¼	14.34	14.74	+0.40	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 15, SE¼, NE¼	0.51	0.00	-0.51	NON-DECREED LAND	GVID OBJECTION
T.7S., R.26E., SECTION 16, NW¼, NW¼	11.39	3.58	-7.81	TRANSFER	GVID OBJECTION
T.7S., R.26E., SECTION 17, NE¼, NE¼	0.00	1.03	+1.03	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, SW¼, NE¼	0.00	33.47	+33.47	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, NW¼, SW¼	0.00	7.40	+7.40	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, NW¼, SE¼	0.00	10.90	+10.90	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, NE¼, SE¼	1.24	0.49	-0.75	NON-DECREED LAND	GVID OBJECTION
T.7S., R.26E., SECTION 17, NE¼, SW¼	6.33	9.54	+3.21	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, NE¼, NW¼	24.68	0.53	-24.15	TRANSFER	GVID OBJECTION
T.7S., R.26E., SECTION 17, SE¼, NW¼	1.29	12.82	+11.53	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, SE¼, SE¼	2.23	1.93	-0.30	TRANSFER	DWR REVIEW
T.7S., R.26E., SECTION 17, SE¼, SW¼	11.96	15.43	+3.47	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, SW¼, NW¼	0.03	29.86	+29.83	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, SW¼, SE¼	0.00	12.17	+12.17	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 17, SW¼, SW¼	0.41	25.52	+25.11	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 18, NE¼, NE¼	14.31	0.00	-14.31	NON-DECREED LAND	GVID OBJECTION
T.7S., R.26E., SECTION 18, NE¼, NW¼	14.03	11.75	-2.28	NON-DECREED LAND	DWR REVIEW
T,7S., R.26E., SECTION 18, NE¼, SE¼	3.44	18.98	+15.54	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 18, NE¼, SW¼	24.76	13.32	-11.44	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 18, NW¼, NE¼	17.67	1.56	-16.11	NON-DECREED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.7S., R.26E., SECTION 18, NW¼, NW¼	5.10	2.68	-2.42	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 18, NW¼, SE¼	3.09	2.78	-0.31	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 18, NW¼, SW¼	13.17	3.73	-9.44	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 18, SE¼, NW¼	18.37	10.44	-7.93	TRANSFER	GVID OBJECTION
T.7S., R.26E., SECTION 18, SE¼, SE¼	38.46	28.55	-9.91	TRANSFER	GVID OBJECTION
T.7S., R.26E., SECTION 18, SE¼, SW¼	32.22	7.41	-24.81	TRANSFER	GVID OBJECTION
T.7S., R.26E., SECTION 18, SW¼, NE¼	9.36	8.43	-0.93	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 18, SW¼, NW¼	17.83	12.89	-4.94	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 18, SW¼, SW¼	14.05	3.06	-10.99	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 19, NE¼, NE¼	40.43	22.40	-18.03	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 19, NE¼, NW¼	39.02	0.00	-39.02	TRANSFER	GVID OBJECTION
T,7S., R.26E., SECTION 19, NW¼, NE¼	0.52	0.00	-0.52	REPORT ERROR	GVID OBJECTION
T.7S., R.26E., SECTION 19, NW¼, NW¼	0.76	0.00	-0.76	TRANSFER	GVID OBJECTION
T.7S., R.26E., SECTION 20, NE¼, NE¼	1.85	1.48	-0.37	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 20, NE¼, NW¼	6.26	4.98	-1.28	NON-DECREED LAND	GVID OBJECTION
T.7S., R.26E., SECTION 20, NW¼, NW¼	2.45	4.42	+1.97	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 20, NW¼, SE¼	6.19	5.45	-0.74	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 20, SE¼, NW¼	3.53	3.62	+0.09	URBANIZED LAND	DWR REVIEW
T.7S., R.26E., SECTION 21, SW¼, SE¼	0.00	0.01	+0.01	REPORT ERROR	DWR REVIEW
T.7S., R.26E., SECTION 22, NW¼, SW¼	1.18	0.05	-1.13	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 22, SE¼, NW¼	0.07	0.00	-0.07	REPORT ERROR	DWR REVIEW
T.7S., R.26E., SECTION 22, NW¼, SE¼	0.11	0.01	-0.10	REPORT ERROR	DWR REVIEW
T.7S., R.26E., SECTION 22, SW¼, NE¼	3.41	0.08	-3.33	NON-DECREED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.7S., R.26E., SECTION 22, SW¼, NW¼	0.99	0.07	-0.92	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 22, NW¼, NE¼	0.85	0.83	-0.02	NON-DECREED LAND	DWR REVIEW
T.7S., R.26E., SECTION 23, NW¼, NW¼	14.26	1.38	-12.88	TRANSFER	GVID OBJECTION
T.7S., R.26E., SECTION 23, NW¼, SW¼	10.15	0.00	-10.15	TRANSFER	GVID OBJECTION
T.7S., R.26E., SECTION 23, SE¼, SW¼	0.63	0.00	-0.63	REPORT ERROR	DWR REVIEW
T.7S., R.26E., SECTION 24, NE¼, NE¼	5.66	1.39	-4.27	NON-DECREED LAND	GVID OBJECTION
T.7S., R.26E., SECTION 24, NE¼, SE¼	0.01	0.00	-0.01	REPORT ERROR	GVID OBJECTION
T.7S., R.26E., SECTION 24, SW¼, SE¼	0.59	0.00	-0.59	CULTIVATED LAND	DWR REVIEW
T.7S., R.26E., SECTION 24, SW¼, SW¼	0.13	0.00	-0.13	CULTIVATED LAND	DWR REVIEW
T.7S., R.26E., SECTION 26, NE¼, NE¼	0.27	0.00	-0.27	NON-DECREED LAND	GVID OBJECTION
T.7S., R.26E., SECTION 27, NE¼, NE¼	3.05	0.00	-3.05	NON-DECREED LAND	GVID OBJECTION
T.7S., R.27E., SECTION 03, NW¼, SE¼	4.20	0.00	-4.20	CULTIVATED LAND	DWR REVIEW
T.7S., R.27E., SECTION 03, NE¼, NW¼	0.00	0.88	+0.88	URBANIZED LAND	DWR REVIEW
T.7S., R.27E., SECTION 03, NW¼, SW¼	0.00	1.78	+1.78	URBANIZED LAND	DWR REVIEW
T.7S., R.27E., SECTION 03, NE¼, NE¼	0.00	1.34	+1.34	URBANIZED LAND	DWR REVIEW
T.7S., R.27E., SECTION 03, SW¼, NW¼	0.00	2.70	+2.70	URBANIZED LAND	DWR REVIEW
T.7S., R.27E., SECTION 04, SE¼, SE¼	0.00	0.00	0.00	REPORT ERROR	DWR REVIEW
T.7S., R.27E., SECTION 04, SE¼, NE¼	0.00	0.10	+0.10	URBANIZED LAND	DWR REVIEW
T.7S., R.27E., SECTION 04, SE¼, SW¼	4.50	0.23	-4.27	NON-DECREED LAND	GVID OBJECTION
T.7S., R.27E., SECTION 09, NE¼, NW¼	0.27	0.23	-0.04	NON-DECREED LAND	DWR REVIEW
T.7S., R.27E., SECTION 09, NW¼, NE¼	2.42	2.43	+0.01	URBANIZED LAND	DWR REVIEW
T.7S., R.27E., SECTION 16, SW¼, NE¼	5.30	0.35	-4.95	NON-DECREED LAND	GVID OBJECTION
T.7S., R.27E., SECTION 16, NE¼, NE¼	0.04	0.00	-0.04	NON-DECREED LAND	GVID OBJECTION

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.7S., R.27E., SECTION 16, NE¼, SW¼	3.13	0.00	-3.13	NON-DECREED LAND	GVID OBJECTION
T.7S., R.27E., SECTION 16, NW¼, SE¼	3.08	0.00	-3.08	NON-DECREED LAND	GVID OBJECTION
T.7S., R.27E., SECTION 16, SW¼, NW¼	3.28	0.00	-3.28	NON-DECREED LAND	GVID OBJECTION
T.7S., R.27E., SECTION 17, SE¼, NE¼	0.12	0.00	-0.12	REPORT ERROR	GVID OBJECTION
T.7S., R.27E., SECTION 17, SE¼, SE¼	2.72	0.00	-2.72	REPORT ERROR	GVID OBJECTION
T.7S., R.27E., SECTION 19, NW¼, SW¼	2.83	1.44	-1.39	NON-DECREED LAND	DWR REVIEW
T.7S., R.27E., SECTION 19, NE¼, NW¼	0.13	0.00	-0.13	NON-DECREED LAND	DWR REVIEW
T.7S., R.27E., SECTION 19, NE¼, SE¼	0.13	0.00	-0.13	NON-DECREED LAND	DWR REVIEW
T.7S., R.27E., SECTION 19, NE¼, SW¼	0.22	0.00	-0.22	NON-DECREED LAND	DWR REVIEW
T.7S., R.27E., SECTION 19, NW¼, NE¼	1.33	0.00	-1.33	NON-DECREED LAND	DWR REVIEW
T.7S., R.27E., SECTION 19, NW¼, NW¼	3.90	0.00	-3.90	NON-DECREED LAND	DWR REVIEW
T.7S., R.27E., SECTION 19, NW¼, SE¼	0.28	0.00	-0.28	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 04, SW¼, NW¼	2.83	1.37	-1.46	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 05, NE¼, NW¼	0.32	0.00	-0.32	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 09, SW¼, NW¼	1.30	0.00	-1.30	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 09, SW¼, SE¼	0.02	0.00	-0.02	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 16, SW¼, NE¼	1.91	1.45	-0.46	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 16, SW¼, SE¼	1.75	0.00	-1.75	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 21, NE¼, NW¼	0.23	0.00	-0.23	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 21, NE¼, SE¼	3.03	0.00	-3.03	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 21, NE¼, SW¼	0.74	0.00	-0.74	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 21, NW¼, NW¼	0.89	0.00	-0.89	NON-DECREED LAND	DWR REVIEW
T.7S., R.31E., SECTION 28, NE¼, SE¼	1.10	0.00	-1.10	NON-DECREED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.7S., R.31E., SECTION 28, SE¼, NE¼	0.22	0.00	-0.22	NON-DECREED LAND	DWR REVIEW
T.8S., R.31E., SECTION 12, SE¼, NE¼	0.11	0.10	-0.01	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 07, SW¼, SE¼	0.00	0.03	+0.03	URBANIZED LAND	DWR REVIEW
T.8S., R.32E., SECTION 17, SW¼, NW¼	14.21	0.00	-14.21	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 18, NE¼, SW¼	0.45	0.00	-0.45	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 18, NW¼, NW¼	0.31	0.00	-0.31	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 18, SE¼, SE¼	0.00	0.71	+0.71	URBANIZED LAND	DWR REVIEW
T.8S., R.32E., SECTION 18, SE¼, SW¼	0.00	0.17	+0.17	URBANIZED LAND	DWR REVIEW
T.8S., R.32E., SECTION 20, NW¼, SE¼	0.11	0.02	-0.09	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 20, SE¼, NE¼	3.02	0.00	-3.02	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 21, SE¼, SW¼	0.14	0.03	-0.11	TRANSFER	DWR REVIEW
T.8S., R.32E., SECTION 21, SW¼, SE¼	0.41	0.00	-0.41	TRANSFER	DWR REVIEW
T.8S., R.32E., SECTION 27, SW¼, NW¼	0.72	0.48	-0.24	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 27, NW¼, SW¼	0.06	0.00	-0.06	REPORT ERROR	DWR REVIEW
T.8S., R.32E., SECTION 27, SW¼, SW¼	0.37	0.26	-0.11	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 28, NE¼, NE¼	0.60	0.00	-0.60	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 28, SE¼, SE¼	3.08	0.04	-3.04	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 28, NE¼, SE¼	2.48	0.00	-2.48	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 28, NE¼, SW¼	0.57	0.00	-0.57	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 28, NW¼, NE¼	0.09	0.00	-0.09	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 28, SE¼, NE¼	0.02	0.00	-0.02	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 28, SE¼, NW¼	2.34	0.00	-2.34	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 29, NW¼, SE¼	0.21	0.00	-0.21	NON-DECREED LAND	DWR REVIEW

TABLE D-1
(Continued)

LEGAL LOCATION	DRAFT REPORT ACREAGE	FINAL REPORT ACREAGE	ACREAGE DIFFERENCE	REASON FOR CHANGE	BASIS FOR CHANGE
T.8S., R.32E., SECTION 29, SE¼, SW¼	0.05	0.54	+0.49	URBANIZED LAND	DWR REVIEW
T.8S., R.32E., SECTION 34, NE¼, SE¼	4.08	1.51	-2.57	NON-DECREED LAND	DWR REVIEW
T.8S., R.32E., SECTION 34, NE¼, SW¼	1.64	2.33	+0.69	URBANIZED LAND	DWR REVIEW
T.8S., R.32E., SECTION 34, NW¼, SE¼	1.26	1.80	+0.54	URBANIZED LAND	DWR REVIEW
T.8S., R.32E., SECTION 34, SE¼, NE¼	1.00	1.48	+0.48	URBANIZED LAND	DWR REVIEW
T.8S., R.32E., SECTION 34, SE¼, NW¼	4.75	10.12	+5.37	URBANIZED LAND	DWR REVIEW
T.8S., R.32E., SECTION 34, SE¼, SW¼	0.82	0.00	-0.82	REPORT ERROR	DWR REVIEW
T.8S., R.32E., SECTION 34, SW¼, SE¼	0.14	0.00	-0.14	REPORT ERROR	DWR REVIEW
T.8S., R.32E., SECTION 34, SW¼, NE¼	0.00	0.48	+0.48	URBANIZED LAND	DWR REVIEW
T.9S., R.32E., SECTION 04, NW¼, SE¼	4.94	2.46	-2.48	NON-DECREED LAND	DWR REVIEW
T.9S., R.32E., SECTION 04, SE¼, NW¼	4.74	2.67	-2.07	NON-DECREED LAND	DWR REVIEW
T.18S., R.21W., SECTION 33, SE¼, NW¼	1.35	0.00	-1.35	NON-DECREED LAND	DWR REVIEW
T.18S., R.21W., SECTION 33, SE¼, SW¼	0.50	0.40	-0.10	NON-DECREED LAND	DWR REVIEW
T.18S., R.21W., SECTION 33, SW¼, NE¼	1.11	0.30	-0.81	NON-DECREED LAND	DWR REVIEW
T.18S., R.21W., SECTION 34, SW¼, SW¼	1.03	0.00	-1.03	NON-DECREED LAND	DWR REVIEW
T.19S., R.20W., SECTION 18, NW¼, NE¼	3.02	2.25	-0.77	NON-DECREED LAND	DWR REVIEW
T.19S., R.21W., SECTION 02, SE¼, NE¼	2.20	0.00	-2.20	NON-DECREED LAND	DWR REVIEW
T.19S., R.21W., SECTION 02, SE¼, SE¼	5.87	5.74	-0.13	NON-DECREED LAND	DWR REVIEW
T.19S., R.21W., SECTION 02, SW¼, SE¼	0.09	0.00	-0.09	NON-DECREED LAND	DWR REVIEW
T.19S., R.21W., SECTION 02, SW¼, SW¼	1.03	0.00	-1.03	NON-DECREED LAND	DWR REVIEW
T.19S., R.21W., SECTION 03, NW¼, NW¼	1.11	0.61	-0.50	NON-DECREED LAND	DWR REVIEW
T.19S., R.21W., SECTION 10, NE¼, NE¼	0.43	0.00	-0.43	NON-DECREED LAND	DWR REVIEW
T.19S., R.21W., SECTION 10, NE¼, NW¼	0.71	0.42	-0.29	NON-DECREED LAND	DWR REVIEW

APPENDIX E: LIST OF DECREED LOTS OUTSIDE OF THE 1935 SAFFORD TOWN LIMITS

This appendix lists 3 additions that were located outside of the 1935 Safford town limits. The additions are the "Smith's" , the "Beebe" and an unnamed addition. The total acreage for the 3 additions is 95.9 acres. The lots are listed in Table E-1.

TABLE E-1

DECREED LOTS OUTSIDE OF THE 1935 SAFFORD TOWN LIMITS

LEGAL LOCATION	NO.	BLOCK	LOT	OWNER	ACRES	ADDITION
T.7S., R.26E., SECTION 17, NE¼, SW¼		8	1 & 3	ROGERS, H.P.	2.2	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		8	2 & 4	ROGERS, H.P.	2.2	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		9	E2/3 OF 1	WELKER, C.D.	0.8	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		9	W1/3 OF 1	WELKER, ADAM	0.5	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		9	2	WELKER, ADAM	1.5	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		9	3	QUINN, J.B.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		9	4	QUINN, J.B.	0.8	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		9	W¼ OF 4	MRS. STEEL VERSA	0.3	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		10	1	GRATZ, BROWN	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		10	2	GEO BURRELL	1.2	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		10	3	LARSEN, EPH.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		10	4	SCHOOL DIST. NO. 1	1.2	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		11	1 & 2	MRS. N.A. BELL ESTATE	2.3	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		12	1	BURRELL, CHAS	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		12	2	WILLIAMS JR. ESTATE	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		13	1	GREENHALGH, J.W.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		1	1	ROBINSON, L.P.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		1	W2/3 2	QUINN, JESSE	0.8	SMITH'S
T.7S., .R26E., SECTION 17, NE¼, SW¼		1	3 & 4	SMITH, R.A. SR	2.2	SMITH'S
T.7S., .R26E., SECTION 17, NE¼, SW¼		1	4	BOGGS, T.F.	0.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		2	1	SMITHSON, MRS. J.B.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		2	E½ OF 2	WELKER, J.A.	0.6	SMITH'S

TABLE E-1
(Continued)

LEGAL LOCATION	NO.	BLOCK	LOT	OWNER	ACRES	ADDITION
T.7S., R.26E., SECTION 17, NE¼, SW¼		2	W½ OF 2	WARREN, BINGHAM	0.5	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		2	S½ OF 3	CRAWFORD, G.L.	0.7	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		2	N½ OF 3	FOOTE, ORSON	1.0	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		2	4	LAYBIN, CYD.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		3	1	NOT LISTED		SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		3	2 & 4	WEST, JOHN	2.2	SMITH'S
T.7S., R.26E., SECTION 17, NE¼, SW¼		3	3	WEST, JOHN	2.2	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		13	2	EVANS, AUSTIN	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		14	1 & 2	EVANS, AUSTIN	2.2	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		15	1 & 2	EVANS, AUSTIN	2.2	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		4	1	JOHN BILBY	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		4	E1/3 OF 2	STUEMER, F.P.	0.3	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		4	W2/3 OF 2	WILLIAMS, DAN	0.8	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		4	3	FANNY BAILY	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		4	4	STUERMER, F.P.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		5	1	McALLISTER, R.L.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		5	2	SCARLETT, J.W.N.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		5	3 & 4	SALE, C.B.	2.2	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		6	1 & 3	RHINEHART, J.F.	5.0	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		6	2	REED, SARAH E	1.2	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		6	4	GREENHALGH, J.W.	1.1	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		7	1,2 & 3	GREENHALGH, J.W.	3.3	SMITH'S
T.7S., R.26E., SECTION 17, NW¼, SW¼		7	4	SEARS, S.E.O.	4.5	SMITH'S

TABLE E-1
(Continued)

LEGAL LOCATION	NO.	BLOCK	LOT	OWNER	ACRES	ADDITION
T.7S., R.26E., SECTION 17, SW¼, NW¼	1			KEMPTON, L.N.	1.7	UNNAMED
T.7S., R.26E., SECTION 17, SW¼, NW¼	2			KRUEGER, CORA	0.7	UNNAMED
T.7S., R.26E., SECTION 17, SW¼, NW¼	3			CLARENCE,SCARLETT	2.5	UNNAMED
T.7S., R.26E., SECTION 17, SW¼, NW¼	4			GUASIG, GEO.VAN	2.5	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	1			WEST, TURNER	0.7	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	2&3			KIMBALL, SPENCER	0.4	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	4			LAYTON, CYNTHIA	0.2	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	5			CLARK, H.S.	0.3	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	6			CHURCH L.D.S.	2.4	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	7			FREEMAN, M.S.	0.7	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	8			GILMORE, J.R.	2.1	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	9			SCARLET, W.F.	1.8	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	10			MRS. V.M. BAKER	0.9	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	11			FULLER, LAWRENCE L.	1.2	UNNAMED
T.7S., R.26E., SECTION 17, SE¼, NW¼	13			MORRIS, W.M.	0.2	UNNAMED
T.7S., R.26E., SECTION 18, SE¼, NE¼		NE¼ BLK 11		BINGHAM, RICHARD	1.0	BEEBE
T.7S., R.26E., SECTION 18, SE¼, NE¼		S½ & NW ¼ BLK 11		BINGHAM, J.H.	5.0	BEEBE
T.7S., R.26E., SECTION 18, SE¼, NE¼		BLOCK 12		BINGHAM, JOS	5.0	BEEBE
T.7S., R.26E., SECTION 18, SE¼, NE¼		N½ BLK 12		JACOBSON, M.	2.0	BEEBE
T.7S., R.26E., SECTION 18, SE¼, NE¼		W½ BLK 1		KIRKPATRICK, F.E.	2.0	BEEBE
				TOTAL ACRES	**95.9**	

APPENDIX F

IN RE THE UNITED STATES V. GILA VALLEY IRRIGATION DISTRICT, et al. - GLOBE EQUITY No. 59 | No.-94-230

For office use only
ck #5043

OBJECTIONS TO THE
URBANIZATION ANALYSIS REPORT FOR THE SAFFORD VALLEY AND DUNCAN-VIRDEN VALLEY

Objections to information contained in the ADWR Urbanization Analysis Report can be stated on one objection form for each parcel. Objections must be written or typed by the objecting party. Objections must be *received* **on or before ~~May 23,~~ 1994.**
JUN 6,

OBJECTOR INFORMATION

NAME: Gila Valley Irrigation District

ADDRESS: 207 5th Street (Street) Safford (City) AZ (State) 85546 (Zip)

PHONE: (602) 4280189

LOCATION: _____ 1/4 _____ 1/4 of SECTION _____ TOWNSHIP _____

RANGE _____ **ACRES:** _____ **CANAL COMPANY:** _____

PRIORITY DATE: _____ **GILA DECREE PAGE No.** _____
(For Office use only)

PARCEL NUMBER _____

The reason for my objection is as follows: (please attach any supporting data, information, maps or photo's and additional pages as necessary.)

See Attached explanation

THE LAW FIRM OF

DON AWERKAMP
BENIS E. BERNSTEIN
DENNIS J. CLANCY
BRADLEY G. A. CLOUD
SALLY M. DARCY
L. ANTHONY FINES
SUSAN M. FREUND
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June 6, 1994

VIA FEDERAL EXPRESS

Honorable John C. Coughenour
Judge, United States District Court
609 Federal Courthouse
1010 Fifth Avenue
Seattle, WA 98104

Re: Globe Equity 59

Dear Judge Coughenour:

I have just recently read a copy of Michael Pearce's letter to you of May 25, 1994. Mr. Pearce is correct when he states that many residents of the Upper Gila Valleys who own residential parcels of two acres or less are filing objections with the Water Commissioner regarding ADWR's draft report. The Irrigation Districts have encouraged these persons and all others who may object to ADWR's draft study to file objections within the time provided by your orders.

The Upper Valleys, despite some recent urbanization, remain rural communities. I have only spoken to one owner of a small parcel under two acres. She had missed her appointment with the Water Commissioner due to her husband's death and I called her to advise her that the deadline for filing objections had been extended. She told me that she used her water to irrigate a vegetable garden, a small flower garden (that had been developed as a hobby by her late husband and her), and trees which are used as a wind brake for her house. She gives the vegetables from her garden to her grandchildren and neighbors. I have read some of the objections filed by other individuals. Those objections state similar facts. People use their river water for vegetables, fruit trees, pecan trees, and to grow grasses for grazing purposes.

Although the lands are not used for commercial purposes, they are at least arguably "then being irrigated" within the meaning of the 1935 Decree. Nevertheless, for the reasons stated in Mr. Pearce's letter, the ADWR study concluded that all these lands have been

fully urbanized and presumably should not receive decreed water. The Irrigation Districts believe they acted properly when encouraging the owners of these lands to file objections to ADWR's draft study.

After discussions with ADWR personnel and the Water Commissioner, the Gila Valley Irrigation District decided to file a blanket objection to cover all these parcels. That objection will be filed today. The Gila Valley Irrigation District has no objection to the suggestion in Mr. Pearce's letter that ADWR acknowledge the blanket objection in its final report, provided that the report is not used to deprive these persons of their water rights. We agree with ADWR that you, not ADWR, should decide whether these parcels are entitled to receive decreed water. Perhaps the issue can be tried in November. I intend to suggest a method for addressing the issue in my memorandum regarding the pretrial conference to be filed Wednesday.

Thank you for your consideration of this matter.

Sincerely,

L. Anthony Fines

cc: See attached mailing list

Copy of the foregoing
mailed this 6th day of
June, 1994 to:

The Honorable John C. Coughenour
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Gila Water Commissioner
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Phoenix AZ 85028

Jon Allred
Assistant Gila Water Commissioner
P. O. Box 152
Safford, AZ 85546

Objection _____

_____

_____

_____

_____

_____

I hereby make this objection on this 6th day of June, 1994.

Darwin Weed

Signature of Objector

FOR: GVID

(If in a representative capacity)

STATE OF Arizona VERIFICATION

COUNTY OF Graham (must be completed by objector)

I have read the foregoing Objection and know the contents thereof, and the information contained in the foregoing objection is true based on my own personal knowledge, except for those portions of the Objection which are indicated as being known to me on information and belief and, as to those portions, I believe them to be true.

Darwin Weed

Signature of Objector

SUBSCRIBED AND SWORN to before me this 6TH day of June, 1994.

(SEAL) "OFFICIAL SEAL" Sharon Marble Notary Public-Arizona Graham County My Commission Expires 2/26/97

Sharon Marble

Notary Public for the State of Arizona

My commission expires 2-26-97

C:\WPWIN61\WPDOCS\FORM\COMP.DOC

IN RE THE UNITED STATES V. GILA VALLEY IRRIGATION DISTRICT, et al.- GLOBE EQUITY No. 59 | No.-94-

Objection by the Gila Valley and Franklin Irrigation Districts to the Arizona Department of Water Resources "Draft" Study of Urbanized and Permanently Retired Lands in the Upper Gila River Valleys.

1. Objector Information. The objectors are the Franklin Irrigation District (FID) and the Gila Valley Irrigation District ("GVID"), a named defendant in United States District Court for the District of Arizona, Cause No. Globe Equity 59 and Class Representative regarding the issues tried before the Court and resulting in the opinion reported at 804 F.Supp. 1.

2. Purpose of Objection. The Arizona Department of Water Resources ("ADWR") took approximately eleven months to complete its draft study (the "Draft Study"). Even with its substantial resources and expertise, the study was more than ADWR could accomplish with complete accuracy in eleven months. The GVID, which has neither ADWR's resources nor its expertise, has had less than two months to review, understand, and prepare this objection to the Draft Study. Given these restraints, the GVID has not been able to review the Draft Study for every possible error. In accordance with the Court's order of April 8, 1994, the GVID expects that individual parties will file objections to the extent that errors in the Draft Study will particularly effect those parties. The GVID has reviewed the study for major errors which may, individually or collectively, have a significant impact beyond any individual's right to water. The GVID cannot be sure that it has found all these errors and expects that some may remain. The errors found by the GVID are identified by category below.

3. Determination that Non-Decreed Land has been Urbanized. The Draft Study identified some lands as having been urbanized or otherwise permanently retired from agriculture even though those lands never had any decreed rights under the Decree issued by the Court in 1935. The amount of this non-decreed land was then used to take water rights from land that does have decreed rights. The GVID objected to this and other possible errors in a letter dated April 20, 1994. (The letter is attached and incorporated into this Objection as Exhibit "A".) ADWR responded, acknowledging the potential problem in a letter dated May 2, 1994. (The letter, which due to a fax transmission error was not received until May 16, 1994, is attached and incorporated into this Objection as Exhibit "B".) GVID is especially concerned about this category of errors because owners of decreed land are most likely to review the Draft Study for errors regarding their particular pieces of land. They are unlikely to review the Study for errors regarding land that does not belong to them and does not have any decreed rights. The owners of non-decreed land will not check the Draft Study as the study cannot effect their rights. Yet, as explained in Exhibit "A", extinguishment of decreed water rights due to the urbanization of non-decreed land will reduce the amount

of water available for stacking on decreed land. The GVID objects to the Draft Study to the extent that it identifies non-decreed lands as having been urbanized or otherwise permanently retired from agricultural use. Those lands include, but are not necessarily limited to, parcels labeled "ND" on attached Exhibit "F" (a total of 140.3 acres). [See also ¶¶ 3 & 4 of Exhibit "A".]

4. Determination that Land from which Water Rights have been Transferred has been Urbanized. The Draft Study identified some lands as having been urbanized or otherwise permanently retired from agriculture even though the water rights belonging to those lands had been transferred to other lands. The amount of this non-decreed land was then used to take water rights from land that continues to have decreed rights. This category of errors also was brought to ADWR's attention on April 20, 1994. (See attached Exhibits "A" and "C".) ADWR acknowledged the potential problem on May 2, 1994. (See Exhibit "B".) This category of errors has the same potential for harm as does the category discussed in paragraph 3 of this objection. Owners of land with current decreed rights are unlikely to inspect the Draft Study for errors concerning land that no longer has decreed rights. Owners of lands from which decreed rights have been transferred will not check the Draft Study since they do not have any decreed rights to lose. As with the erroneous identification of non-decreed land, the result would reduce the amount of water available for stacking on decreed land. The GVID objects to the Draft Study to the extent that it identifies as lands from which water rights have been transferred as having been urbanized or otherwise permanently retired from agricultural use. Those lands include, but are not necessarily limited to, parcels labeled "TR" on attached Exhibit "F" (a total of 170.1 acres). [See also ¶ 3 of Exhibit "A" and Exhibit "C".]

5. Lands Presently Under Cultivation. The Draft Study identifies some lands as having been permanently removed from agricultural use even though they are presently under cultivation. That will effect the owners of that land and those persons who stack water rights with the owners. The GVID objects to the Draft Study to the extent that it identifies as presently cultivated lands as having been urbanized or otherwise permanently retired from agricultural use. Those lands include, but are not necessarily limited to, parcels labeled "CL" on attached Exhibit "F" (a total of 31.2 acres).

6. Lands not Shown on the Tables in the Draft Study, but Shown on the Accompanying Maps. Certain lands are depicted as permanently retired from agricultural use on the maps accompanying the Draft Study, but are not shown on the tables found in the draft report itself. When reviewing the Draft Study, some individual users looked at the tables in the Draft Study but not the maps accompanying the study. If their lands were not included in the tables, they believed, perhaps erroneously, that the study did not directly impact them and they stopped their review. It would be unfair to penalize people who in good faith relied on the tables by taking away their water rights based only on the maps. The GVID objects to the Draft Study to the extent that it will be used to remove water rights from lands depicted as permanently retired from agricultural use on the maps, but not so identified in the tables in the Draft Study itself. The GVID urges that water rights be completely restored

to those lands or that the owners of those lands be given individual notice and the opportunity to object to ADWR's Study. Those lands include, but are not necessarily limited to, parcels labeled "NT" on attached Exhibit "F" (a total of 9 parcels).

7. Lands Shown on the Tables in the Draft Study as Having been Permanently Retired from Agricultural Use, but not So Depicted on the Accompanying Maps. Certain lands were identified as having been permanently retired from agricultural use in the tables found in the draft report, but were not depicted as having been removed from agricultural production on the maps accompanying the Draft Study. When reviewing the Draft Study, some individual users looked at the maps, but not the tables in the Draft Study. This might include all people who could find their lands on a map, but did not understand the legal descriptions used in the tables. If their lands were not depicted in the maps as having been removed from agricultural use, they believed, perhaps erroneously, that the study did not directly effect them and they stopped their review. It would be unfair to penalize people who in good faith relied on the maps which, unknown to them, are inconsistent with the tables. The GVID objects to the Draft Study to the extent that it will be used to remove water rights from lands which have not been depicted as permanently retired from agricultural use on the maps. The GVID urges that water rights be completely restored to those lands or that the owners of those lands be given individual notice and the opportunity to object to ADWR's Study. Those lands include, but are not necessarily limited to, parcels labeled "NM" on attached Exhibit "F" (a total of 12.8 acres).

8. Small Parcels (Under Two Acres). The Draft Study determined that all parcels of land, two acres or less in size, which have been used for homesites, have in their entirety been permanently removed from agricultural use. The GVID and FID object to the determination. (See Exhibit "A"). The determination was done without inspecting the parcels through aerial photographs or otherwise. When ADWR originally presented its Draft Study, it appeared that this may have been done because of ADWR's lack of resources to inspect each individual parcel. Later, it appeared that was been done pursuant to ADWR's interpretation of the Court's order of March 16, 1992. (See Michael J. Pearce's letter of May 25, 1992, attached as Exhibit "D".) ADWR has interpreted that order to mean that parcels "sold off for single family residences" should be irrebuttably presumed to have been permanently removed from "agricultural use" or "farming uses." (Id.) Even though from Exhibit "D" it appears that ADWR's conclusion was limited to parcels that were "sold" for domestic purposes, the Draft Study has also included town lots, which were specifically given water rights by the 1935 Decree, as having been permanently removed from agricultural uses. Those parcels include, but are not necessarily limited to, parcels labeled "TL" on attached Exhibit "F" (a total of 128.5 acres). While ADWR followed its understanding of the Court's order of March 16, 1992, it was careful to state that the understanding should not be considered a legal opinion that those lands are not "then being irrigated" within the meaning of the Decree. (See Exhibit "D", page 2.)

ADWR's conclusion that small parcels of two acres or less are not used for farming or agricultural purposes is not consistent with the rural character of the Upper Valleys.

These are not city lots. Many of the owners maintain vegetable gardens, fruit trees, pecan trees, grasses for animal grazing, as well as flower beds. Contrary to ADWR's conclusion, such a use is a "farming" or "agricultural" use. Webster's Third New International Dictionary defines "farming" as "the practice of agriculture." It defines "agriculture" as "the science or art of cultivating the soil, harvesting crops, and raising livestock." Nowhere does the dictionary say that land cannot be farmed or put to an agricultural use if it is less than two acres in size and is partially occupied by a home. Moreover, the Court's order of March 16, 1992 was addressing commercial farming operations. It was not addressing the type of agriculture practiced by owners of small parcels. The 1935 Decree permits diversion of water for "lands then being irrigated." It does not say that the lands have to larger than two acres in size. Nor does it say that the parcels cannot partially be occupied by a home. Nor does it say that lands cannot be irrigated for fruit trees, vegetable gardens, or any other type of vegetation.

While many of the owners of these small parcels may have heard of ADWR's study, surely none of them believed that ADWR had presumed, without any physical inspection whatsoever, that none of their lands are being irrigated. Many, but clearly not all (or even most), of the owners of this land have submitted objections to the Water Commissioner. Others, perhaps believing that ADWR had actually inspected their lands, have chosen to rely on the accuracy of ADWR's study, without actually reviewing the report. It would be unfair to penalize these people by taking away all their water rights without a specific determination, based on an actual investigation, that they are no longer using those rights for irrigation. ADWR has proposed acknowledging an objection covering these parcels in its final report. (See Exhibit "D".) The GVID and FID have no objection to that proposal so long as these persons do not lose their rights to divert water for "lands then being irrigated" based on ADWR's presumption that none of these parcels is being used, even partially, for agricultural purposes. (See Exhibit "E".)

ACKNOWLEDGMENT

L. Anthony Fines states as follows:

1. I am an attorney representing the Gila Valley and Franklin Irrigation Districts.

2. I have been advised by Gila Valley Irrigation District Representatives that the District has conducted a review the Draft Study by the Arizona Department of Water Resources of Urbanized and Permanently Retired Lands in the Upper Gila River Valleys.

3. The results of the review conducted by the Gila Valley Irrigation District are summarized in Exhibit "F" to this objection.

4. I have read the foregoing objection and the information contained in the objection is correct to the best of my information and belief.

5. I have been authorized by the Gila Valley and Franklin Irrigation Districts to make this objection on their behalf.

L. Anthony Fines

State of Arizona
County of Pima

The foregoing objection was acknowledged before me this 6th day of June, 1994, by L. Anthony Fines, attorney for the Gila Valley and Franklin Irrigation Districts, on behalf of the Districts.

Notary Public

THE LAW FIRM OF

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April 20, 1994

VIA TELEFAX (602)542-3383

Gregory P. Davies
Water Resources Supervisors Adjudication Division
Arizona Department of Water Resources
15 South 15th Avenue
Phoenix, AZ 85007

Dear Greg:

I was impressed by the high quality and professional job ADWR did in its study of irrigated lands in the "Upper Valleys" of the Gila River. While I have not had the time to examine the study in detail, I have found that it, like all complicated studies, may need some corrections or adjustments. They are as follows:

1. Small urbanized parcels (under two acres). Many of these parcels are occupied by homes or other buildings. Some of these parcels have gardens, orchards, or other areas that are irrigated with Gila River water. From Chris Harris's description of the study, I understand that ADWR did not have the resources to individually inspect all of these parcels, but assumed that buildings and areas immediately adjacent to the buildings had been "permanently removed from irrigation." We had hoped that people owning small parcels would review ADWR's report, plates, and photographs, and advise you within the comment period if ADWR had incorrectly determined that all the land on these parcels had been "permanently removed from irrigation." From my understanding of the process, most owners of small urbanized parcels will have to inspect the aerial photographs and compare the photographs to their land to determine if their gardens and other small irrigated areas have been incorrectly determined to have been "permanently removed from irrigation."

Unfortunately, despite ads in the local newspapers, these people are not visiting the Gila Valley Irrigation District's offices or the Water Commissioner to determine if ADWR correctly reported the status of their lands. Some of these people are retired, some may not read the newspapers, and others may be choosing to rely on the

EXHIBIT A

accuracy of ADWR's study, not realizing that small urbanized parcels were not individually inspected.

I considered sending each decreed right holder a letter stating that ADWR's report may have not be accurate with respect to small urbanized parcels and that the owners of those parcels should review the photographs in the Water Commissioner's office. Don Weesner, however, is concerned that hundreds of persons would visit his office and he would not be able to handle them within the next thirty days. Do you have any suggestions regarding how this should be handled?

2. Plates not corresponding to Photographs. I have been advised, but have not confirmed, that the plates do not always have salmon colored areas where the photographs have salmon colored areas. A person who reviews the plates and sees no salmon colored area at the location of his farm might never check the aerial photograph. It would not be fair if that person would lose some rights based on the aerial photograph. How should we handle this?

3. Non-decreed "permanently removed from irrigation." Some areas are shown as "permanently removed from irrigation" even though they are not decreed. See e.g. the trailer park (T07S R26E 23) and sewage treatment plant (T07S R26E 06?) on plate 3 and the horse track in Duncan. That will not effect the owners of that land, but will reduce the total amount of water available to the Upper Valleys.

4. Other discrepancies. I understand that there are a total of 24.23 decreed acres in T07S R26 19 NE NE, but that the report shows 40.43 acres as having been "permanently removed from irrigation" on a 40 acre tract. That would not be possible.

5. Stacking effect. In the Upper Valleys, all farmers being served by a canal stack their water rights for efficient deliveries. That means if any one farmer on canal loses his water rights, there will be a corresponding reduction of stacked water available to all other farmers. That might also mean, for example, that if the owner of the trailer park does not object that the park has been "permanently removed from irrigation" (because he has no rights to lose), then every other farmer on the trailer park's canal (Union? Montezuma?) would lose stacked water. The same will apply to farmers who share a canal with the owners of small urbanized parcels. The only way these farmers can avoid this loss would be to check every salmon colored area along each of their canals, a monumental task.

My review is not yet complete and may be wrong. Please advise me if I am wrong. If I am not wrong, please give me your ideas on how we can address these matters.

Thank you for your cooperation.

Sincerely,

RAVEN, KIRSCHNER & NORELL, P.C.

L. Anthony Fines

cc: Michael Pearce
Members of the Rules Committee

ARIZONA DEPARTMENT OF WATER RESOURCES
15 South 15th Avenue, Phoenix, Arizona 85007
Telephone (602) 542-1520
Fax (602) 542-3383

Raven, Kirschner & Norell, P.C.
MAY 16 1994

May 2, 1994

FIFE SYMINGTON
Governor

RITA P. PEARSON
Director

L. Anthony Fines
Raven, Kirschner & Norell, P.C.
1600 Norwest Tower
One South Church Avenue
Tucson, Arizona 85701

Re: URBANIZED AND PERMANENTLY RETIRED AGRICULTURAL LANDS IN THE UPPER RIVER VALLEYS 1994 DWR DRAFT REPORT

Dear Anthony:

This reply is regarding your letters sent to the Arizona Department of Water Resources on April 20 and April 21, 1994. In your letters, you raise specific concerns that need to be addressed by DWR. Thank you for bringing to our attention these important issues.

On April 20, 1994 I met with the Assistant Gila Water Commissioner and addressed their questions and concerns about the draft report. The questions the Gila Water Commissioner's office raised mirror your questions. DWR is aware of all the issues listed in your letter. DWR does plan to address these specific issues before the "FINAL" publication.

The pertinent factor regarding this report is that it is a "DRAFT" report. The period of sixty days to comment and/or object to DWR's findings should be utilized to the fullest extent by all parties. I believe that your concerns should be presented on behalf of the GVID on the available objection form provided by the Gila Water Commissioner's Office.

It was mentioned at the meeting with the Assistant Gila Water Commissioner that an employee from the GVID may analyze the draft report and file specific comments and/or objections. I believe that each party should accomplish just this task. The letter from DWR to the Gila Water Commissioner on April 8, 1993 (See Appendix B of DWR's Draft Report) mentions that all requests that have merit will be forwarded to DWR for consideration. All issues that have merit will be reviewed by DWR and considered in the "FINAL" report.

DWR does suggest that a formal objection should be filed for small urbanized parcels (under two acres) that may receive decreed water. It would benefit DWR to list the areas of these small parcels by township, range, section and ¼,¼ on a formal objection form. If a formal objection is filed with the Gila Water Commissioner, DWR will address it, although we may choose to defer to the Court for ultimate resolution of this issue.

EXHIBIT B

If you have any further concerns, please, do not hesitate to call me at 602-542-1520.

Sincerely,

Gregory P. Davies

Gregory P. Davies
Water Resource Specialist
Adjudications Division

THE LAW FIRM OF

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April 21, 1994

VIA TELEFAX (602)542-3383

Gregory P. Davies
Water Resources Supervisors Adjudication Div.
Arizona Department of Water Resources
15 South 15th Avenue
Phoenix, AZ 85007

Dear Greg:

With regard to the trailer park, discussed in Paragraph 3 of my letter of April 20, 1994, I have learned that it used to be Decreed land but that the water rights were transferred to other land. I had thought, perhaps erroneously, that ADWR took into account all transfers when making its study. Am I wrong?

I look forward to hearing from you.

Sincerely,

RAVEN, KIRSCHNER & NORELL, P.C.

L. Anthony Fines

cc: Michael Pearce
Members of the Rules Committee

LAF\rkc\3729-1\0421941
Globe59\Davies.421

EXHIBIT C

ARIZONA DEPARTMENT OF WATER RESOURCES
15 South 15th Avenue, Phoenix, Arizona 85007
Telephone (602) 542-1507
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RECEIVED
MAY 27 1994
Raven, Kirschner & Norell, P.C.

FIFE SYMINGTON
Governor

RITA P. PEARSON
Director

May 25, 1994

The Honorable John C. Coughenour
609 United States Courthouse
1010 Fifth Avenue
Seattle, Washington 98104

Re: Globe Equity 59 Litigation

Dear Judge Coughenour:

It has come to the attention of the Arizona Department of Water Resources that several, perhaps hundreds, of residents in the Upper Gila valleys are intending to file objections to the Departments's report on the urbanization of agricultural lands within the Globe Equity Decree. The purpose of this letter is to suggest a streamlined process for the filing of these objections, so that the Gila Water Commissioner is not unduly burdened with these multiple filings for a singular issue.

The issue, as we understand it, is that portions of agricultural land which have been sold to individuals for the purposes of constructing and maintaining a single family residence still receive surface water from the irrigation districts. Most of these single family residences exist on lots of less than two acres in size, and use the water primarily for what we would consider domestic purposes (i.e., aesthetic landscape and domestic gardening).

In conducting a study on urbanization, the Department of Water Resources followed your order of March 16, 1992, which specified in part:

> There is little dispute that the Commissioner should be directed to determine what acreage has been permanently removed from agricultural use. Clearly, such acreage includes lands now occupied by buildings, streets, roads and parking lots within the district.
>
> * * *
>
> The Court agrees with SCAT that land being used for farm structures, canals, and roads, as well as land permanently removed from farming uses, is not "then being irrigated" for purposes of the decree.

EXHIBIT D

In DWR's opinion, which is not intended to be a legal opinion on the interpretation of the decree, agricultural lands which have been sold off for single family residences are "permanently removed from farming uses". Therefore, in our analysis of the aerial photography and in the field investigations conducted in the upper Gila valleys, we elected to count these lands as lands which have been permanently removed from agricultural use. Therefore, any parcel of less than two acres in size as which was apparently being used for domestic purposes was included within the total acreage determined to have been "urbanized".

The residents of these lands, with the encouragement of their irrigation districts, are filing numerous objections to the report based on the grounds that they consider their lands still "being irrigated" within the meaning of the Decree. This is causing a severe inundation of the Commissioner's office with people attempting to view the aerial photography and file written objections to the inclusion of their lands within the urbanization analysis.

At the present time, DWR has no intention of revising its urbanization report to change the status of these particular parcels. We believe that you should decide this issue. Therefore, we would encourage you to adopt a type of streamlined procedure for preserving this objection, without the necessity of each individual landowner proceeding before the Commissioner and filing a written objection with DWR. We would be happy to include acknowledgement of a blanket objection filed by the irrigation districts which cover these parcels in our final report on the matter. If that is acceptable to the court, we believe it will save considerable effort on the part of the Gila Water Commissioner.

I will be available at the settlement committee meeting on June 13, 1994 to address this matter in person. Thank you for your consideration of this matter.

Sincerely,

Mike Pearce

Michael J. Pearce
Chief Enforcement Attorney

MJP:nw

cc: Mr. Brent Moody
Ryley, Carlock & Applewhite

Mr. Donald Weesner
Gila Water Commissioner

A copy of the foregoing was mailed
this 5th day of May,
1994, to:

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Chief Deputy Clerk
United States District Court
44 East Broadway
Tucson, AZ 85701

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1010 5th Avenue
Seattle, WA 98104

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Water Resources Branch
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Mr. Dennis Layton
Gila Valley Irrigation District
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Mr. Harrison Talgo
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June 6, 1994

VIA FEDERAL EXPRESS

Honorable John C. Coughenour
Judge, United States District Court
609 Federal Courthouse
1010 Fifth Avenue
Seattle, WA 98104

Re: Globe Equity 59

Dear Judge Coughenour:

I have just recently read a copy of Michael Pearce's letter to you of May 25, 1994. Mr. Pearce is correct when he states that many residents of the Upper Gila Valleys who own residential parcels of two acres or less are filing objections with the Water Commissioner regarding ADWR's draft report. The Irrigation Districts have encouraged these persons and all others who may object to ADWR's draft study to file objections within the time provided by your orders.

The Upper Valleys, despite some recent urbanization, remain rural communities. I have only spoken to one owner of a small parcel under two acres. She had missed her appointment with the Water Commissioner due to her husband's death and I called her to advise her that the deadline for filing objections had been extended. She told me that she used her water to irrigate a vegetable garden, a small flower garden (that had been developed as a hobby by her late husband and her), and trees which are used as a wind brake for her house. She gives the vegetables from her garden to her grandchildren and neighbors. I have read some of the objections filed by other individuals. Those objections state similar facts. People use their river water for vegetables, fruit trees, pecan trees, and to grow grasses for grazing purposes.

Although the lands are not used for commercial purposes, they are at least arguably "then being irrigated" within the meaning of the 1935 Decree. Nevertheless, for the reasons stated in Mr. Pearce's letter, the ADWR study concluded that all these lands have been

fully urbanized and presumably should not receive decreed water. The Irrigation Districts believe they acted properly when encouraging the owners of these lands to file objections to ADWR's draft study.

After discussions with ADWR personnel and the Water Commissioner, the Gila Valley Irrigation District decided to file a blanket objection to cover all these parcels. That objection will be filed today. The Gila Valley Irrigation District has no objection to the suggestion in Mr. Pearce's letter that ADWR acknowledge the blanket objection in its final report, provided that the report is not used to deprive these persons of their water rights. We agree with ADWR that you, not ADWR, should decide whether these parcels are entitled to receive decreed water. Perhaps the issue can be tried in November. I intend to suggest a method for addressing the issue in my memorandum regarding the pretrial conference to be filed Wednesday.

Thank you for your consideration of this matter.

Sincerely,

L. Anthony Fines

cc: See attached mailing list

Copy of the foregoing
mailed this 6th day of
June, 1994 to:

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Seattle, WA 98104

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Phoenix AZ 85028

Jon Allred
Assistant Gila Water Commissioner
P. O. Box 152
Safford, AZ 85546

T06S R23E

19	SE NE	Dairy on land not decreed.	4.67 ND
20	NW SW	Home on land not decreed.	0.44 ND
	SW NW	Auto wrecking yard.	(2.0) ND
34	NE SE	Road on land not decreed.	( ) ND NT
	SE NE	Home on land not decreed.	( ) ND NT
	SE SE	Jones Memorial and vacant lot.	( ) ND NT
35	SW NW	Homes in FT. Thomas.	(5.0) ND

T05S R23E

11	SE NE	Not in table but on map.	(0.1) ND NT
	NE SE	Not on map but in table.	0.96 NM
13	NW NE	Not on map but in table.	0.62 NM
	NE NW	Not in table but on map.	(1.0) NT
	SW NE	Pie shaped lot not decreed.	0.48 ND
24	SW NW	Not on map but in table.	0.03 NM

T05S R24E

20	SW SE	Not on map but in table.	0.02 NM
31	SE NE	Pie shaped lot not decreed.	0.73 ND
32	SW NW	House lot not decreed.	1.26 ND
	SW NE	Not on map but in table.	0.01 NM

T06S R24E

04	SW NW	Cultivated land.	0.74 CL
05	NE SE	Cultivated land.	2.26 CL
	SE NE	Cultivated land.	0.92 CL
11	SW SW	Land not decreed.	(0.7) ND
14	NW NW	Gin and Ag Supply yards.	(10.0) ND
23	NW NE	Barn yard not decreed.	0.46 ND
	NE NE	Home on land not decreed.	0.80 ND
24	NW NW	Old Gin on land not decreed.	(6.0) ND
	NW NE	Buildings on land not decreed.	(5.0) ND
	NE NW	Pie shaped lot mostly no decree.	(3.0) ND

EXHIBIT F

T06S R25E

06		The map shows 5 home lots.		NT
07	NE NW	Land not decreed	(5.0)	NT
16	SW NE	Buildings on land not decreed.	3.65	ND
26	NE NW	Part of land not decreed.	2.20	ND
	NE SW	Only 2.8 a. decreed.	7.68	ND
	NW SE	Part ND, part CL, part T.	4.68	N,C,T
	SE NW	Part ND, part cultivated.	2.20	ND,CL
	SW NE	Land not decreed.	2.15	ND
29	SE SW	Home on land not decreed.	0.67	ND
	SW NE	Rocky hill not decreed.	1.00	ND
	SW NW	Portion not decreed	(2.0)	ND
30	NW NW	Part ND part cultivated.	7.16	ND,CL
	NW NE	Within Town of Pima lots.	12.47	TL
	NE NW	Within Town lots.	21.53	TL
	SE SE	Dairy on hill not decreed.	(1.0)	ND
	SW SE	Homes on land not decreed.	6.93	ND
31	NW NE	Barnyard on land not decreed.	3.63	ND
32	NE NW	Home on land not decreed.	1.47	ND
	SE NE	Home on land not decreed.	2.38	ND
	NE SE	Not on map but on table.	0.01	NM
33	NE SW	West strip not decreed.	(1.0)	ND
	NE	Lots in community of Central.		TL
	SW NW	Home, barns on land not decreed.	(4.0)	ND
	SW SW	Not on map but in table.	2.06	NM
34	NE SE			
	NE NE			
	SE NE	All sewage ponds, trans no. 228	28.53	TR
	SW NW	Strip of land not decreed.		
35	SW SE	Decree transferred. trans. no. 126	0.89	TR
	SE SW	Decree transferred. trans. no. 126	0.24	TR
	NW SW	Decree transferred. trans. no. 228	0.49	TR
	SW NW	Decree transferred. trans. no. 228	0.05	TR

T07S R25E

01	SE NW	Not on map but in table.	1.10	NM
	NW SE	Not on map but in table.	0.11	NM

T07S R25E

02	NE NE	Road or pipeline, can be CL	(2.0) CL
	NE NW	" " "	2.34 CL
	NW NE	" " "	1.98 CL
	NW NW	" " "	(2.0) CL
	NE SE	Within limits of Thatcher lots.	(7.0) TL
	NE SW	" " "	4.75 TL
	NW SE	" " "	7.75 TL
	NW SW	" " "	(3.0) TL
	SE NE	Within limits of Thatcher lots.	13.47 TL
	SE NW	" " "	7.68 TL
	SE SE	" " "	3.17 TL
	SE SW	" " "	0.11 TL
	SW NE	Within limits of Thatcher lots.	4.14 TL
	SW NW	" " "	4.21 TL
	SW SW	" " "	1.27 TL
03	NE SE	Within limits of Thatcher lots.	1.06 TL
	SE NE	" " "	13.47 TL
	SE SE	" " "	3.17 TL
	SW SE	Field being cultivated.	(4.0) CL
	SW SW	" " "	4.40 CL
10	NE NW	Field being cultivated.	2.18 CL
11	NE NE	Within limits of Thatcher lots.	2.58 TL
	NE SE	" " "	1.46 TL
	NW NW	" " "	5.26 TL
	NW SW	" " "	4.17 TL
	SE NE	Decree and non decree mixed.	(2.0) ND
	SE NW	" " "	(1.0) ND
	SE SE	" " "	(1.0) ND
	SE SW	" " "	(1.0) ND
	SW NW	Within limits of Thatcher lots.	2.50 TL
12	NW NE	Irrigated pasture.	(2.0) CL
	NW NW	Within limits of Thatcher lots.	(3.0) TL
	SW NW	" " "	(1.0) TL

T07 R26E

06	SE SW	Sewer pond on land not decreed.	12.74 ND
15	SE NE	Home on land not decreed.	0.51 ND
16	NW NW	Decree transfer no. 235	8.67 TR

T07 R26E

17	NE NW	Decree transfer no. 227	24.9	TR
	NE SW	" " no. 227	6.3	TR
	NE SE	Barnyard on land not decreed.	(0.5)	ND
	SW NW	Not on map but listed in table.	0.03	NM
18	NE NE	Part non decreed.	(7.0)	ND
	NE SE	" " "		ND
	SW SW	Decree transfer no. 232, 234	9.04	TR
	SE NW	" " no. 214	(0.5)	TR
	SE SE	" " no. 231	9.21	TR
	SE SW	" " no. 231	22.68	TR
19	NE NE	ND & transfer no. 231, 234	4.07	ND TR
	NE NW	ND & transfer no. 213	39.02	ND TR
	NE SE	Not in table but on map.		NT
	NE SW	" " " "		NT
	NW NE	Not on map but in table.	0.52	NM
	NW NW	Road on land not decreed.	0.76	ND
20	NE NW	Includes land not decreed.	(0.5)	ND
	NE SW	Includes transfer no. 234	(1.0)	TR
21	SE NE	Land not decreed	0.17	ND
	SE SW	Not on map but in table.	0.01	NM
	SW SW	Land not decreed	0.10	ND
23	NW NW	Includes transfer no. 212A	8.6	TR
	NW SW	" " no. 212A	6.4	TR
	SE SW	Not on map but in table.	0.63	NM
24	NE NE	School and homes on ND land.	(3.0)	ND
	NE SE		0.01	?
26	NE NE	House on land not decreed.	0.27	ND
	NE NW	Not in table but on map.		NT
27	NE NE	Equip. yard on land not decreed.	3.05	ND

T07S R27E

04	SE SW	Home, barns on land not decreed.	4.50	ND
09	NW NE	Orchard still cultivated.	2.42	CL
16	NE NE	Land not decreed.	0.04	ND
	NE SW	Not on map but in table.	3.13	NM
	NE SE	Not in table but on map.		NT
		Above on land not decreed.		ND
	NW SE	Land not decreed.	3.08	ND
	SW NE	Most on land not decreed.	(4.0)	ND
	SW NW	Land not decreed.	(1.5)	ND

T07S R27E

16	SW SW	Not in table but on map.	(4.5) NT
17	SE NE	Not on map but in table.	0.12 NM
	SE SE	Not on map but in table.	2.72 NM
19	NW NW	Homes on land not decreed.	3.90 ND
	NW SE	Within Solomonville town lots.	0.28 TL

The acreage figures in the right hand column are taken from the tables of the ADWR study except for estimates which are shown in parentheses.

The following is an explanation of the codes used to define why each entry was selected from the ADWR report.

ND = Land not decreed. Decree should not be taken from this land because there was no decree on the land to begin with.

CL = Land under cultivation. Decree should not be taken from this land because the land is still being farmed.

TR = Decree has been transferred to another location. Decree should not be taken from this land because it has already been taken to another location within the Gila Valley.

TL = Town lots. The town lots where there before the decree was draw up. The lots received water. The streets were excluded from the decree.

NM = No entry was found on the map to correspond with the table entry.

NT = No entry was found in the table to correspond with the entry on the map.

ND listed 53 times for 140.3 acres.
CL listed 12 times for 31.2 acres.
TR listed 16 times for 170.1 acres.
TL listed 21 times for 128.5 acres.
NM listed 16 times for 12.8 acres.
---
total 482.9 acres.

NT listed 9 times.

IN RE THE UNITED STATES V. GILA VALLEY IRRIGATION DISTRICT, et al. - GLOBE EQUITY No. 59 | No.-94- 231

for office use only
cl d 44973

OBJECTIONS TO THE

URBANIZATION ANALYSIS REPORT FOR THE SAFFORD VALLEY AND DUNCAN-VIRDEN VALLEY

Objections to information contained in the ADWR Urbanization Analysis Report can be stated on one objection form for each parcel. Objections must be written or typed by the objecting party. Objections must be *received* on or before [redacted] 1994.

June 6,

OBJECTOR INFORMATION

NAME: Gila River Indian Community

ADDRESS: c/o Cox and Cox Attorneys
Post Office Box 4307 | Phoenix | AZ | 85030
(Street) | (City) | (State) | (Zip)

PHONE: (602) 254-7203

LOCATION: _____ 1/4 _____ 1/4 of SECTION _____ TOWNSHIP _____

RANGE _____ ACRES: _____ CANAL COMPANY: _____

PRIORITY DATE: _____ GILA DECREE PAGE No. _____
(For Office use only)

PARCEL NUMBER _____

The reason for my objection is as follows: (please attach any supporting data, information, maps or photo's and additional pages as necessary.)

See attached explanation.

Objection See attached.

I hereby make this objection on this 6 day of June, 1994.

Signature of Objector

FOR: Gila River Indian Community
(If in a representative capacity)

STATE OF Arizona | VERIFICATION

COUNTY OF Maricopa | (must be completed by objector)

I have read the foregoing Objection and know the contents thereof, and the information contained in the foregoing objection is true based on my own personal knowledge, except for those portions of the Objection which are indicated as being known to me on information and belief and, as to those portions, I believe them to be true.

Alfred S. Cox
Signature of Objector

SUBSCRIBED AND SWORN to before me this 6 day of June, 1994.

Carol L. Thomas

(SEAL)

Notary Public for the State of Arizona

My commission expires My Commission Expires Sept. 28, 1995

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The United States holds immemorial, 1916, and 1924 priority rights to use Gila River water below San Carlos Reservoir for 49,896 acres of individual irrigable Indian allotments and 650 acres of administrative area on Gila River Indian Reservation. 1935 Gila River Decree, Article V, Article VI (1) p. 86, (3)(a) p. 86, (4)(a) p. 98, and (5) p. 105.

The Arizona Department of Water Resources ("ADWR") study entitled "Urbanized and Permanently Retired Agricultural Lands in the Upper Gila River Valleys" ("Report") states (p. 3):

> The court action which led to the Globe Equity No. 59 Consent Decree was initiated by the United States in 1925 to protect the water supply of the Gila River Indian Community (GRIC) and the San Carlos Apache Tribe (SCAT).

The United States commenced Globe Equity No. 59 in the district court, "for itself and as trustee and guardian for the Pima and Apache Indians" of "the Gila River Indian Reservation and the San Carlos Indian Reservation, respectively, in the State of Arizona. (Amended Complaint, Docket No. 66, p. 11, paragraph 3). Gila River Indian Community is not the same as the individual Indian allottees of Gila River Indian Reservation.

Graham County tax assessor land use codes.

At the March 6, 1989, hearing on Gila River Indian Community's ("Indian Community's") motion for sanctions, Upper Valleys defendants agreed to supply Indian Community with an updated list of current owners of lands on which Gila River water

is used pursuant to claims of right under the 1935 Gila River Decree (Docket No. 1722, pp. 33-35).

On March 22, 1989, Indian Community received from Gila Valley Irrigation District ("GVID") two lists entitled "GILA VALLEY IRRIGATION DISTRICT, Water Users and Parcel Numbers, January 1989." Each list contains the landowners' names together with their respective addresses, acreages, and Graham County Assessor's parcel numbers. One list (03/09/89, Exhibit 1 hereto) is arranged in the order of the Graham County Assessor's parcel numbers. The other list (3/21/89) is arranged in alphabetical order of the landowners' names. The lists show approximately 1,387 parcels and (on page 29) shows a total of 32,512.4 acres in GVID. The Gila Water Commissioner's Annual Reports also show that the Water Commissioner issues water for 32,512.4 acres in GVID.

The Graham County Assessor's records show land use codes which "designate the predominant use to which the property is put" (Exhibit 2). Land use codes for "Ranch Property" (40 through 49) include plant nurseries, field crops, vineyards, tree crops, citrus crops, high density agriculture, immature trees, ranch property, pasture land and non used farm land.

Comparing the GVID list to the 1988 Graham County Assessor's records reveals that approximately 662 parcels of decreed land are classified as "Ranch Property." The 662 parcels total

approximately 28,780.38 acres. Deducting the 28,780.38 acres of land classified as "Ranch Property" from 32,512.4 acres listed in the GVID lists leaves 3,732.02 acres of land that are not classified as "Ranch Property." Lands that are not classified as "Ranch Property" have apparently been removed from agricultural use. ADWR "classified approximately 1,524 acres as permanently removed from agricultural production or urbanized." (Report p. 20), Approximately 118 parcels on the GVID list were not listed in the 1988 Graham County tax assessor's records.

Exhibit 3 shows the parcel number, name of landowner, acres, and land use for the 1,387 parcels for land in GVID.

RECEIVED
MAR 22 1989
COX & COX ATTORNEYS

GILA VALLEY IRRIGATION DISTRICT
Water Users and Parcel Numbers
January 1989

PARCEL #	ACRES	OWNER' NAME	ADDRESS	CITY	STATE	ZIP CODE
101-01-001	79.50	WELKER, CHARLOTTE	311 E. RELATION	SAFFORD	AZ	86646
101-02-003	23.60	SAFFORD VALLEY COTTON GROWERS	BOX 1079	SAFFORD	AZ	85546
101-02-003A	2.30	SAFFORD VALLEY COTTON GROWERS	BOX 1079	SAFFORD	AZ	85546
101-03-001	5.90	SAFFORD VALLEY COTTON GROWERS	BOX 1079	SAFFORD	AZ	85546
101-03-036	10.37	LONG, MILDRED J	2010 8TH AVE	SAFFORD	AZ	85546
101-03-037	8.40	WELKER, NORMAN J	311 E RELATION	SAFFORD	AZ	85546
101-09-054A	1.25	CAMPOS, EPIFANIO P	16243 CHATSWORTH ST	GRANADA HILLS	CA	91344
101-09-055A	1.08	PAXTON, DEWAIN & CHARLENE	603 16TH ST	SAFFORD	AZ	85546
101-09-067	1.25	ROBB, SIDNEY D & GWEN E	1701 S 8TH AVE	SAFFORD	AZ	85546
101-09-089	2.60	SHIRLEY, DALE	513 15TH ST	SAFFORD	AZ	85546
101-09-102	1.60	EVANS, JORDAN	BOX 905	SAFFORD	AZ	85546
101-10-001B	10.24	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
101-10-080	1.33	HEAP, NORMAN L AND VIRGINIA T	746 SAN SIMEON DR	CONCORD	CA	96578
101-11-005	1.80	FIRST CHRISTIAN CHURCH OF SAFFORD	BOX 552	SAFFORD	AZ	85546
101-11-008	1.80	SCOTT, WALTER JR/ WALTER & PAULINE	1727 1ST AVE	SAFFORD	AZ	85546
101-11-009	1.30	MCRAE, BINGHAM TED & RANELL F	1924 1ST AVE	SAFFORD	AZ	85546
101-11-014A	2.12	FRY ENTERPRISES/FARLEY, WILSON & V	1618 FIRST AVE	SAFFORD	AZ	85546
101-11-049	15.50	GLENN PROPERTIES INC	7373 N. SCOTTSDALE ROAD, 125-C	SCOTTSDALE	AZ	85253
101-11-051	1.00	JUAREZ, STEVEN N & ANITA L.	11181 BUNKER HILL	LOS ALAMITOS	CA	90720
101-11-052	1.10	MONTIERTH, WENDELL & SUSIE	208 E 19TH PLACE	SAFFORD	AZ	85546
101-11-055	1.80	GOODMAN, ROBERT AND VIRGINIA	1816 1ST AVE	SAFFORD	AZ	85546
101-12-004	1.70	RICHARDSON, WILFORD R	201 E RELATION	SAFFORD	AZ	85546
101-12-005	58.30	WELKER, NORMAN J	311 EAST RELATION	SAFFORD	AZ	85546
101-12-007	21.20	HOLDER, JAMES & CLARICE	825 20TH AVE	SAFFORD	AZ	85546
101-12-008	1.29	HOLDER, JAMES F AND CLARICE	825 20TH AVE	SAFFORD	AZ	85546
101-13-014	3.94	ELLSWORTH, LAUREL P	1505 1ST AVE	SAFFORD	AZ	85546
101-13-015	1.07	BLISS, DARWIN	1511 FIRST AVENUE	SAFFORD	AZ	85546
101-13-026	1.70	ANGLE, MELVIN L AND SHIRLEY	1611 1ST AVE	SAFFORD	AZ	85546
101-14-003	1.60	SCOTT, E WALTER AND PAULINE	1727 1ST AVE	SAFFORD	AZ	85546
101-14-007A	2.00	ELY, HARVEY AND RENATE	BOX 255	SAFFORD	AZ	85546
101-14-009B	1.50	MCEUEN, NORMAN Z AND OLIVE M	310 E 20TH ST	SAFFORD	AZ	85546
101-14-011	2.90	MACK, ROSTEL	312 E 20TH STREET	SAFFORD	AZ	85546
101-15-005	37.60	.ACK, EUNICE		SAFFORD	AZ	85546
101-16-002	1.90	BOWMAN FAMILY TRUST	1200 RELATION	SAFFORD	AZ	85546
101-16-004	1.90	OWENS, H D	1220 W RELATION	SAFFORD	AZ	85546
101-16-011	17.36	SAFFORD SCHOOL	734 11TH STREET	SAFFORD	AZ	85546
101-16-016	13.03	SAFFORD SCHOOL DIST #1	734 11TH STREET	SAFFORD	AZ	85546
101-16-019	1.40	ROGERS, WALLACE B AND DOLORES	1121 ROSE LANE	SAFFORD	AZ	85546
101-18-017	1.00	FIRST UNITED METHODIST CHURCH	P.O. BOX 186	SAFFORD	AZ	85546
101-18-018	10.40	SAFFORD SCHOOL	734 11TH STREET	SAFFORD	AZ	85546
101-18-020	3.40	SAFFORD SCHOOL DIST #1	734 11TH STREET	SAFFORD	AZ	85546
101-18-024A	1.67	RHODES, DWAINE / MISAK	1307 CENTRAL AVENUE	SAFFORD	AZ	85546
101-18-024B	1.61	RHODES, DWAINE / MISAK	1307 CENTRAL AVENUE	SAFFORD	AZ	85546
101-18-030	3.90	S P TRANSPORTATION CO	ONE MARKET PLAZA	SAN FRANCISCO	CA	94105
101-18-036	1.43	PHILLIPS, HAROLD	1219 11TH AVE	SAFFORD	AZ	85546
101-18-038	6.40	KEMPTON, KENT & PATRICIA	RT 1 BOX 278 A	SAFFORD	AZ	85546
101-19-133	3.60	ROGERS FAMILY PARTNERSHIP	1121 ROSE LANE	SAFFORD	AZ	85546
101-20-003B	2.30	HATCH, BURWELL & MAYTEE	1808 W RELATION	SAFFORD	AZ	85546

EXHIBIT 1

GILA VALLEY IRRIGATION DISTRICT
Water Users and Parcel Numbers
January 1989

PARCEL #	ACRES	OWNER' NAME	ADDRESS	CITY	STATE	ZIP CODE
101-20-004	9.06	ROBBS, DIXIE DEAN	1720 RELATION	SAFFORD	AZ	85546
101-20-005	20.10	REILING EDWARD RICHARD	1624 W RELATION	SAFFORD	AZ	85546
101-20-011	9.70	WEBB, URILDA	4728 E CATALINA AVE	MESA	AZ	85206
101-20-020A	17.45	BROWN, WILLIAM O & BERNICE	BOX 897	SAFFORD	AZ	85546
101-20-024	1.83	MOLINA, STEVE & L/JOHN P & C	2104 8TH AVE	SAFFORD	AZ	85546
101-20-025	4.22	HATCH, STEVEN TAD & TERRY JUNE	1808 W. RELATION	SAFFORD	AZ	85546
101-20-033	3.70	MACK, ROSTELL	312 E 20TH ST	SAFFORD	AZ	85546
101-20-034	16.13	SAFFORD SCHOOL DISTICT	734 11TH STREET	SAFFORD	AZ	85546
101-20-036	1.00	HOLDER, JAMES F AND CLARICE	825 20TH AVE	SAFFORD	AZ	85546
101-20-037	7.30	HOLDER, JAMES F & CLARICE	825 20TH AVE	SAFFORD	AZ	85546
101-20-038	15.30	CURTIS CARL FARMS INC/PHIL & NANCY	525 COLLEGE AVE	THATCHER	AZ	85552
101-20-039	1.89	PRENTICE, TRUMAN AND SARAH	1250 MEADOW LANE	SAFFORD	AZ	85546
101-20-040	2.09	HATCH, BURWELL AND MAYTEE	1808 W RELATION	SAFFORD	AZ	85546
101-20-041	1.09	AUKERMAN, BURT M AND BETTY L	1300 WEST RELATION	SAFFORD	AZ	85546
101-21-009	5.74	LINES, BOYCE	1901 W RELATION	SAFFORD	AZ	85546
101-21-010	4.16	LINES, BOYCE	1901 W RELATION	SAFFORD	AZ	85546
101-21-026	1.72	MOYERS, CHARLES A & LORRAINE	614 RELATION ST	SAFFORD	AZ	85546
101-21-028	1.47	POLLOCK, NORMAN JACK & COLLEEN	610 FIFTH STREET	SAFFORD	AZ	85546
101-21-033	3.68	SOLLARS, THOMAS & D/HOLDER, JAMES & C	825 20TH AVENUE	SAFFORD	AZ	85546
101-21-044	2.57	HATCH, RIC	918 THATCHER BLVD	SAFFORD	AZ	85546
101-21-045	15.76	DESERT ROSE DEVELOPMENT	BOX 114	PIMA	AZ	85543
101-21-047	8.94	G C R H D A, INC.	1901 20TH AVENUE	SAFFORD	AZ	85546
101-21-050	18.68	LINES, RICHARD B & RAMONA G	1325 11TH AVE	SAFFORD	AZ	85546
101-21-051	38.50	CLONTS, SURCIE C AND MILDRED	1620 14TH AVE	SAFFORD	AZ	85546
101-21-052	1.12	ELLSWORTH, CLIFF AND MARY HELEN	1701 20TH AVE	SAFFORD	AZ	85546
101-21-054	1.17	ELLSWORTH, PAULINE	1701 20TH AVE	SAFFORD	AZ	85546
101-24-021	2.55	JENKINS, ETHELYN	1107 W RELATION	SAFFORD	AZ	85546
101-24-028	2.00	STAUFFER, DELMAR BAILEY & ELIZABETH	1221 RELATION	SAFFORD	AZ	85546
101-24-030	1.86	CHENEY, ERVIN D	1103 RELATION ST	SAFFORD	AZ	85546
101-24-036	2.00	WELKER, DONALD I & PHYLLIS	1407 14TH AVE	SAFFORD	AZ	85546
101-24-039	1.63	SCHWALLIER, MICHAEL J & PEGGY	1509 14TH AVE	SAFFORD	AZ	85546
101-24-040	1.19	GLENN PROPERTIES INC	7127 EAST SAQUARO DRIVE	SCOTTSDALE	AZ	85254
101-24-068	1.55	KNIGHT, F W AND MARY E	1315 RELATION	SAFFORD	AZ	85546
101-24-069	11.00	POWELL/KNIGHT/ANDERSON/HINEMAN	3033 N. GILBERT ROAD	MESA	AZ	85203
101-24-072	2.75	HAMILTON, GLENN AND BEA % J. MARTIN	P.O. BOX 32	SAFFORD	AZ	85548
101-24-075	4.60	CLUFF PROP INC	RT 1 BOX 3 AIRPORT RD	SAFFORD	AZ	85546
101-25-002	1.70	ARVALLO, ALBERT F & ANGELINA D	1374 20TH STREET	DOUGLAS	AZ	85607
101-25-003C	26.89	OWENS INVESTMENT CORP		SAFFORD	AZ	85546
101-25-132	4.80	CLUFF PROP INC	RT 1 BOX 3 AIRPORT RD	SAFFORD	AZ	85546
101-25-139	1.10	GREEN, GARY RONALD	1703 14TH AVE	SAFFORD	AZ	85546
101-25-140	1.10	GREEN, RONALD M & TOMI KAYE	1703 14TH AVE	SAFFORD	AZ	85546
101-25-141	1.90	DURON, GILBERT & AGUEDA	905 16TH ST	DOUGLAS	AZ	85607
101-25-142	2.00	RAGLAND, EDWIN G & MONIKA	809 16TH STREET	SAFFORD	AZ	85546
101-27-001A	18.22	HANCOCK\LYNN HANCOCK\NORMAN	P O BOX 90	SAFFORD	AZ	85548
102-04-003	62.60	PHILLIPS/HALE/KNUTSEN/GALARDI	BOX 1036	SAFFORD	AZ	85546
102-04-004	8.60	ALDER, JOE AND EVELYN/LESLIE &BREND	P.O. BOX 98	PIMA	AZ	85543
102-10-001	90.00	CRAIG, LANELL	RT 1 BOX 30 T	SAFFORD	AZ	85546
102-10-003A	28.25	JOHNSON, GERALD KEITH WD	600 HOVLAND	BISBEE	AZ	85603

GILA VALLEY IRRIGATION DISTRICT
Water Users and Parcel Numbers
January 1989

PARCEL #	ACRES	OWNER' NAME	ADDRESS	CITY	STATE	ZIP CODE
102-10-003B	29.75	JOHNSON, ARTHUR VORIS	2709 D ST	NORTH BEND	OR	97459
102-11-002	62.80	BELL, ROBERT J & B/SMITH, IVAN J &M	RT 1 BOX 6	SAFFORD	AZ	85546
102-11-004	19.80	GOLDING, IRVAN S	RT 1 BOX 4	SAFFORD	AZ	85546
102-12-001	35.30	GOLDING, IRVAN S	RT 1 BOX 4	SAFFORD	AZ	85546
102-13-004	101.48	CURTIS, CARL & RUTH, PHIL & NANCY	BOX 723	THATCHER	AZ	85552
102-13-007	57.48	PALMER, VERLE I & TRELVA	DRAWER AA	THATCHER	AZ	85552
102-13-011	28.20	KAI, JOHN JR / KAI, HERBERT	PO BOX 428	MARANA	AZ	85238
102-14-003	60.40	PRINA FARMS INC.	102 E 2ND ST	SAFFORD	AZ	85546
102-14-004	96.60	LAYTON, HENRY MARDEN	602 RELATION ST	SAFFORD	AZ	85546
102-14-005	1.30	SAFFORD CITY OF	BOX 272	SAFFORD	AZ	85546
102-15-011	1.39	KRM ENTERPRIZES	P.O. BOX 41866	TUCSON	AZ	85717
102-15-013	11.10	KAI MOTELS INC C/O KAI JOHN	2305 W RUTHRUFF RD	TUCSON	AZ	85705
102-15-016	1.10	PALMER, VERLE I & TRELVA	DRAWER AA	THATCHER	AZ	85552
102-15-020	2.09	OWENS PLAZA TRUST	605 7TH STREET	SAFFORD	AZ	85546
102-15-021	2.08	CURTIS, CARL & RUTH/PHIL & NANCY	C/O CURTIS MOTORS BOX 723	THATCHER	AZ	85552
102-15-028	1.03	CURTIS, CARL & RUTH/PHIL & NANCY	BOX 723	THATCHER	AZ	85552
102-15-029	1.03	CURTIS, CARL & RUTH/PHIL & NANCY	BOX 723	THATCHER	AZ	85552
102-15-031	1.76	OLSEN, HARVEY J	P. O. BOX 251	SAFFORD,	AZ	85548
102-15-043A	1.31	1ST UNITED STATE CREDIT UNION	P. O. BOX 2547	MESA	AZ	85204
102-15-052	1.82	PALMER/RYAN/WATERS/CURTIS	1680 THATCHER BLVD	SAFFORD	AZ	85546
102-15-053	1.79	PALMER/RYAN/WATERS/CURTIS	1680 THATCHER BLVD	SAFFORD	AZ	85546
102-15-054	30.22	PALMER/RYAN/WATERS/CURTIS	1680 THATCHER BLVD	SAFFORD	AZ	85546
102-15-063	25.65	CURTIS, CARL & RUTH/PHIL & NANCY	BOX 723	THATCHER	AZ	85552
102-16-001A	25.41	FERGUSON FARMS A PARTNERSHIP	102 E 2ND ST	SAFFORD	AZ	85546
102-16-014	2.79	KAY, ROGER D & WANDA/ROBINSON L&L	326 8TH AVE	SAFFORD	AZ	85546
102-16-032	1.18	CHRISTENSON, RAY M & FREEDA E	1118 W 8TH	SAFFORD	AZ	85546
102-16-034	1.27	HARALSON INVESTMENT CO	1124 THATCHER BLVD	SAFFORD	AZ	85546
102-17-003A	6.51	BIRDNO, ARMAND H FAMILY TRUST	1424 THATCHER BLVD	SAFFORD	AZ	85546
102-17-019	14.41	FERGUSON FARMS A PARTNERSHIP	102 E 2ND ST	SAFFORD	AZ	85546
102-17-023	9.20	BELL, J. ALBERTA ESTATE/PRINA, FRED	102 E 2ND STREET	SAFFORD	AZ	85546
102-17-024	2.15	BELL, J. ALBERTA ESTATE/PRINA, FRED	102 E 2ND STREET	SAFFORD	AZ	85546
102-18-001C	1.62	BIRDNO, ARMAND H	1424 THATCHER BLVD	SAFFORD	AZ	85546
102-18-021B	1.27	WEST, BONNIE	2551 E. MCKELLIPS RD, # 23	MESA	AZ	85213
102-18-030	3.33	BIRDNO, ARMAND H FAMILY TRUST	1424 THATCHER BLVD	SAFFORD	AZ	85546
102-18-052	17.32	BIRDNO, ARMAND H & FAMILY TRUST	1424 THATCHER BLVD	SAFFORD	AZ	85546
102-20-001A	2.50	SOUTHEASTERN BOTTLING CO	BOX 1076	SAFFORD	AZ	85546
102-20-003	85.30	PRINA, DENELDA FERGUSON	102 E 2ND ST	SAFFORD	AZ	85546
102-20-004	132.20	PRINA, Z C	BOX 228	SAFFORD	AZ	85546
102-25-001	2.50	GRIFFITH, JOHN & MARY	816 16TH STREET	SAFFORD	AZ	85546
102-25-003	25.30	ESCOBEDO FARMS INC	620 EAST HWY 70	SAFFORD	AZ	85546
102-25-007	6.50	MALOY, THELMA	123 4TH ST	SAFFORD	AZ	85546
102-26-062	1.20	HARALSON, A H SONS MFG.	BOX 752	SAFFORD	AZ	85546
102-26-063	9.00	SAFFORD CITY OF	BOX 272	SAFFORD	AZ	85546
102-27-002	1.00	JOHNSON, TOM	BOX 809	SAFFORD	AZ	85546
102-27-005	1.20	AMRON, HOWARD C/BENDEZ, M ALBERT	UNION OIL CO OF CA. BOX 7600	LOS ANGELES	CA	90051
102-27-015	1.00	LUSTER, RAY AND NAYDA	P. O. Box 6	SAFFORD	AZ	85548
102-27-026A	4.00	SANFORD, THELMA	120 E 8TH STREET	SAFFORD	AZ	85546
102-28-003	2.00	ROGERS, WALLACE & D/KRIEG, DEAN & M	420 E HWY 70	SAFFORD	AZ	85546

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102-28-011	1.70	HANCOCK, IVAN	RT. 1, BOX 281	SAFFORD	AZ	85546
102-28-013	1.00	LINES:RUSKIN JR, PAUL, CHRISTOPHER	915 STRATTON DR	SAFFORD	AZ	85546
102-28-057	1.90	BRINKERHOFF INVESTMENTS	BOX 47	SAFFORD	AZ	85546
102-28-059	2.50	BRINKERHOFF INVESTMENTS	BOX 47	SAFFORD	AZ	85546
102-29-002	63.50	ESCOBEDO FARMS INC	620 EAST HIGHWAY 70	SAFFORD	AZ	85546
102-29-002B	37.30	JOHN, HAROLD	711 WEST RELATION STREET	SAFFORD	AZ	85546
102-29-010	46.20	JOHN, BELVA ELIZABETH	RT 1 BOX 205	SAFFORD	AZ	85546
102-29-014	3.00	SLC PROPERTIES	P.O. BOX 202	SOLOMON	AZ	85551
102-29-019	106.10	DALEY, NED & VELMA	506 STADIUM AVE	THATCHER	AZ	85552
102-31-007	9.80	CLARIDGE, ALF	RT. 1, BOX 296	SAFFORD	AZ	85546
102-32-004	3.60	TIDWELL,E L,ETTA/HINTON,MARIANNE	RT. 1, BOX 530	SAFFORD	AZ	85546
102-33-002	208.99	CLARIDGE, ALF B	RT 1 BOX 296	SAFFORD	AZ	85546
102-33-003A	36.90	KEMPTON, JERALD AND ANNE	RT 1 BOX 626	SAFFORD	AZ	85546
102-33-003B	133.10	SLC PROPERTIES	RT 1 BOX 300	SAFFORD	AZ	85546
102-34-001	282.73	CLARIDGE, ALF	RT 1 BOX 296	SAFFORD	AZ	85546
102-34-002	303.40	CLARIDGE, ALF B & LENORE	RT 1 BOX 296	SAFFORD	AZ	85546
102-35-002	143.90	CLARIDGE, EDWARD M / U.S. STEEL	BOX 202	SOLOMON	AZ	85551
102-35-003	104.70	BRYCE,LAYTON,MATTICE,ALLRED	BOX 127 1307 8TH AVE	SAFFORD	AZ	85546
102-35-004	17.80	OLSEN: DALE & ELIDA, MARVIN & MARY	RT 1 BOX 264	SAFFORD	AZ	85546
102-35-009	74.80	TRAW, BLANCHE STEVENSON	915 E GUADALUPE RD	GILBERT	AZ	85234
102-36-	1.50	ARIZONA STATE HIGHWAY DEPARTMENT	P.O. Box 711	SAFFORD	AZ	85548
102-36-001	64.96	JOHN, PAUL	RT 1 BOX 266	SAFFORD	AZ	85546
102-36-002	70.70	JOHN, HARVEY J	RT 1 BOX 272	SAFFORD	AZ	85546
102-36-003	6.00	PENDER: WILLIAM,KENNETH,NORMA	RT 1 NBU 27-7	SAFFORD	AZ	85546
102-36-005	1.00	ARIZONA STATE HWY DPT	P.O. BOX 711	SAFFORD	AZ	85548
102-37-001	18.40	WILLIAMS, MARGARET	RT 1 BOX 233	SAFFORD	AZ	85546
102-37-002	46.90	MONTIERTH: NEAL,JOSEPH,LOIS	RT 1 BOX 647	SAFFORD	AZ	85546
102-37-003	19.20	HYDE, JOSEPH G & JOAN W	1220 CHAPARRAL DR	SAFFORD	AZ	85546
102-37-011	38.90	OLSEN: DALE & ELIDA, MARVIN & MARY	RT 1 BOX 264	SAFFORD	AZ	85546
102-39-001	1.34	CLARIDGE, ALF	RT 1 BOX 296	SAFFORD	AZ	85546
102-39-014	10.53	LONG, ROBERT L	3209 WINGATE WAY	CARSON CITY	NV	89701
102-41-003	3.50	KILLIAN, JOE V AND EARLINE	PO BOX 613	SAFFORD	AZ	85546
102-41-005	74.20	WELKER, NORMAN J	311 E RELATION ST	SAFFORD	AZ	85546
102-41-009	15.80	JOHN, BELVA ELIZABETH	RT 1 BOX 205	SAFFORD	AZ	85546
102-41-010	18.00	URIBE: MARIA, ALBERT & MARIA	1124 7TH ST	SAFFORD	AZ	85546
102-41-015	5.00	MARBLE, DONALD C & SHARON B	RT 1 BOX 197	SAFFORD	AZ	85546
102-41-018	2.40	FLETCHER ENT INC % COBRE TIRE CO	2601 NORTH 32ND AVENUE	PHOENIX	AZ	85009
102-42-002	87.30	WELKER, NORMAN J	311 E RELATION	SAFFORD	AZ	85546
102-42-005	69.00	NELSON, HOOVER E & ALTA J	RT 1 BOX 664	SAFFORD	AZ	85546
102-43-002	64.80	JOHN, HUGH A & FLORA	RT 1 BOX 660	SAFFORD	AZ	85546
102-43-005A	3.40	RUIZ, EULOJIA & TONY	RT 1 BOX 650	SAFFORD	AZ	85546
102-43-012	1.30	SAINZ, PATRICIO S & OLIVIA	1009 10TH AVE	SAFFORD	AZ	85546
102-43-016	1.50	THOMISON, RAYMOND L	125 S 1ST ST	SIERRA VISTA	AZ	85635
102-43-035	59.41	MONTIERTH: NEAL, JOSEPH,LOIS	RT 1 BOX 647	SAFFORD	AZ	85546
102-43-036	1.00	PEARSON, CLIFFORD RALPH & CYNTHIA L	RT. 1, BOX 655	SAFFORD	AZ	85546
102-43-037	2.00	PEARSON, IVAN B	RT 1 BOX 655	SAFFORD	AZ	85546
103-01-001	75.10	LINDSEY, WILLIAM R/ADDIE	BOX 592	SAFFORD	AZ	85546
103-02-028	7.70	LINES, RICHARD B & RAMONA G	1325 11TH AVE	SAFFORD	AZ	85546

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103-02-029	36.60	CLONTS, SURCIE C AND MILDRED	1620 14TH AVE	SAFFORD	AZ	85546
103-04-045A	1.00	MCEUEN, RONALD C AND CAROL	2010 8TH AVE	SAFFORD	AZ	85546
103-04-048	1.16	BINGHAM, GEORGE C	2110 8TH AVE	SAFFORD	AZ	85546
103-07-008	10.30	ELY, HARVEY E & RENATE	PO BOX 255	SAFFORD	AZ	85546
103-07-017	27.04	ANGLE, ROBBS, STEVENS	2413 S 1ST AVE	SAFFORD	AZ	85546
103-07-029	60.40	WELKER, ROSA	RT 1 BOX 670	SAFFORD	AZ	85546
103-07-032	14.17	GEE, GAR TEONG & PUI CHUN YU	8230 E SENECA	TUCSON	AZ	85715
103-07-037	13.63	MACK, ROSTEL	312 E 20TH STREET	SAFFORD	AZ	65546
103-07-042	7.54	NEW TESTEMENT BAPTIST CHURCH	2501 1ST AVENUE	SAFFORD	AZ	85546
103-07-051	5.45	ANGLE, ELDON AND AVALON	2413 1ST AVE	SAFFORD	AZ	85546
103-07-054	3.51	BRINKERHOFF, SPENCER & RUTH	BOX 47	SAFFORD	AZ	85546
103-08-	2.90	ALEXANDER LOTS	BOX 111	CLIFTON	AZ	85533
103-08-004B	8.00	SAFFORD SCHOOL DIST #1	734 11TH ST	SAFFORD	AZ	85546
103-08-004C	20.50	BURRELL, C VERNON AND ANDREW	1505 2ND AVE	SAFFORD	AZ	85546
103-08-004D	2.50	BURRELL, C VERNON/ANDREW	1505 2ND AVE	SAFFORD	AZ	85546
103-08-005	12.80	ALEXANDER, HAROLD & SHIRLEY	BOX 111	CLIFTON	AZ	85533
103-08-031	6.48	RATH, JOGESWAR AND RUNUBALA	221 12TH ST	SAFFORD	AZ	85546
103-08-041	1.31	BERMUDEZ, BALTAZAR M & MARY ANN	2284 1ST AVE	SAFFORD	AZ	85546
103-08-042	1.39	BROWN, WM O & BERNICE	PO BOX 897	SAFFORD	AZ	85548
103-08-043	1.42	BROWN, WAYNE OLIVER & CYNTHIA MAE	2214 1ST AVENUE	SAFFORD	AZ	85546
103-08-044A	2.11	SEDREL, IVAN S	2150 1ST AVE	SAFFORD	AZ	85546
103-08-046A	2.08	RYAN, RUTH M/ HEMBREE, PATRICIA M	2144 1ST AVE	SAFFORD	AZ	85546
103-08-055	9.71	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
103-08-062	1.36	GOODNER, BRUCE	2008 FIRST AVENUE	SAFFORD	AZ	85546
103-08-063	1.16	CAMPOS, TRINIDAD & JUANITA	2332 1ST AVE	SAFFORD	AZ	85546
103-08-065	1.19	BERMUDEZ, BALTAZAR M AND MARY ANN	2284 1ST AVE	SAFFORD	AZ	85546
103-08-066	1.75	RAWSON, PAUL	P. O. BOX 468	SAFFORD	AZ	85548
103-08-067	1.75	TOLMAN, RONALD C AND LOUISE L	2330 FIRST AVE	SAFFORD	AZ	85546
103-08-069	1.74	DECKER, DAVID & SUSAN	826 STIRRUP DRIVE	SAFFORD	AZ	85546
103-08-070	1.74	ROSEBERRY, RONALD J & CAROLYN	2050 1ST AVE	SAFFORD	AZ	85546
103-09-005	6.90	JENSEN, RUTH	2724 1ST AVE	SAFFORD	AZ	85546
103-09-008	1.00	GRAHAM, BARRY L & SHIRLEY A	6113 WEST WETHERSFIELD RD	GLENDALE	AZ	85304
103-09-009	1.50	DORRELL, CECIL J AND JESSIE	2830 1ST AVE	SAFFORD	AZ	85546
103-09-016	1.50	VILLALBA, ONESIMO & ROSA	2884 FIRST AVENUE	SAFFORD	AZ	85546
103-09-020	16.84	CLIFFORD, OPAL (MOODY)	10617 CAMELOT CIRCLE	SUN CITY	AZ	85351
103-10-005	7.78	LOMA LINDA ESTATES INC/WELKER, D	PO BOX 20	SAFFORD	AZ	85546
103-10-012	1.07	HAMILTON, GT/POLLOCK,NJ	610 5TH ST	SAFFORD	AZ	85546
103-10-013	1.07	BINGHAM, A	4021 W MISSOURI AVENUE	PHOENIX	AZ	85019
103-10-014	1.07	HUNTINGTON, JOSEPH L & ELIZABETH C	BOX 442	SAFFORD	AZ	85546
103-10-015	1.07	TANKERSLEY, PAUL	316 E. 2780 SOUTH NORJEAN WAY	SAFFORD	AZ	85546
103-10-016	1.06	MARTIN, JOHN W & MARCIA A	P.O. BOX 32	SAFFORD	AZ	85548
103-10-017A	1.02	BUNT, KENNETH & TERRI	BOX 875	SAFFORD	AZ	85546
103-10-019	1.08	PETERSON, OMA B	BOX 773	SAFFORD	AZ	85546
103-10-020	1.06	DOBBS, BILL & M CHARMAYNE	357 E NOR-JEAN WAY	SAFFORD	AZ	85546
103-10-021	1.07	PEREZ, JOE M & SHARLOTTE J	355 NOR JEAN WAY	SAFFORD	AZ	85546
103-10-022	1.07	HAWKINS, WESLEY & MAXINE	BOX 884	CLIFTON	AZ	85533
103-10-023	1.07	BAUER, BRUCE P & KIMBERLY G	BOX 425	SAFFORD	AZ	85548
103-10-024	1.07	HAMILTON, GT/POLLOCK, NJ	610 5TH ST	SAFFORD	AZ	85546

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103-10-025	1.05	HAMILTON, GT/POLLOCK, NJ	610 5TH ST	SAFFORD	AZ	85546
103-10-026	2.95	CARPENTER, JEFF & PENNY	RT. 1, BOX 3	SAFFORD	AZ	85546
103-10-027	1.94	NORTON, ROBERT & JOYCE L	2691 A SOUTH 1ST AVE	SAFFORD	AZ	85546
103-10-029	57.10	WELKER, NORMAN & CHARLOTTE	311 E RELATION	SAFFORD	AZ	85546
103-10-034	3.84	BARNEY, RUSS R AND CAROL JEAN	620 FIFTH AVENUE	SAFFORD	AZ	85546
103-10-035	1.07	FINDLEY, RICK & SANDY	2693 1ST AVE	SAFFORD	AZ	85546
103-11-018A	6.30	BASS, GROVER T AND LAURA	1919 1ST AVE	SAFFORD	AZ	85546
103-12-001	27.00	SCOTT, E. WALTER & PAULINE	1727 1ST AVE	SAFFORD	AZ	85546
103-12-002	10.00	OLSEN, LEWIS & VIVIAN LE	RT 1 BOX 666	SAFFORD	AZ	85546
103-12-003	10.00	OLSEN, HARRY	RT 1 BOX 667	SAFFORD	AZ	85546
103-12-004	37.00	NAYLOR, NAN MARIE	311 E. RELATION	SAFFORD	AZ	85546
103-12-005	140.10	WELKER, WILLARD	RT 1 BOX 670	SAFFORD	AZ	85546
103-12-008	13.30	WELKER, WILLARD	RT 1 BOX 670	SAFFORD	AZ	85546
103-12-009	50.40	WELKER, WILLARD	RT 1 BOX 670	SAFFORD	AZ	85546
103-12-013	56.30	ELLSWORTH, LAUREL	1505 1ST AVE	SAFFORD	AZ	85546
103-13-003A	12.00	OLSEN: DALE, MARVIN, RANDALL,STEVEN	RT 1 BOX 264	SAFFORD	AZ	85546
103-13-005	35.70	CLIFFORD, REVA M	RT 1 BOX 657	SAFFORD	AZ	85546
103-13-013	33.50	OLSEN: DALE, MARVIN, RANDALL	RT 1 BOX 264	SAFFORD	AZ	85546
103-13-017	16.80	MONTIERTH, LOIS BIGLER	RT. 1, BOX 186	SAFFORD	AZ	85546
103-14-002	36.80	OLSEN: DALE, MARVIN, RANDALL,STEVEN	RT 1 BOX 264	SAFFORD	AZ	85546
103-14-003	10.00	OLSEN: DALE & ELIDA, MARVIN & MARY	RT 1 BOX 264	SAFFORD	AZ	85546
103-14-004	20.00	OLSEN: DALE, MARVIN, RANDALL,STEVEN	RT 1 BOX 264	SAFFORD	AZ	85546
103-15-003	37.30	ELLSWORTH, TRELLA	2075 E CAIRO DR	TEMPE	AZ	85281
103-15-004	37.00	BLAIR, JOE W & JANELL	RT 1 BOX 675	SAFFORD	AZ	85546
103-16-001	45.60	KEMPTON, C L & HERMIONE	RT 1 BOX 277	SAFFORD	AZ	85546
103-16-006A	1.36	MAYLEN, KIRT	RT 1 BOX 269	SAFFORD	AZ	85546
103-16-008	62.80	UNIV. OF AZ. SAFFORD AG. CENTER	P. O. BOX 1015	SAFFORD	AZ	85548
103-16-009	10.50	MONTIERTH:ROBERT, JOSEPH, LOIS	2690 S 1ST AVENUE	SAFFORD	AZ	85546
103-16-010A	32.80	MONTIERTH: ROBERT, JOSEPH, LOIS	RT 1 BOX 647	SAFFORD	AZ	85546
103-16-010B	8.00	CLIFFORD, GORDON L & BILLIE RUTH	RT 1 BOX 641	SAFFORD	AZ	85546
103-16-012	50.30	BLAIR, JOE W & JANELL	RT 1 BOX 675	SAFFORD	AZ	85546
103-16-013	140.00	WELKER, NORMAN & CHARLOTTE	311 E RELATION	SAFFORD	AZ	85546
103-16-014	52.40	WELKER, NORMAN J & CHARLOTTE W	311 EAST RELATION	SAFFORD	AZ	85546
103-16-015	56.40	FOOTE, GERALD	P.O. BOX 1482	SAFFORD	AZ	85548
103-16-016	35.40	LINDSEY: WILLIAM R, ADDIE	BOX 592	SAFFORD	AZ	85546
103-16-018	2.70	MONTIERTH, ARCH	RT 1 BOX 643	SAFFORD	AZ	85546
103-16-197	1.26	REAM, NELDA	1823 NORTH H STREET	WELLINGTON	KS	67152
103-16-201	1.14	DURNELL, NOLAND R.	RT. 1, BOX 276-5	SAFFORD	AZ	85546
103-16-202	1.33	VASQUEZ,L/RAMIREZ,DANIEL/ADIEL B	RT 1 BOX 270-A	SAFFORD	AZ	85546
103-16-203	1.80	BIXLER, DAVID & HELEN	RT 1 BOX 272-13	SAFFORD	AZ	85546
103-16-205	1.23	HANCOCK, IVAN F & KATHRYN T	RT 1 BOX 281	SAFFORD	AZ	85546
103-16-207	61.90	MONTIERTH: ROBERT, JOSEPH, LOIS	RT 1 BOX 647	SAFFORD	AZ	85546
103-17-001	39.50	LARSON, MARY PRICE	RT 1 BOX 290	SAFFORD	AZ	85546
103-17-002	138.70	CLARIDGE, ALF BRENT & LINDA M	RT 1 BOX 296	SAFFORD	AZ	85546
103-17-003	74.10	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
103-17-006	39.00	KEMPTON, C L & HERMIONE	RT 1 BOX 277	SAFFORD	AZ	85546
103-17-009	75.90	FOOTE, WALTER	736 PORT AU PRINCE	PHOENIX	AZ	85022
103-17-012	20.64	DEAN, D/ STONE, W/ SMITH, L/ DEAN C	255 N 200 WEST	ST GEORGE	UT	84770

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103-17-012A	19.60	BARNEY, VILATE AND MILLIE	RT 1 BOX 620	SAFFORD	AZ	85546
103-17-013A	21.80	BARNEY, FRANKLIN & ALICE/ LOUIS	RT 1 BOX 620	SAFFORD	AZ	85546
103-17-014A	30.40	BARNEY, FRANKLIN & ALICE ANN BAWDEN	RT 1 BOX 620	SAFFORD	AZ	85546
103-17-018	18.31	KEMPTON, C L & HERMIONE	RT 1 BOX 277	SAFFORD	AZ	85546
103-17-029	29.50	CLARIDGE, ALF B & LENORE	RT 1 BOX 296	SAFFORD	AZ	85546
103-17-030	45.40	CLARIDGE, CHRIS	PO BOX 235	FORT THOMAS	AZ	85535
103-18-002	31.30	CLARIDGE, ALF B & LENORE	RT 1 BOX 296	SAFFORD	AZ	85546
103-18-003	291.50	LAYTON, F DENNIS & PAULA	PO BOX 3070	THATCHER	AZ	85546
103-18-004	38.80	LAYTON, F DENNIS & PAULA	PO BOX 3070	THATCHER	AZ	85552
103-18-006	49.20	KEMPTON, C L & HERMIONE	RT 1 BOX 277	SAFFORD	AZ	85546
103-18-007A	30.40	KEMPTON, JERALD LEROY	RT 1 BOX 626	SAFFORD	AZ	85546
103-18-008	86.70	LAYTON, F DENNIS & PAULA	PO BOX 3070	THATCHER	AZ	85552
103-18-011	16.50	SLC PROPERTIES	RT 1 BOX 300	SAFFORD	AZ	85546
103-19-001	3.18	CLARIDGE, KENNETH SAMUEL & MARLENE	RT 1 BOX 301	SAFFORD	AZ	85546
103-19-015	1.58	CARPENTER, PEARL	BOX 86	SAFFORD	AZ	85546
103-19-034	2.85	SOLOMONVILLE SCHOOL	BOX 167	SOLOMON	AZ	85551
103-20-004	13.70	HANCOCK, IVAN F & KATHRYN F	RT 1 BOX 281	SAFFORD	AZ	85546
103-20-007	55.80	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
103-20-009	17.40	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
103-20-010	57.40	LAYTON, F DENNIS & PAULA	PO BOX 3070	THATCHER	AZ	85552
103-21-005	7.90	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
103-21-011	39.50	FOOTE, WALTER SR TRUST	736 PORT AU PRINCE	PHOENIX	AZ	85022
103-22-001	34.40	KEMPTON, JERRY L & ANNE % CL KEMPTO	RT 1 BOX 626	SAFFORD	AZ	85546
103-22-010B	1.20	DAVIS: DELORES I/WALTON,L T & N J	RT 1 BOX 628	SAFFORD	AZ	85546
103-22-015A	29.90	ELLSWORTH, TRELLA	2075 E CAIRO DR	TEMPE	AZ	85281
103-22-039	59.00	KEMPTON, JERRY & ANNE	RT 1 BOX 626	SAFFORD	AZ	85546
103-22-041	26.90	FOOTE:BERTRAND & JEANNE/ELY H & R	115 E 20TH ST	SSAFFORD	AZ	85546
104-02-001	26.00	CRAIG, LANELL / SHELLEY	RT 1 BOX 30T	SAFFORD	AZ	85546
104-02-002	86.80	LAYTON, GLEN J	BOX M	THATCHER	AZ	85552
104-02-002A	9.00	LAYTON, GLEN J	BOX M	THATCHER	AZ	85552
104-02-007A	20.40	DALEY, BROOKS & MARGARET	BOX D	THATCHER	AZ	85552
104-02-008	20.20	PALMER, VERLE	DRAWER AA	THATCHER	AZ	85552
104-02-014	19.20	DALEY, JIM & LYNN/KENT & MARION	890 STADIUM AVENUE	THATCHER	AZ	85552
104-02-015	6.00	DALEY, JIM & LYNN/KENT & MARION	890 STADIUM AVENUE	THATCHER	AZ	85552
104-02-016	71.60	DALEY, JIM & LYNN/KENT & MARION	890 STADIUM AVENUE	THATCHER	AZ	85552
104-02-017	13.80	DALEY, JIM & LYNN/KENT & MARION	890 STADIUM AVENUE	THATCHER	AZ	85552
104-02-019	5.70	DALEY, JIM & LYNN/KENT & MARION	890 STADIUM AVENUE	THATCHER	AZ	85552
104-02-021	32.00	HUNT, LEA & VERA	RT 1 BOX 610	THATCHER	AZ	85552
104-02-022	68.30	LATTER DAY SAINTS %REAL ESTATE DIV	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
104-02-024	4.80	LATTER DAY SAINTS %REAL ESTATE DIV	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
104-02-025	38.60	HUNT, LEA & VERA	RT 1 BOX 610	THATCHER	AZ	85552
104-03-002	3.00	HUNT, LEA & VERA	RT 1 BOX 610	THATCHER	AZ	85552
104-03-003	1.40	HARTUNG, MARY BERNADINE	P.O. BOX AJ	THATCHER	AZ	85552
104-03-006A	1.50	DOMINGUEZ, SATURINO P & JUANITA		THATCHER	AZ	85552
104-03-010	1.70	BARQUIN, JUAN & SOLEDAD L	BOX 793	THATCHER	AZ	85552
104-03-012	3.30	LUTZ, N B & DORTHA F	BOX 904	THATCHER	AZ	85552
104-03-016	3.00	GRAND PROP., INC. DBA THE PIONEER	201 W APACHE TRAIL	APACHE JUNCTION	AZ	85220
104-03-017	5.50	SPAFFORD, LOTTIE E	RT. 1, BOX 618	THATCHER	AZ	85552

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104-04-003B	1.20	BOTT, CARL & LAURALEA	PO BOX 807	THATCHER	AZ	85552
104-04-010	1.20	DRYDEN, NEWELL & BUNNY	P O BOX 543	THATCHER	AZ	85552
104-04-012	27.50	PORTER, MAUDE	BOX 607	THATCHER	AZ	85552
104-04-014	14.30	HOOPES, JERRY ORRELL & JOANN J	P. O. BOX 538	SAFFORD	AZ	85548
104-04-015	5.00	HOOPES, JERRY ORRELL & JOANN J	P. O. BOX 538	SAFFORD	AZ	85548
104-04-018	3.80	HOOPES, GROVER LAMRO & ELAINE	P. O. BOX U	THATCHER	AZ	85552
104-04-022	10.00	LAYTON, DENNIS F & PAULA	P O BOX 3070	THATCHER	AZ	85552
104-04-034	1.00	WILSON, CRAE	P. O. BOX 792	THATCHER	AZ	85552
104-04-044	1.00	CLUFF, RONALD E & PATSY	P.O. BOX 444	THATCHER	AZ	85552
104-04-046	29.20	PLATT, RODNEY & NEDRA	BOX 1117	THATCHER	AZ	85552
104-04-055	19.50	PALMER, ARDEN J & MARY LOUISE	BOX P	THATCHER	AZ	85552
104-04-056	2.70	LEE, EWERT T & YVONNE		THATCHER	AZ	85552
104-04-059	1.80	WATSON, CHARLES W & DIANE L	BOX 7	THATCHER	AZ	85552
104-04-060	1.30	CURTIS, MAYBURN J & BETTY	824 12TH STREET	SAFFORD	AZ	85546
104-04-066	14.50	LAYTON, F DENNIS & PAULA	PO BOX 3070	THATCHER	AZ	85552
104-04-069	10.00	PORTER, MAUDE	BOX 607	THATCHER	AZ	85552
104-04-070	28.90	LAYTON, DENNIS F & PAULA	PO BOX 3070	THATCHER	AZ	85552
104-04-074	9.00	PALMER, ARDEN J & MARY LOUISE	BOX P	THATCHER	AZ	85552
104-04-075	11.20	PALMER, ARDEN J & MARY LOUISE	BOX P	THATCHER	AZ	85552
104-04-076	1.70	BURKETT, BERTHA	PO BOX 743	THATCHER	AZ	85552
104-04-077	103.80	PALMER, ARDEN J & MARY LOUISE	BOX P	THATCHER	AZ	85552
104-04-078	1.10	PALMER, JAMES A & CELINDA	BOX P	THATCHER	AZ	85552
104-09-109	10.00	THATCHER SCHOOL DISTRICT	P.O. BOX 610	THATCHER	AZ	85552
104-09-117A	10.00	DALEY, BROOKS	BOX D	THATCHER	AZ	85552
104-10-001A	2.00	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
104-10-005	8.00	EASTERN ARIZONA COLLEGE	626 CHURCH STREET	THATCHER	AZ	85552
104-10-149	2.00	VELASQUEZ, MANUELA	BOX 452	THATCHER	AZ	85552
104-10-307	1.10	SIMMONS, MELVIN & EMILY	6750 E. TOPKE	TUCSON	AZ	85715
104-10-308	2.90	EDDINGTON, MILTON	BOX 161	THATCHER	AZ	85552
104-11-001	178.70	LAYTON, FARRELL C	BOX 640	THATCHER	AZ	85552
104-11-002	9.00	LAYTON, FARRELL C	BOX 640	THATCHER	AZ	85552
104-11-003	22.60	CLARIDGE, VIRGINIA	BOX 784	THATCHER	AZ	85552
104-11-005	7.60	CLARIDGE, VIRGINIA	BOX 784	THATCHER	AZ	85552
104-11-012	1.30	ROMNEY, PARK	RT 1 BOX 731	THATCHER	AZ	85552
104-11-013	2.00	PETERSON, STEVE	P.O. BOX 833	THATCHER	AZ	85552
104-11-016	50.80	FERGUSON FARMS-PRINA FARMS INC	102 E 2ND ST	SAFFORD	AZ	85546
104-11-017	31.20	PALMER, ELDON	PO BOX 750	THATCHER	AZ	85552
104-11-018	21.40	LOMA LINDA ESTATES	BOX 967	THATCHER	AZ	85552
104-11-019	2.90	PENNINGTON, AUTRY & MARJORIE	P. O. BOX 382	CENTRAL	AZ	85531
104-11-020	1.80	HETMER, RAYMOND G & BOBBIE	1715 N. WEBSTER ROAD	THATCHER	AZ	85552
104-12-001	6.80	GRAHAM COUNTY ELECTRIC	DRAWER B	PIMA	AZ	85543
104-12-003C	82.20	CLARIDGE, VIRGINIA	BOX 784	THATCHER	AZ	85552
104-12-006A	7.30	SHERMAN, GERALD AND JUDY	RT. 1, BOX 819	THATCHER	AZ	85552
104-12-014	4.46	PECK, MARION MAX AND ALTA L	BOX 816	THATCHER	AZ	85552
104-12-016	4.50	SMITH, EVERETT F AND MARGARET	BOX 386	CENTRAL	AZ	85531
104-12-017	11.60	SMITH, KEITH E AND ETTA M	BOX 815	THATCHER	AZ	85552
104-13-005	1.00	ALLEN, LEE AND COLLEEN	PO BOX A	THATCHER	AZ	85552
104-13-006	2.10	ALLEN, LEE AND COLLEEN	PO BOX A	THATCHER	AZ	85552

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104-13-007	1.10	LAYTON, FARRELL C	BOX 640	THATCHER	AZ	85552
104-13-007A	10.50	LAYTON, FARRELL C	BOX 640	THATCHER	AZ	85552
104-13-007B	2.30	LAYTON, FARRELL C	BOX 640	THATCHER	AZ	85552
104-13-017A	1.00	BROWN, WOODROW J	BOX 753	THATCHER	AZ	85552
104-13-017B	2.25	BROWN, WOODROW J	BOX 753	THATCHER	AZ	85552
104-13-018	1.00	BROWN, WOODROW J	BOX 753	THATCHER	AZ	85552
104-13-035	3.90	LATTER DAY SAINTS %REAL ESTATE DIV	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
104-13-039	2.10	PALMER, DENNIS V & MARGARET	BOX 682	THATCHER	AZ	85552
104-13-043	1.00	MOORE, LORYN DALE AND LILLIE ANN	BOX 778	THATCHER	AZ	85552
104-13-046	15.30	PALMER, VERLE & TRELVA	DRAWER AA	THATCHER	AZ	85552
104-13-047	17.90	TATE, IRETTA L	821 E EDGEMONT	PHOENIX	AZ	85006
104-13-050	9.90	TATE, HAROLD A/ALLEN, MAXINE	6141 E. EDGEMONT	SCOTTSDALE	AZ	85257
104-13-055	15.10	PALMER, VERLE & TRELVA	DRAWER AA	THATCHER	AZ	85552
104-14-006	57.10	LOFGREEN, A H ET AL/MANIVOD CORP	1505 CALIFORNIA	LAS CRUCES	NM	88001
104-15-001	1.40	FLORES, ISABELLE	BOX 454	THATCHER	AZ	85552
104-15-004	11.00	DECONCINI, ORA	3202 EAST 3RD STREET	TUCSON	AZ	85716
104-15-006A	35.00	CLARIDGE, VIRGINIA	BOX 784	THATCHER	AZ	85552
104-15-012	64.10	FERGUSON FARMS A PARTNERSHIP	102 E 2ND ST	SAFFORD	AZ	85546
104-17-044	4.00	POLLOCK, SAMUEL WEBSTER & LOUISE	1326 11TH AVE	SAFFORD	AZ	85546
104-17-050	8.70	HOUSEHOLDER, DELBERT AND KAREN	RT 1 BOX 600	THATCHER	AZ	85552
104-17-051	1.50	HOLGERSON, GLEN M AND KATHLYN	RT 1 BOX 742	THATCHER	AZ	85552
104-23-005	2.50	CLARIDGE, VIRGINIA	BOX 784	THATCHER	AZ	85552
104-23-008	20.50	CURTIS, CARL FARMS INC	525 COLLEGE AVE	THATCHER	AZ	85552
104-23-011	44.10	LINES, RUSKIN R AND JANICE	2415 SO RURAL RD	TEMPE	AZ	85282
104-23-013	8.50	SMITH FAMILY TRUST, KEITH E & ETTA	DRAWER W	THATCHER	AZ	85552
104-23-029	28.80	DALEY, NED & VELMA	506 STADIUM AVE	THATCHER	AZ	85552
104-23-030	21.00	DALEY, NED	RT 1, BOX 680	THATCHER	AZ	85552
104-24-001	8.00	CLUFF, VANCE J		THATCHER	AZ	85552
104-24-003	1.80	LEE, BLANCH T		THATCHER	AZ	85552
104-24-005	2.20	FERRIN, DALE	701 19TH ST	YUMA	AZ	85364
104-24-014	7.80	CURTIS, DEAN A.	759 E 2620 NORTH	PROVO	UT	84604
104-24-019	1.10	GLASSGOW, ALBERT & BERTHA	BOX 926	THATCHER	AZ	85552
104-24-027	1.80	FLOWERS, JEFF J & MYRTLE	BOX 343	SAFFORD	AZ	85546
104-24-048	4.70	DODGE, BRUCE	1153 THATCHER BLVD.	SAFFORD	AZ	85546
104-25-006	4.20	WOODS, JULIA	P O BOX C	THATCHER	AZ	85552
104-25-035	5.80	SUNCREST APTS. % JOHN HERRICK	1913 ADDISON	BERKLEY	CA	94704
104-25-049	20.80	DALEY, NED & VELMA	P.O. BOX 656	THATCHER	AZ	85552
104-26-024A	1.00	MOODY, VERMA	BOX 4	THATCHER	AZ	85552
104-28-059	26.70	EASTERN ARIZONA COLLEGE	626 CHURCH ST	THATCHER	AZ	85552
104-28-060	99.20	CARPENTER, CLOYD/ UDALL, LEOLA	610 S 1ST AVENUE	THATCHER	AZ	85552
104-28-062	13.60	CURTIS, CARL FARMS INC/DEAN&PHILLIS	525 COLLEGE AVE	THATCHER	AZ	85552
104-28-065	14.00	CARPENTER, CLOYD M AND VEDAMAE	610 S 1ST AVENUE	THATCHER	AZ	85552
104-28-066	35.20	CURTIS, CARL FARMS INC	525 COLLEGE AVE	THATCHER	AZ	85552
104-28-068	34.20	DALEY, NED & VELMA	P.O. BOX 656	THATCHER	AZ	85552
104-29-018	1.10	ALVA, MIKE	48 MULLINS LANE	THATCHER	AZ	85552
104-29-020	1.00	ALLRED, LARRY	P.O. BOX 805	SAFFORD	AZ	85548
104-29-037	1.40	STEVENS, HAROLD & JOSEPHINE		THATCHER	AZ	85552
104-29-048	2.10	ROWLEY, HAROLD V.		THATCHER	AZ	85552

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104-29-057	7.60	DALEY, NED	P.O. BOX 656	THATCHER	AZ	85552
104-29-066	4.89	SALAZAR, E G & EMMA	817 STIRRUP	SAFFORD	AZ	85546
104-29-067	2.27	CLEMISHIRE, RONALD L & PRISCILLA	BOX 288	THATCHER	AZ	85552
104-29-071	12.89	CURTIS, CARL FARMS/DEAN A & PHYLLIS	525 COLLEGE AVE	THATCHER	AZ	85552
104-29-076	4.00	HOLLADAY, DALE & JANICE	429 MAIN	SAFFORD	AZ	85546
104-29-077	4.50	OVERSTREET, DALTON & MICHELE	6 ELM AVENUE	SAFFORDR	AZ	85546
104-29-078	4.10	MIHLFEITH, NEIL & JOYE	1005 SAGE TRAIL	THATCHER	AZ	85552
104-30-002	20.00	DALEY, NED	P.O. BOX 656	THATCHER	AZ	85552
104-30-010	5.90	KAI, JOHN JR/HERBERT	2305 W RUTHRUFF RD VILLA CAPRI	TUCSON	AZ	85705
104-30-018	103.60	LAYTON,LAYTON,MCKAY,BAUER	836 STIRRUP DR	SAFFORD	AZ	85546
104-30-020	1.70	DOWNEY SAVINGS & LOAN ASSOC	BOX 5004	EL TORO	CA	92630
104-30-022	2.30	DOWNEY SAVINGS & LOAN ASSOC	BOX 5004	EL TORO	CA	92630
104-30-023	4.00	DOWNEY SAVINGS & LOAN ASSOC	BOX 5004	EL TORO	CA	92630
104-31-001	3.40	CHALMERS, JOHN R AND PATRICIA	BOX 987	SAFFORD	AZ	85546
104-31-002A	96.40	DALEY, NED	P.O. BOX 656	THATCHER	AZ	85552
104-31-003A	1.70	WILLIAMS, CLIFFORD J & BESSIE LOU	RT. 1, BOX 545	THATCHER	AZ	85552
104-31-005	1.10	RHODES, J DWAINE & KATHY L	1307 CENTRAL AVE	SAFFORD	AZ	85546
104-31-007	9.80	DALEY, NED	P.O. BOX 656	THATCHER	AZ	85552
104-31-015	6.70	ARIZ CONF CORP OF 7 DAY ADV	100 THIRD AVE	THATCHER	AZ	85552
104-31-022	5.40	FIRST S. BAPTIST CHURCH THATCHER	BOX 771	THATCHER	AZ	85552
104-31-024	1.70	WILLIAMS, CLIFFORD J & BESSIE LOU	RT 1 545	THATCHER	AZ	85552
104-31-026	5.50	NELSON, PAUL & PATRICIA	BOX 23	THATCHER	AZ	85552
104-31-027	20.20	SLADE, WAYNE & DELORES	2057 E. DES MOINES	MESA	AZ	85203
104-31-028	1.30	LEE, MARCHALL D & JOY	BOX 33	THATCHER	AZ	85552
104-32-011	3.30	BAUER, PHILLIP H & VIVIAN	836 STIRRUP DR	SAFFORD	AZ	85546
104-32-012	12.30	KAI, JOHN JR/HERBERT	2305 RUTHRUFF RD VILLA CAPRIE	TUCSON	AZ	85705
104-32-013	23.10	JOHNSON, WILLIAM DAVID	100181 E. AKRON	MESA	AZ	85207
104-32-015	96.00	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
104-32-017	2.60	JOHNSON, THOMAS K	801 1ST AVE	SAFFORD	AZ	85546
104-32-018	5.60	JOHNSON, THOMAS K	801 1ST AVE	SAFFORD	AZ	85546
104-32-019	1.30	JOHNSON, THOMAS K	801 1ST AVE	SAFFORD	AZ	85546
104-32-020	18.40	LAYTON,MCKAY,BAUER	836 STIRRUP DR	SAFFORD	AZ	85546
104-33-002	1.30	WHITMER, JAMES B AND RUTH A	BOX 333	CENTRAL	AZ	85531
104-33-003C	1.50	JOHNSON, THOMAS K	801 1ST AVE	SAFFORD	AZ	85546
104-33-004	4.00	HOUSEHOLDER, DELBERT AND KAREN	RT 1 BOX 600	THATCHER	AZ	85552
104-33-005	5.80	HUNT, LEA & VERA	RT 1 BOX 61 C	THATCHER	AZ	85552
104-33-006	3.70	HOUSEHOLDER, DELBERT, ELOISE	RT 1 BOX 603	THATCHER	AZ	85552
104-33-008A	2.00	PAYNE, MICHAEL R	P. O. BOX 382	THATCHER	AZ	85552
104-33-015	20.30	ALLRED: J, G, L/DOWDLE R/STEVENS J	C/O LAVAR ALLRED	THATCHER	AZ	85552
104-33-020	1.60	BLAIN, KENNETH E AND JOYE L	BOX 666	THATCHER	AZ	85552
104-33-023	17.60	MOTES, ELIZA		THATCHER	AZ	85552
104-33-024	15.80	MOTES, NATHEN L	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552
104-33-025	4.20	WHITMER, J BENJAMIN JR & SUSAN W		CENTRAL	AZ	85531
104-33-026	5.90	WHITMER, JAMES B AND RUTH A	BOX 333	CENTRAL	AZ	85531
104-33-027	8.10	HUNT, LEA AND VERA	RT 1 BOX 61C	THATCHER	AZ	85552
104-33-028	1.20	HUNT, JOHN AND KERRY	RT 1 BOX 618	THATCHER	AZ	85552
104-33-031	7.80	MOTES, ELIZA E		THATCHER	AZ	85552
104-33-032	16.90	ALLRED: G, J, L/DOWDLE R/STEVENS J		THATCHER	AZ	85552

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104-33-033	2.00	SAFFORD ANIMAL HOSPITAL	BOX 248	SAFFORD	AZ	85546
104-33-035	28.50	ALLRED, J:G:L/DOWDLE, L/STEVENS, J	C/O LAVAR ALLRED	THATCHER	AZ	85552
104-35-004	60.70	LEE, DAVID T AND MARILYN D		THATCHER	AZ	85552
104-35-005C	6.00	ROBERTS, DONALD D & MARY LOUISE	BOX 1041	SAFFORD	AZ	85546
104-35-006	24.30	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE 12TH FLR	SALT LAKE CITY	UT	84150
104-35-009	2.00	ZAPPIA, EDMUND R AND DORA C	3020 WEST 18th STREET	SAFFORD	AZ	85546
104-35-010	20.20	MEEKER, RUSSEL & LUCY/HIGGINS J & D	BOX 2824	SHOWLOW	AZ	85901
104-35-041	1.00	BINGHAM, STEPHEN AND NANCY	2006 18TH STREET	SAFFORD	AZ	85546
104-35-045	1.70	CURTIS, ED & GERRY	2037 18TH STREET	SAFFORD	AZ	85546
104-35-046	2.90	CURTIS, EDWARD R & GERALDE	2037 18TH STREET	SAFFORD	AZ	85546
104-35-048	5.40	W PATRICK WYMAN FAMILY TRUST	1706 20TH AVENUE	SAFFORD	AZ	85546
104-35-051	4.30	GRAY, JOHN D AND BETTY	2001 18TH ST	SAFFORD	AZ	85546
104-35-054	3.20	GALE, DWAIN A AND SHARON A	2039 18TH ST	SAFFORD	AZ	85546
104-35-058	1.50	HARTZLER, DON R & MARY C	2420 W RELATION ST	SAFFORD	AZ	85546
104-35-059	35.40	HOUSEHOLDER, DELBERT AND KAREN	RT 1 BOX 600	THATCHER	AZ	85552
104-35-061	1.20	CURTIS, EDWARD R & GERALDE	2037 18TH ST	SAFFORD	AZ	85546
104-35-079	74.70	CURTIS, CARL FARMS INC	525 COLLEGE AVE	THATCHER	AZ	85552
104-35-082	2.00	ROBERTS, DONALD & MARY LOUISE	BOX 1041	SAFFORD	AZ	85546
104-35-083	1.50	ROBERTSON, WILLIAM L & E RUTH	BOX 786	SAFFORD	AZ	85546
104-35-092	2.10	MORTON, WILLIAM D AND PAMELA	2087 W 18TH ST	SAFFORD	AZ	85546
104-35-093	1.40	HAM, JOHN R JR & PATHENIA M	BOX 408	SAFFORD	AZ	85546
104-35-104	1.00	SHIDELER, HAROLD W	1242 CHELSEA LANE	SAFFORD	AZ	85546
104-35-105	1.00	CLIFFORD, MAX B & RUSSELLENE	1720 20TH AVE	SAFFORD	AZ	85546
104-35-106	1.40	CLIFFORD, MAX B & RUSSELLENE	1720 20TH AVE	SAFFORD	AZ	85546
104-35-107	1.40	MORRIS, TERRY G & DIANNA L	3013 N WEST	FLAGSTAFF	AZ	86001
104-35-108	1.00	WOLFE, BARBARA BROOKS	1187 S CHELSEA LANE	SAFFORD	AZ	85546
104-35-109	1.00	SPERRY, WAYNE & MARIE	P. O. BOX 997	THATCHER	AZ	85552
104-35-110	1.00	HEDGES, GALE & LINDA	P. O. BOX 64	THATCHER	AZ	85552
104-35-111	1.30	JACOBSON, RONALD J & JEAN S	1337 S. CHELSEA LANE	SAFFORD	AZ	85546
104-35-113	1.00	CURTIS, KAY D & GAYLA	1264 ALAMEDA	SAFFORD	AZ	85546
104-35-114	40.40	HOUSEHOLDER, DELBERT & KAREN	RT 1 BOX 600	THATCHER	AZ	85552
104-35-122	1.00	PEARCE, LAVERL J. & CYNTHIA	BOX 691	THATCHER	AZ	85552
104-35-123	1.00	WOLF, JERALD C. & LINDA	2708 12TH AVENUE	SAFFORD	AZ	85546
104-35-125	2.50	HANCOCK, IVAN	RT. 1, BOX 281	SAFFORD	AZ	85546
104-35-130	1.30	VOELCKEL, LOUIS & KITTY	830 S. 20TH AVENUE	SAFFORD	AZ	85546
104-35-136	9.83	GREEN, MAX J. & NATHLENE	1188 ALAMEDA	SAFFORD	AZ	85546
104-35-137	4.80	GREEN, MAX J. & NATHLENE	1188 ALAMEDA	SAFFORD	AZ	85546
104-35-138	4.25	CURTIS, KAY D & GAYLA	1264 ALAMEDA	SAFFORD	AZ	85546
104-35-139	4.80	ALDER, MARDEN & SHARON	3927 WICKERSHAM	SAN ANTONIO	TX	78250
104-37-023A	12.00	MOUNT GRAHAM HOSPITAL DISTRICT	1600 20TH AVENUE	SAFFORD	AZ	85546
104-37-025A	1.50	MOUNT GRAHAM COMMUNITY HOSPITAL INC	1600 20TH AVENUE	SAFFORD	AZ	85546
104-37-025B	1.00	MOUNT GRAHAM COMMUNITY HOSPITAL INC	1600 20TH AVENUE	SAFFORD	AZ	85546
104-37-026	1.50	PRO BLDG INC % KAY CURTIS	2010 W. 16TH STREET	SAFFORD	AZ	85546
104-38-006A	25.90	MOUNT GRAHAM COMMUNITY HOSPITAL INC	1600 20TH AVENUE	SAFFORD	AZ	85546
104-38-011A	1.10	STEVENS, PEGGY/ STINSON, RUTH C	P.O. BOX 1081	SAFFORD	AZ	85546
104-40-012	1.10	WILLIAMS, BERTHA LEE	BOX 131	SAFFORD	AZ	85546
104-40-058	1.10	HALLETT, TED	BOX 354	PIMA	AZ	85543
104-40-062	1.20	RIBIC, W J & MYRNA	RT 1 BOX 484	THATCHER	AZ	85552

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104-41-013A	5.30	MARBLE, DONALD C & SHARON B	RT. 1, BOX 197	SAFFORD	AZ	85546
105-01-006	3.70	LEE, BLANCHE		THATCHER	AZ	85552
105-01-009	67.80	BRYCE, W E C/O WILLADENE MCRAE	44673 SHERWOOD DR	INDIO	CA	92201
105-02-002	75.40	WELKER, A A		PIMA	AZ	85543
105-02-003	0.50	PECK, DELBERT		PIMA	AZ	85543
105-02-004	6.10	WELKER, LA VELL AND WILLA JEAN	BOX 233	THATCHER	AZ	85552
105-02-004A	0.20	CHILDERS, EUNICE MARIE	BOX 391	SAFFORD	AZ	85546
105-02-005	1.00	PEREZ, RAPHAEL & ROSE	HCR-NBU#3	EDEN	AZ	85535
105-02-006B	1.00	BRYCE, JOHN & PHYLLIS	BOX 307	PIMA	AZ	85543
105-02-009	9.50	WELKER, ALTON A		PIMA	AZ	85543
105-02-013	23.80	BRYCE, A J AND ROXIE	BOX 190	PIMA	AZ	85543
105-02-016	17.70	LUMM, A GORDON	BOX 423	PIMA	AZ	85543
105-02-019	0.60	COHN, MAURICE N AND LORENE	BOX 160	PIMA	AZ	85543
105-02-020	4.00	COHN, MAURICE N AND LORENE	BOX 160	PIMA	AZ	85543
105-02-021	20.90	WHITE, JESSIE E	305 N ACACIA	APACHE JCT	AZ	85220
105-02-023	4.70	WHITE, JESSIE E	305 N ACACIA	APACHE JCT	AZ	85220
105-02-027	10.00	RUSSELL, WILLIAM L SR & ELIZABETH D	BRYCE RT	PIMA	AZ	85543
105-02-030	4.15	WRIGHT, GORDON E. & MARLA K	BRYCE RT	PIMA	AZ	85543
105-02-031	7.05	PEARSON, ARMON I & HOLLY JO	EDEN RT	PIMA	AZ	85543
105-02-034	0.30	ELLIOT, LINDA KAY	7911 E LOMA LAND DRIVE	SCOTTSDALE	AZ	85257
105-02-037	0.80	JOHNSON, G MELVIN & OLLIE	HCR 1, BOX 3110	PIMA	AZ	85543
105-02-038	3.00	FOOTE, JON & NAOMI	NBU # 1, BRYCE ROAD	PIMA	AZ	85543
105-02-042	0.52	BRYCE, ANDY & MELBA/BOYCE & MARILYN	625 MALIA WAY	PRESCOTT	AZ	86303
105-02-043	9.48	BRYCE, DAVID BOYCE & MARILYN	625 MALIA WAY	PRESCOTT	AZ	86303
105-02-044	4.20	BRYCE, BRITTON DEAN & BRANDI	RT 1 BOX 210	BLYTHE	AZ	92225
105-02-045	4.00	GUNTER, CURTIS	HCR 1 BOX 3108	PIMA	AZ	85543
105-03-001	61.50	BRYCE, W E C/O WILLADENE MCRAE	44673 SHERWOOD DR	INDIO	CA	92201
105-03-002	1.40	GASCA, JOSE	BOX 897	PIMA	AZ	85543
105-03-004	0.50	MILLER, JOE A & GLADYS		PIMA	AZ	85543
105-03-005	22.40	WEECH, A E AND JEANETTE B	BOX 66	PIMA	AZ	85543
105-03-007	16.00	WELKER, LA VELL AND WILLA JEAN	BOX 233	THATCHER	AZ	85552
105-03-010	1.00	GASCA, RUBEN P AND GRACIELA	BRYCE RT	PIMA	AZ	85543
105-03-012	3.40	WELKER, LA VELL AND WILLA JEAN	BOX 233	THATCHER	AZ	85552
105-03-013	12.40	WELKER, LA VELL & WILLA JEAN	BOX 233	THATCHER	AZ	85552
105-03-014	15.45	TATUM, JOE B & JUDY L	BOX 36	PIMA	AZ	85543
105-03-015	0.35	MORRIS, DALE F	BOX 2824	SHOWLOW	AZ	85901
105-04-001	6.50	WEECH, A E AND JEANETTE B	BOX 66	PIMA	AZ	85543
105-04-002A	2.20	STEWART, JACK & JOSEPHINE	BOX 333	PIMA	AZ	85543
105-04-004C	2.40	HARRIS, ROBERT E AND MARIE W	BOX 42	PIMA	AZ	85543
105-04-004D	0.30	HARRIS, ROBERT E SR & MARIE W	BOX 42	PIMA	AZ	85543
105-04-005	31.20	WELKER, ALTON A		PIMA	AZ	85543
105-04-011	0.50	STEWART, JACK AND JOSEPHINE	BOX 333	PIMA	AZ	85543
105-04-014	4.20	BRYCE, DAVID BOYCE & MARILYN	625 MALIA WAY	PRESCOTT	AZ	86303
105-05-003	56.00	BRYCE, ROSS & MELVA FAWN WD	BOX 247	PIMA	AZ	85543
105-05-004	12.40	ANDERSON FARMS CO CHARLES E JONES	111 W MONROE SUITE 1800	PHOENIX	AZ	85003
105-05-005	1.00	BRYCE, ROSS S	BOX 247	PIMA	AZ	85543
105-05-006A	162.00	BRYCE, A J (2 OF 2)	BOX 190	PIMA	AZ	85543
105-07-001	3.60	HOUSEHOLDER, DELBERT AND K	RT 1 BOX 600	THATCHER	AZ	85552

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105-08-001	34.90	SMITH, OMER J. FAMILY, INC.		CENTRAL	AZ	85531
105-08-002	12.40	WELKER, LA VELL AND WILLA JEAN	BOX 233	THATCHER	AZ	85552
105-08-003	26.50	NORTON, HAROLD C AND LILLIE		PIMA	AZ	85543
105-08-004	37.70	MARSHALL: RUE JR/STEVEN/RUE	BOX 40	PIMA	AZ	85543
105-08-005	37.10	SMITH, JARED		CENTRAL	AZ	85531
105-08-006	7.40	SKINNER, RANDY	P.O. BOX 851	SAFFORD	AZ	85546
105-08-007	125.80	MARSHALL: RUE JR/STEVEN/RUE S	BOX 40	PIMA	AZ	85543
105-08-008	24.50	HOUSEHOLDER, DELBERT AND K	RT 1 BOX 600	THATCHER	AZ	85552
105-08-011	1.40	HOUSEHOLDER, DELBERT AND KAREN	RT 1 BOX 600	THATCHER	AZ	85552
105-09-002	203.65	MARSHALL: RUE JR/STEVEN/RUE	BOX 40	PIMA	AZ	85543
105-09-005	245.30	MARSHALL, DAN & CAROL	BOX 280	PIMA	AZ	85543
105-09-007	10.70	MCBRIDE, BOYCE T & DIANE	1490 25TH ST	SAFFORD	AZ	85546
105-09-008	5.00	PIMA TOWN OF	BOX 426	PIMA	AZ	85543
105-09-009	2.00	MATTICE LIVESTOCK CO	BOX 655	PIMA	AZ	85543
105-10-001A	16.90	MARSHALL: RUE JR/STEVEN/RUE	BOX 40	PIMA	AZ	85543
105-10-002	8.10	WELKER, A A		PIMA	AZ	85543
105-10-006B	157.49	LINES, RUSKIN	915 STRATTON DR	SAFFORD	AZ	85546
105-10-008B	14.50	MATTICE LIVESTOCK CO	BOX 655	PIMA	AZ	85543
105-10-009	96.40	MATTICE LIVESTOCK CO	BOX 655	PIMA	AZ	85543
105-10-010	9.20	PIMA TOWN OF	BOX 426	PIMA	AZ	85543
105-11-001B	8.00	MATTICE, RICHARD W & VALERIE LEE	BOX 637	PIMA	AZ	85543
105-11-001D	19.70	MATTICE, GEORGE	BOX 504	PIMA	AZ	85543
105-11-002	14.00	MATTICE LIVESTOCK CO	BOX 655	PIMA	AZ	85543
105-11-003B	51.00	CROCKETT, OSMER AND JAMIE	BOX 52	PIMA	AZ	85543
105-11-004	17.40	MATTICE LIVESTOCK CO	BOX 655	PIMA	AZ	85543
105-11-005B	11.30	JARVIS, SILAS & RUTH W		PIMA	AZ	85543
105-11-005C	5.90	JARVIS, SILAS & RUTH W		PIMA	AZ	85543
105-11-006A	5.90	MCBRIDE, TOM & JAN/MARK & DIANE	BOX 268	PIMA	AZ	85543
105-11-006B	2.10	MCBRIDE, TOM & JAN/MARK & DIANE	BOX 268	PIMA	AZ	85543
105-12-012	1.20	LEE, LUTHER / PETERSON, DWAIN		PIMA	AZ	85543
105-12-021	4.40	CROCKETT, OSMER	BOX 52	PIMA	AZ	85543
105-13-002	4.14	MCCLELLAN RH & LOIS B	BOX 157	PIMA	AZ	85543
105-13-008	2.30	POWELL, GARY & SARAH	P. O. BOX 533	PIMA	AZ	85543
105-13-009	36.70	LINES, RUSKIN	915 STRATTON DR	SAFFORD	AZ	85546
105-13-010	9.39	LINES, RUSKIN	906 STRATTON DR	SAFFORD	AZ	85546
105-13-013	1.60	BINGHAM, THOMAS KIP & SUSAN	BOX 751	PIMA	AZ	85543
105-15-001A	2.40	LINES, KENNETH		PIMA	AZ	85543
105-15-014	3.40	REID, JOSEPH	BOX 247	PIMA	AZ	85543
105-18-042	1.90	WEECH, BULAN J	P.O. BOX 201	PIMA	AZ	85543
105-19-004	5.20	KERBY, REX ETALS	11631 E. APPLEBY ROAD	CHANDLER	AZ	85249
105-19-013	19.10	MCBRIDE, CLARENCE AND JOAN	438 3RD AVE	THATCHER	AZ	85552
105-20-029	9.50	BRYCE, MELVIN & NORMA	BOX 456	PIMA	AZ	85543
105-21-009	27.10	ROGERS, WALTER C	4823 E FLOWER	PHOENIX	AZ	85018
105-22-010	4.50	REYNOLDS, VIVIAN	BOX 292	PIMA	AZ	85543
105-22-PPS	12.00	PIMA PUBLIC SCHOOLS	BOX 429	PIMA	AZ	85543
105-23-061	1.25	LEE, CHARLES ESTATE	BOX 698	THATCHER	AZ	85552
105-23-068	1.06	PECK, NELSON	BOX 465	PIMA	AZ	85543
105-24-002C	4.21	BELLAMY, BOB D.	BOX 757	PIMA	AZ	85543

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105-25-001	7.00	MCBRIDE, TOM & JAN/MARK & DIANE	BOX 268	PIMA	AZ	85543
105-25-001B	45.80	MCBRIDE, TOM & JAN/MARK & DIANE	BOX 268	PIMA	AZ	85543
105-25-002	9.10	MARSHALL: RUE JR/STEVEN/RUE	BOX 40	PIMA	AZ	85543
105-25-003A	2.10	MATTICE LIVESTOCK CO	BOX 655	PIMA	AZ	85543
105-25-004A	24.70	MATTICE, GEORGE	BOX 504	PIMA	AZ	85543
105-25-005	16.20	MCBRIDE, TOM & JAN/MARK & DIANE	BOX 268	PIMA	AZ	85543
105-25-007A	56.50	ALDER, JEFF	BOX 224	PIMA	AZ	85543
105-25-007B	37.90	ALDER, JEFF	BOX 224	PIMA	AZ	85543
105-25-009	2.60	MCBRIDE, REUBEN B & SONDRA	BOX 268	PIMA	AZ	85543
105-25-010	17.60	HUNT, JOHN\ SANDERS, SCOTT	RT 1 BOX 618	THATCHER	AZ	85552
105-26-002A	12.60	SALINE, GARNET AND MARGIE	RT 1 BOX 48	AZTEC	NM	87410
105-26-002B	0.60	SALINE, VERNON AND LINDA		PIMA	AZ	85543
105-26-002C	1.10	SALINE, VERNON L AND LINDA D	BOX 39	PIMA	AZ	85543
105-26-002D	5.70	SALINE, GARNET	RT 1 BOX 48	AZTEC	NM	87410
105-26-003A	4.60	SALINE, GLENN E/GLEN	RT 1 BOX 761	SAFFORD	AZ	85546
105-26-003B	2.20	SALINE, GLENN E, GLEN	RT 1 BOX 761	SAFFORD	AZ	85546
105-26-006	0.70	RAINS, FRED	P.O. BOX 698	PIMA	AZ	85543
105-26-007	0.50	POWELL, ALLEN E & BEATRICE	BOX 302	PIMA	AZ	85543
105-26-008B	0.50	JARVIS, REECE F & ANNA JANE		PIMA	AZ	85543
105-26-011	1.00	MILLER, FARRELL & MARVA	BOX 563	PIMA	AZ	85543
105-26-014B	0.20	THOMPSON, GARY & CAROL E	BOX 225	PIMA	AZ	85543
105-26-015	0.70	SALINE, VERNON AND LINDA		PIMA	AZ	85543
105-26-017	0.50	MCBRIDE, THOMAS EDWARD & JANETTE G	BOX 268	PIMA	AZ	85543
105-26-018B	1.00	ALLRED:DALE C/BILLIE J/DENNIS P	1546 E MYRNA LANE	TEMPE	AZ	85284
105-26-022	0.40	ADAMS, ANTON L & FLORA	BOX 415	PIMA	AZ	85543
105-26-023	1.50	POWELL, ALLEN AND BEATRICE	BOX 302	PIMA	AZ	85543
105-26-025	0.80	MCBRIDE, THOMAS & JAN/MARK & DIANE	BOX 268	PIMA	AZ	85543
105-26-026	1.30	WEECH, ALENE	BOX 277	PIMA	AZ	85543
105-26-027	0.70	WEECH, ALENE	BOX 277	PIMA	AZ	85543
105-26-028	6.50	SALINE, ERVIN J AND VEDA	1105 1ST AVE	SAFFORD	AZ	85546
105-26-029	2.40	SALINE, ERVIN J & VEDA	1105 1ST AVE	SAFFORD	AZ	85546
105-26-030	1.70	SALINE, GLEN	RT 1 BOX 761	SAFFORD	AZ	85546
105-26-031	0.80	SALINE, GLEN	RT 1 BOX 761	SAFFORD	AZ	85546
105-26-032	13.90	MCBRIDE, TOM & JAN/ MARK & DIANE	BOX 268	PIMA	AZ	85543
105-26-033	1.00	MCBRIDE, BURT	BOX 401	PIMA	AZ	85543
105-26-035	2.60	SMITH, KELLY OR PAMELA	BOX 639	PIMA	AZ	85543
105-26-043	5.00	WINGFIELD, DONALD H AND LORA	3007 PACIFIC AVE	YUMA	AZ	85364
105-26-044	4.00	WINGFIELD, DONALD H AND LORA	3007 PACIFIC AVE	YUMA	AZ	85364
105-26-045	0.20	THOMPSON, GARY L & CAROL E	BOX 225	PIMA	AZ	85543
105-26-046	58.10	MCBRIDE, TOM & JAN/MARK & DIANE	BOX 268	PIMA	AZ	85543
105-26-047	0.50	MCBRIDE, MARK J & DIANE R	BOX 268	PIMA	AZ	85543
105-26-048	1.20	VENN, ROBERT L & HAZEL	BOX 876	PIMA	AZ	85543
105-26-049	0.60	HANCOCK, FRANK C & MOLLY J	P.O. BOX 863	PIMA	AZ	85543
105-26-055	7.20	SMITH, PAUL OR JEAN E	BOX 544	PIMA	AZ	85543
105-26-059	1.60	MAXWELL, CHARLES & VIOLA	BOX 77	PLAYAS	NM	88009
105-27-001	36.70	DALEY, NED	P.O. BOX 656	THATCHER	AZ	85552
105-27-002	164.00	MORRIS, KAREN	BOX 656	THATCHER	AZ	85552
105-27-003	51.20	BRYCE, ROSS	BOX 247	PIMA	AZ	85543

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105-27-005	70.30	LEE, D T	BOX Y	THATCHER	AZ	85552
105-27-006	10.60	ALDER, JEFF	BOX 224	PIMA	AZ	85543
105-28-002A	14.90	HOUSEHOLDER, DELBERT AND KAREN	RT 1 BOX 600	THATCHER	AZ	85552
105-28-002B	20.20	HOWARD, VERDELL & NELDA	BOX 749	THATCHER	AZ	85552
105-28-003	20.00	LEE, D T	BOX V	THATCHER	AZ	85552
105-28-004	35.20	HOWARD, VERDELL & NELDA/CHOATE,LOIS	BOX 749	THATCHER	AZ	85552
105-28-005	22.80	CHOATE, LOIS MERRILL	4931 E VIRGINIA	PHOENIX	AZ	85008
105-28-007	36.66	HOWARD, VERDELL	BOX 749	THATCHER	AZ	85552
105-28-008	66.10	DALEY, NED	BOX 656	THATCHER	AZ	85552
105-28-011	3.60	WATSON, ELLIS/PENROD, FLOYD & JERRI	BOX 921	THATCHER	AZ	85552
105-28-013	10.00	LUCAS, RICHARD C & LORRAINE	BOX 1101	SAFFORD	AZ	85546
105-28-014	42.10	HOUSEHOLDER, DELBERT E & KAREN	RT 1 BOX 600	THATCHER	AZ	85552
105-28-017	7.70	IMRICH, MARKO & MARGARET	1858 N 102nd Place	MESA	AZ	85207
105-29-001	19.44	HOWARD, MARJORIE/VERDELL & NELDA	RT 1 BOX 53	SAFFORD	AZ	85546
105-29-002	1.30	HOWARD, VERDELL & NELDA	BOX 749	THATCHER	AZ	85552
105-29-003	0.50	HOWARD, NINA	RT 1 BOX 52	SAFFORD	AZ	85546
105-30-001	10.90	HOWARD, VERDELL & NELDA	BOX 749	THATCHER	AZ	85552
105-30-002	5.50	LAMB, CLELLA MAE	219 6TH AVENUE	SAFFORD	AZ	85546
105-30-003B	37.10	CURTIS:GARY DAVID/ KAY D & GAYLA	801 20TH AVE	SAFFORD	AZ	85546
105-30-008	9.00	KUPCHANKO, CLAUDE & MARGARET A	RT 1 BOX 43E	SAFFORD	AZ	85546
105-30-010	6.70	MEYER, CLIFFORD E AND JUNE	BOX 177	EMPIRE	CA	85319
105-30-011	6.00	MEYER, CLIFFORD E AND JUNE	BOX 177	EMPIRE	CA	95319
105-30-012	8.70	RAMIREZ, DAVID C AND IDA	514 E ROCKWOOD DR	PHOENIX	AZ	85024
105-30-013	0.30	LINK, JERRY P & POLY / PAUL & ARTA	RT 1 BOX 43D	SAFFORD	AZ	85546
105-30-017	2.60	JOHNSON, ROBERT C JR & JULIE	BOX 637	THATCHER	AZ	85552
105-30-018	5.00	BACH, CLARENCE A & SHARON L	RT 1 BOX 45C	SAFFORD	AZ	85546
105-30-019	5.00	ALEXANDER,DAVID & BELEN	RT 1 BOX 46	SAFFORD	AZ	85546
105-30-020	4.00	LINES, STEVE AND SHERRIL	P.O. BOX 551	PIMA	AZ	85543
105-30-021	0.30	LINES, STEVE AND SHERRIL	P.O. BOX 551	PIMA	AZ	85543
105-30-024	0.70	SMITH, WILLARD L & MARGERY L	BOX 45-F	SAFFORD	AZ	85546
105-30-025	0.70	JONES, JOAN B	1998 E. DUKE	TEMPE	AZ	85283
105-31-001	12.00	HOWARD, VERDELL AND NELDA	BOX 749	THATCHER	AZ	85552
105-31-002	26.10	HOWARD, ZENOS AND BOBBIE	RT 1 BOX 55	SAFFORD	AZ	85546
105-31-002A	3.70	HOWARD, ZENOS & BOBBIE	RT 1 BOX 55	SAFFORD	AZ	85546
105-31-004A	9.50	HOWARD, IRVIN D & ILA	RT. 1, BOX 52	SAFFORD	AZ	85546
105-31-004B	30.00	HOWARD, GENE R & DOROTHY	BOX AH	THATCHER	AZ	85552
105-31-011	41.20	HOWARD, MARJORIE	RT 1 BOX 53	SAFFORD	AZ	85546
105-31-013	2.80	OBANNON, SHARON	BOX 47	SAFFORD	AZ	85546
105-31-017	5.50	HOWARD, VERDELL & NELDA ETAL	BOX 749	THATCHER	AZ	85552
105-31-020	37.50	HOWARD, VERDELL AND NELDA	BOX 749	THATCHER	AZ	85552
105-31-030	8.10	TALLEY, MYRL KINLY & CAROLYN ANN	RT 1 Box 45 B	SAFFORD	AZ	85546
105-31-031	34.80	TALLEY, MYRL & CAROLYN	Rt 1 Box 45 B	SAFFORD	AZ	85546
105-31-032	0.30	PACHECO, ROBERT J	BOX 387	THATCHER	AZ	85552
105-31-033	0.30	SNEDIGAR, THELMA	RT 1 BOX 47-A	SAFFORD	AZ	85546
105-31-034	3.70	SNEDIGAR, THELMA	RT 1 BOX 47A	SAFFORD	AZ	85546
105-31-040	0.10	LEE, LAWRENCE & MELBA	RT. 1, BOX 46-2	SAFFORD	AZ	85546
105-31-044	3.50	REED, NINA	104 WEBB	SAN MANUEL	AZ	85631
105-31-050	3.40	CHESLEY:DERALD & MARIE,ROBIN & KENT	RT. 1, BOX 48	SAFFORD	AZ	85546

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105-31-061	10.70	STEWART, WALTER AND FLOY	RT 1 BOX 46X	SAFFORD	AZ	85546
105-31-062	5.80	HOWARD, RONALD G. & JANICE	BOX 746	THATCHER	AZ	85552
105-31-063	6.43	LEE:L, M/ LAYTON, NEIL & LOUISA	RT 1 BOX 46-1	SAFFORD	AZ	85546
105-31-064	4.27	KAYNER, BRYAN F & DEBRA A	BOX 23	SAFFORD	AZ	85546
105-32-001	22.30	HOWARD, MARJORIE	RT 1 BOX 47	SAFFORD	AZ	85546
105-32-002	14.30	DALEY, NED	BOX 656	THATCHER	AZ	85552
105-32-003	200.30	DALEY, JIM & LYNN/KENT & MARION	820 STADIUM AVE	THATCHER	AZ	85552
105-32-004	24.20	DALEY, JACK AND BEULAH	BOX D	THATCHER	AZ	85552
105-32-007	65.90	DALEY, JACK S	BOX D	THATCHER	AZ	85552
105-32-008	1.10	PHILLIPS:E P/H M/D S/S S	BOX 5525	TUCSON	AZ	85703
105-32-009	75.70	PHILLIPS: E P/H M/D S/S S	BOX 5525	TUCSON	AZ	85703
105-32-010	4.00	HOWARD, ZENOS AND BOBBIE	RT 1 BOX 55	SAFFORD	AZ	85546
105-33-001	46.50	WHITMER, JAMES B	BOX 333	CENTRAL	AZ	85531
105-33-002	5.90	ALDER, ELBERT	BOX 457	PIMA	AZ	85543
105-33-004	26.80	SHIFLET, J S		CENTRAL	AZ	85531
105-33-005	75.60	DALEY, BROOKS AND MARGARET	BOX D	THATCHER	AZ	85552
105-33-006	155.40	CARPENTER, JERALD & DONNA FAM TRUST	BOX 371	CENTRAL	AZ	85531
105-33-007	20.00	SMITH, KELLY R AND PAMELA		PIMA	AZ	85543
105-34-001	89.10	SMITH, NEPHI & CATHERINE F	1211 6TH AVE	SAFFORD	AZ	85546
105-34-002	10.00	SHIFLET, J S		CENTRAL	AZ	85531
105-34-003	29.40	DALEY, BROOKS	BOX D	THATCHER	AZ	85552
105-34-004	17.90	WHITMER, JAMES B	BOX 333	CENTRAL	AZ	85531
105-34-005	1.60	BIGLER, ZANE		CENTRAL	AZ	85531
105-34-006	6.60	PENNINGTON, EZEKIL	BOX 205	CENTRAL	AZ	85531
105-35-001A	78.10	ALDER, ELBERT	BOX 457	PIMA	AZ	85543
105-35-001B	63.60	ALDER, ELBERT	BOX 457	PIMA	AZ	85543
105-35-001C	1.00	ALDER, ELBERT	BOX 457	PIMA	AZ	85543
105-35-002	44.20	ALDER, ELBERT	BOX 457	PIMA	AZ	85543
105-35-003	42.30	ALDER, JEFF	BOX 208	WENDEN	AZ	85357
105-35-007	4.90	DALEY, BROOKS & MARGARET	BOX D	THATCHER	AZ	85552
105-35-008A	4.00	ALDER, JOE L	P.O. BOX 98	PIMA	AZ	85543
105-35-008B	7.60	ALDER, JOE L	P.O. BOX 98	PIMA	AZ	85543
105-35-009A	33.50	ALDER, RAY		PIMA	AZ	85543
105-35-009B	12.70	ALDER, RAY		PIMA	AZ	85543
105-35-011	6.40	SMITH, OMER		CENTRAL	AZ	85531
105-35-013	6.53	LUSTER, RAY CURTIS AND NAYDA	P. O. Box 6	SAFFORD	AZ	85548
105-35-017	2.70	JUDD, JOHN D & SANDRA S	P.O. BOX 124	PIMA	AZ	85543
105-35-023A	4.60	S P TRANSPORTATION CO	ONE MARKET PLAZA	SAN FRANCISCO	CA	94105
105-35-030A	1.90	WILSON, DALE O & ANNA M	P.O. BOX 346	PIMA	AZ	85543
105-35-057	55.10	ALDER, RAY		PIMA	AZ	85543
105-35-070	1.06	LINES, RIC & JANN		PIMA	AZ	85543
105-35-073	6.00	DALEY, BROOKS & MARGARET	BOX D	THATCHER	AZ	85552
105-35-074	10.50	SMITH, OMER J		CENTRAL	AZ	85531
105-35-077	10.74	MCCLELLAN, RALPH H & LOIS B	BOX 157	PIMA	AZ	85543
105-35-080	1.60	GOWIN, KENNETH RAY JR & DEBRA	BOX 368	THATCHER	AZ	85552
105-35-085	56.90	ANGER, ED AND SHIRLEY	PO BOX 56	PIMA	AZ	85543
105-35-086	28.60	ANGER, ED AND SHIRLEY	PO BOX 33	PIMA	AZ	85543
105-35-087	26.00	ALDER, JEFF	BOX 208	WENDEN	AZ	85357

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105-35-088	7.10	ALDER, JEFF	BOX 208	WENDEN	AZ	85357
105-36-007	45.70	SALINE, LA ROY DE VAR	BOX 5	TAYLOR	AZ	85939
105-36-008	70.30	SMITH, KEITH E AND ETTA M	BOX 815	THATCHER	AZ	85552
105-36-010	38.30	SMITH, KEITH E AND ETTA M	BOX 815	THATCHER	AZ	85552
105-36-011	16.30	JARVIS, SILAS AND RUTH W		PIMA	AZ	85543
105-36-012	9.70	BRYCE, ALMA E AND WYONA	BOX 352	PIMA	AZ	85543
105-36-013	6.00	BRYCE, BEN N AND PATRICIA		PIMA	AZ	85543
105-36-014A	7.60	BEALS, C S		PIMA	AZ	85543
105-36-014C	39.20	BEALS, C S		PIMA	AZ	85543
105-36-015B	14.20	POLLOCK, LAMELL & H/TAYLOR,JERRY&L		PIMA	AZ	85543
105-36-023	1.30	NEGRETTE, RAOUL & MARILYN	BOX 641	PIMA	AZ	85543
105-36-024B	2.50	MCBRIDE, M. KEITH & CAROLDEENE R	BOX 4	PIMA	AZ	85543
105-36-026	3.90	LUNT, GARTH AND OLIVE	BOX 585	PIMA	AZ	85543
105-36-028	1.75	POLLOCK, LAMELL & ROHLENE	BOX 327	PIMA	AZ	85543
105-36-031	1.00	STACY, ROBERT	BOX 43	PIMA	AZ	85543
105-36-046	25.80	BEALS, SOLON & D/WEECH, BULAN & J		PIMA	AZ	85543
105-36-060	2.00	HUGHES, JASON & JONELL	NBU # 14	PIMA	AZ	85543
105-36-062	27.80	FERRIN, RAY E & RAMONA	BOX 28	PIMA	AZ	85543
105-36-065	1.25	HUMPHREYS, LARRY	P O BOX 894	SAFFORD	AZ	85548
105-37-010D	1.90	RAMSEY, RAYMOND	NBU # 22	PIMA	AZ	85543
105-37-010E	3.90	GARCIA, CASIMIRO & MARY LOUISE	BOX 38	PIMA	AZ	85543
105-37-015	2.90	MILBRANDT, HAROLD AND BELVA B	PO BOX 704	PIMA	AZ	85543
105-37-017	11.10	BEALS, C S		PIMA	AZ	85543
105-37-018A	23.30	ALDER, RAY		PIMA	AZ	85543
105-37-022	2.90	PATTERSON, A/RAMSEY, R&N/BROWN, J&L		PIMA	AZ	85543
105-37-023	18.20	GARCIA, CASIMIRO AND MARY LOUISE	BOX 38	PIMA	AZ	85543
105-37-024	1.90	MAYHEW, ERIC	BOX 1372	SAFFORD	AZ	85548
105-37-025	1.90	BEALS, FARRELL LAMONT	BOX 1	PIMA	AZ	85543
105-37-026	1.80	BEALS, FARRELL LAMONT	BOX 1	PIMA	AZ	85543
105-39-???	1.64	FOLLET, MCBRIDE, KIGHT, LOFGREEN	1210 N. WALL AVE	FARMINGTON	NM	87401
105-40-001	43.80	BRYCE, ALMA E AND WYONA	BOX 352	PIMA	AZ	85543
105-40-013	75.40	FERRIN, RAY E & RAMONA	BOX 28	PIMA	AZ	85543
105-43-001	3.70	ALDER, JEFF	BOX 208	WENDEN	AZ	85357
105-43-002	5.30	ALDER, JEFF FAMILY TRUST	BOX 208	WENDEN	AZ	85357
105-43-003	83.40	ALDER, ELBERT	BOX 457	PIMA	AZ	85543
105-43-009	22.10	LAYTON, LUKE		CENTRAL	AZ	85531
105-43-014	37.90	NORTON, FRANK & V/SMITH, OMER & C	BOX 184	CENTRAL	AZ	85531
105-43-015	11.60	SMITH, OMER		CENTRAL	AZ	85531
105-43-017	2.90	BRYCE, BEN W & PATRICIA ANN		PIMA	AZ	85543
105-43-019	12.90	BRYCE, BEN N & PATRICIA ANN		PIMA	AZ	85543
105-44-001	19.00	LATTER DAY SAINTS %REAL ESTATE DIV.	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
105-44-002	17.30	WHITMER, DELBERT	4032 E PALM LN	PHOENIX	AZ	85008
105-44-003	4.50	WHITMER, DELBERT L & JEANNINE F	4033 E PALM LANE	PHOENIX	AZ	85008
105-44-004	3.40	BIGLER, JACOB DALE AND VERNA	BOX 204	CENTRAL	AZ	85531
105-44-010	3.00	SHIFLET, JOSEPH ROY	BOX 584	GREEN VALLEY	AZ	85622
105-44-011B	1.20	BARNEY, JOHN D		CENTRAL	AZ	85531
105-44-013	1.80	THATCHER SCHOOL DIST	P.O. BOX 610	THATCHER	AZ	85552
105-44-016B	2.50	SHUARTZ, BERT AND HATTIE		CENTRAL	AZ	85531

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105-44-018	2.50	MARTIN, M PHIL AND KAY	PO BOX 254	THATCHER	AZ	85552
105-44-019	2.20	LATTER DAY SAINTS XREAL ESTATE DIV	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
105-44-020	2.30	MARTIN, ABNER/BRYCE, MARVA/MARTIN R		CENTRAL	AZ	85531
105-44-021	1.00	SHERMAN, ALVIRA	BOX 352	CENTRAL	AZ	85531
105-44-029	7.70	CLUFF, CLYDE AND MARTHA V	BOX 343	CENTRAL	AZ	85531
105-44-030A	4.90	PACHECO, ROBERT J. & KIMBERLY J.	P O BOX 387	THATCHER	AZ	85552
105-44-030D	5.00	BAILIE, THERON C AND IMOGENE	PO BOX 182	CENTRAL	AZ	85531
105-44-030E	5.00	BAILIE, THERON C AND IMOGENE	PO BOX 182	CENTRAL	AZ	85531
105-44-038	2.10	WALTERS,LARRY & K	P.O. BOX 113	THATCHER	AZ	85552
105-44-047	5.60	ADAMS, JULIA C	BOX 1117	THATCHER	AZ	85552
105-44-050	1.00	JONES, R. IVAN & T. DIANE	P. O. BOX 347	CENTRAL	AZ	85531
105-44-052	1.75	BIGLER, JOSEPH A AND EVELYN	BOX 203	CENTRAL	AZ	85531
105-44-053	1.75	BIGLER, JOSEPH A AND EVELYYN	BOX 203	CENTRAL	AZ	85531
105-44-054	1.75	BIGLER, GALEN A & MARGIE A	BOX 203	CENTRAL	AZ	85531
105-44-055	1.75	JOHNSON, DAN AND CAROL	BOX 203	CENTRAL	AZ	85531
105-44-056	1.75	WILLIAMS, LETA E AND JAMES A	1215 WALDEN ROAD	CORD	AR	72524
105-44-057	1.75	BIGLER, SIDNEY E AND CULA	1649 WEAVER ST	SAN DIEGO	CA	92114
105-44-058	1.30	BIGLER, ZANE E AND RUBY		CENTRAL	AZ	85531
105-44-059	1.75	MORGAN, DAVID & PAMELA	2039 E PUEBLO DRIVE	MESA	AZ	85204
105-44-060	1.75	LARSON, BEVAN & UNA/BIGLER, DENNIS	RT 2 BOX 1046 G	SAFFORD	AZ	85546
105-44-061	1.75	HADDOCK, LOYAL G AND AMY	BOX 203	CENTRAL	AZ	85531
105-44-062	1.75	BIGLER, DALE AND VERNA		CENTRAL	AZ	85531
105-44-064	5.00	WHITMER, JAMES B AND RUTH	BOX 333	CENTRAL	AZ	85531
105-44-068	1.60	HILL, LYNDA	BOX 360	CENTRAL	AZ	85531
105-44-069	12.40	CLUFF, ERVIN F AND LETHA	BOX 336	CENTRAL	AZ	85531
105-44-073	1.10	BLACK, DIANNA	P. O. BOX 196	CENTRAL	AZ	85531
105-44-074	1.00	FERRIN, ROSS	BOX 526	THATCHER	AZ	85552
105-44-076	1.70	WELKER, DUDLEY S AND MARILYN	BOX 20	SAFFORD	AZ	85546
105-44-077	1.70	TANNER, NORMAN C AND EVELYN P	PO BOX 188	CENTRAL	AZ	85531
105-44-078	1.70	JACOB, DENNIS M AND ANN F	PO BOX 57	THATCHER	AZ	85552
105-44-080	1.70	JONES, R. IVAN, & T. DIANE	P. O. BOX 347	CENTRAL	AZ	85531
105-44-081	1.00	CLONTS, DAROLD W AND MARILYN F	BOX 363	CENTRAL	AZ	85531
105-44-084	2.37	SMITH, ELDON L AND VERA C		CENTRAL	AZ	85531
105-44-088	1.18	TEMPLIN, CLAY & CARRIE	P. O. BOX 1354	SAFFORD	AZ	85548
105-44-089	1.20	CARTER, JAMES	BOX 1148	THATCHER	AZ	85552
105-45-001	2.40	WEECH, A E AND JEANETTE B	BOX 66	PIMA	AZ	85543
105-45-004	1.00	NORTON, RILEY E AND FLORA	BOX 190	CENTRAL	AZ	85531
105-45-009B	2.20	SHURTZ, GALE AND FLORENE	P. O. BOX 201	CENTRAL	AZ	85531
105-45-011A	7.50	SHIFLET, J S		CENTRAL	AZ	85531
105-45-011B	1.30	MCCREARY, VALETA HEUSER	BOX 335	CENTRAL	AZ	85531
105-45-012	18.90	NORTON, LLOYD/SMITH, OMER & CARMEN		CENTRAL	AZ	85531
105-45-013	4.40	STRACENER, JAMES & GENEVIEVE	3707 W CAVALIER DR	PHOENIX	AZ	85019
105-45-014	2.20	NELSON, JERRY RAY	PO BOX 674	PIMA	AZ	85543
105-45-015	4.00	OVERSON, RHODA	BOX 174	CENTRAL	AZ	85531
105-45-018	2.50	LATTER DAY SAINTS XREAL ESTATE DIV.	50 EAST NORTH TEMPLE	SALT LAKE CITY	AZ	84150
105-45-019	1.00	LAYTON, FAY L	BOX 187	CENTRAL	AZ	85531
105-45-020	12.20	COMBS, ALICE S		CENTRAL	AZ	85531
105-45-022	9.40	LOFGREEN, A H ET AL/MANIVOO CORP	1505 CALIFORNIA	LAS CRUCES	NM	88001

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105-45-023A	5.00	ANDERSON, JOHN M AND GLENNICE M	BOX 358	CENTRAL	AZ	85531
105-45-024	20.00	LAYTON, LUKE		CENTRAL	AZ	85531
105-45-036	5.30	ROBERTS, PEGGY A/O'NEIL, COSTELLO	PO BOX 139	CENTRAL	AZ	85531
105-45-037	5.70	BUSSEY, CHARLIE AND RUBY	BOX 327	CENTRAL	AZ	85531
105-45-039	1.90	SMITH, VERA C	BOX 185	CENTRAL	AZ	85531
105-45-040	14.10	MOYERS, DENNIS AND LINDA	BOX 194	CENTRAL	AZ	85531
105-45-041	1.70	NORTON, THAD C AND VIRGINIA	BOX 175	CENTRAL	AZ	85531
105-45-042	1.20	WHITE, PARIS JAMES AND LILLIAN A	BOX 332	CENTRAL	AZ	85531
105-45-050	1.00	HERRICK, CARL & NORA	4607 LOCUST	N. LITTLE ROCK	AR	72116
105-45-051	1.00	LEAVITT, GRACIE BOOTH	P.O. BOX 358	CENTRAL	AZ	85531
105-45-052	1.00	BOOTH, GRACIE N	BOX 358	CENTRAL	AZ	85531
105-45-053	1.00	BOOTH, BURL F	P.O. BOX 358	CENTRAL	AZ	85531
105-45-054	1.00	HERRICK, RUTH *BOOTH GRACIE	BOX 358	CENTRAL	AZ	85531
105-45-059	2.35	SHURTZ, GALE & FLORENE	BOX 201	CENTRAL	AZ	85531
105-45-060	3.80	HAWKINS, WILLIAM & GAYTHEL	BOX 413	THATCHER	AZ	85552
105-45-061	0.90	PENNINGTON, AUTRY L. & MARJORIE	P.O. BOX 382	CENTRAL	AZ	85531
105-45-062	1.00	PENNINGTON, KETE	P. O. BOX 1287	THATCHER	AZ	85552
105-46-001	33.90	SHIFLET, IVAN L AND EVA GENE	1604 RELATION ST	SAFFORD	AZ	85546
105-46-002	1.10	ADAMS, JULIA C	BOX 1117	THATCHER	AZ	85552
105-46-006	4.60	LAYTON, REAY V		CENTRAL	AZ	85531
105-46-007	42.60	LAYTON, LUKE		CENTRAL	AZ	85531
105-46-008	12.20	LAYTON, RALPH R	BOX 189	CENTRAL	AZ	85531
105-46-009	8.70	LAYTON, FAY L	BOX 187	CENTRAL	AZ	85531
105-46-010	15.00	LOFGREEN, A H ET AL/MANIVOD CORP	1505 CALIFORNIA	LAS CRUCES	NM	88001
105-46-014	1.30	ADAMS, JULIA	PO BOX 1117	THATCHER	AZ	85552
105-47-004	18.90	LATTER DAY SAINTS *REAL ESTATE DIV.	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
105-47-016	34.80	ELMER, PHOEBE	BOX 353	CENTRAL	AZ	85531
105-47-018	7.50	SMITH, EVERETT F AND MARGARET	BOX 386	CENTRAL	AZ	85531
105-47-019	28.90	SMITH, EVERETT & M/WATTS, ANDREW &M	BOX 348	GILBERT	AZ	85234
105-47-020	5.70	WADE, JERRY A AND PATRICIA	P O BOX 1090	THATCHER	AZ	85552
105-47-021	4.00	FERGUSON, RHONDA LEE		CENTRAL	AZ	85531
105-47-022	4.00	FERGUSON, KENNETH KIM		CENTRAL	AZ	85531
105-47-023	4.00	FERGUSON, DEBRA M *DEBRA M HARRIS	10381 ELEANOR DRIVE	GARDEN GROVE	CA	92640
105-47-024	4.00	TRAYLOR, MARLA	BOX 163	CENTRAL	AZ	85531
105-47-025	4.00	FERGUSON, JOHN M	BOX 355	CENTRAL	AZ	85531
105-47-028	5.60	PETERSON, DARVEL & DORIS	BOX 315	PIMA	AZ	85543
105-47-030	5.60	MOYERS, DENNIS VON AND LINDA SUE	BOX 194	CENTRAL	AZ	85531
105-47-031	6.50	MASSEY, WILLIAM F & ELLEN	217 LA VISTA DRIVE	GOODYEAR	AZ	85338
105-47-032	4.80	CARTER, ARTHUR	PO BOX 1257 / ROBINSON RANCH	THATCHER	AZ	85552
105-47-033	3.40	WADE, JERRY	P.O. BOX 1090	THATCHER	AZ	85552
105-48-001	40.60	FERGUSON FARMS A PARTNERSHIP	102 E 2ND ST	SAFFORD	AZ	85546
105-48-002	19.00	FERGUSON FARMS A PARTNERSHIP	102 E 2ND ST	SAFFORD	AZ	85546
105-48-003	17.60	SHIFLET, J S		CENTRAL	AZ	85531
105-48-004C	2.00	JONES, JOHN H & MARY M	BOX 814	THATCHER	AZ	85552
105-48-005	32.90	DESERT ROSE DEVELOPMENT	BOX 114	PIMA	AZ	85543
105-48-006	38.50	LATTER DAY SAINTS *REAL ESTATE DIV.	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
105-48-008	69.40	LAYTON, FARRELL C	BOX 640	THATCHER	AZ	85552
105-48-009	26.10	LAYTON, FARRELL C	BOX 640	THATCHER	AZ	85552

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105-48-010	37.80	THATCHER CITY OF		THATCHER	AZ	85552
105-48-011	79.20	LAYTON, GLEN J	BOX M	THATCHER	AZ	85552
105-48-012	33.30	LAYTON, RALPH R	BOX 169	CENTRAL	AZ	85531
105-48-013	61.20	PHILLIPS, D S	PO BOX 5525	TUCSON	AZ	85703
105-48-014A	26.20	SMITH, NEPHI & CATHERINE F	1211 6TH AVE	SAFFORD	AZ	85546
105-48-015	2.50	SMITH, LOT D & P C/O AZ TRUST DEED	BOX 1145	PHOENIX	AZ	85000
105-48-019	6.80	FOX, FRANK AND LINDA	BOX 375	CENTRAL	AZ	85531
105-48-021	1.00	JONES, JOHN H & MARY M	BOX 314	THATCHER	AZ	85552
105-48-022	2.00	WILEY, KEITH	P.O. BOX 688	THATCHER	AZ	85552
105-48-025	3.00	WHITE, WILLIAM GARY & MARY MARGARET	BOX 14	SAFFORD	AZ	85546
105-48-026	5.60	WILEY, KEITH	P.O. BOX 688	THATCHER	AZ	85552
105-48-027	15.10	SMITH, KEITH E & ETTA M	BOX 815	THATCHER	AZ	85552
105-48-028	2.50	SMITH, LOT D FAMILY CORP	BOX 171	CENTRAL	AZ	85531
105-48-031	13.40	SMITH, GLADE,CAROLYN/KEITH/GLADE M		CENTRAL	AZ	85531
105-48-033	3.30	SMITH, GLADE M & CAROLYN	P.O. BOX 195	CENTRAL	AZ	85531
105-48-034	19.70	SMITH, GLADE/OMER/KEITH/ELDON/MAX/D	* OMER SMITH	CENTRAL	AZ	85531
105-48-035	3.30	ROSEBERRY, GORMAN B	RT 1 BOX 243A	TAFT	CA	93268
105-48-036	1.10	ROSEBERRY, GORMAN B	RT 1 BOX 243 A	TAFT	AZ	93268.
105-48-041	18.00	SMITH, LOT D FAMILY CORP	BOX 171	CENTRAL	AZ	85531
105-49-001	26.10	TALLEY, MYRL & CAROLYN	Rt 1 Box 45 B	SAFFORD	AZ	85546
105-49-003	13.00	PLATT, RODNEY & NEDRA	BOX 1117	THATCHER	AZ	85552
105-49-004	51.30	PLATT, RODNEY B & NEDRA	BOX 1117	THATCHER	AZ	85552
105-49-007	36.40	ALLRED, LAVAR H & DELBERT	BOX 256	SAN SIMON	AZ	85632
105-49-008	58.30	LAYTON, GLEN J	BOX M	THATCHER	AZ	85552
105-49-009	19.30	DALEY, BROOKS	BOX D	THATCHER	AZ	85552
105-49-010	22.10	PHILLIPS, STEVEN	PO BOX 5525	TUCSON	AZ	85703
105-49-013	7.30	DALEY, BROOKS	BOX D	THATCHER	AZ	85552
105-49-015	4.70	PLATT, RODNEY AND NEDRA	BOX 1117	THATCHER	AZ	85552
105-49-017	9.74	PLATT, RODNEY & NEDRA	BOX 1117	THATCHER	AZ	85552
105-49-018	35.52	PLATT, RODNEY AND NEDRA	BOX 1117	THATCHER	AZ	85552
105-49-019	22.24	PLATT, RODNEY AND NEDRA	BOX 1117	THATCHER	AZ	85552
105-49-021	66.30	DALEY, BROOKS & MARGARET	BOX D	THATCHER	AZ	85552
105-50-001A	1.00	PROVENCIO, ARTHUR	831 BREAKWATER CIRCLE	ANCHORAGE	AK	99515
105-50-003A	6.23	PROVENCIO, ARTHUR	831 BREAKWATER CIRCLE	ANCHORAGE	AK	99515
105-50-010	16.80	PHILLIPS/HAMBLIN/PHILLIPS/PHILLIPS	PO BOX 5525	TUCSON	AZ	85703
105-50-012	1.30	BURRELL CHAS*PROVENCIO ARTHUR	4-400 WILLIWAN WAY	EAFB	CA	93523
105-50-013	1.00	MONTEZ, GILBERT AND MARTINA	126 MAIN	THATCHER	AZ	85552
105-51-001	0.50	SKINNER, VIOLET *RULAN D. SKINNER	1717 WEST 1460 NORTH	PROVO	UT	84604
105-51-002	30.90	SKINNER, VIOLET *RULON D. SKINNER	1717 WEST 1460 NORTH	PROVO	UT	85604
105-51-005	0.40	KUPCHANKO, CLAUDE & MARGARET	RT. 1, BOX 43-E	SAFFORD	AZ	85546
105-51-008	39.10	SKINNER, HERBERT O AND ALENE	RT 1 BOX 31	SAFFORD	AZ	85546
105-51-009	51.30	SKINNER:MELVIN/GRANT/HERBERT/ARNOLD	RT BOX 31	SAFFORD	AZ	85546
105-51-010	25.87	DALEY, NED (2 OF 2)	506 STADIUM AVE	THATCHER	AZ	85552
105-51-012	1.60	HOWARD, VERDELL & NELDA	P.O. BOX 749	THATCHER	AZ	85552
105-51-017	1.80	KUPCHANKO, CLAUDE & MARGARET	RT.1, BOX 43-E	SAFFORD	AZ	85546
105-51-018	48.70	LUNDELL, RUSSELL AND LEOLA	BOX 835	THATCHER	AZ	85552
105-51-019	70.40	HOWARD, VERDELL AND NELDA	BOX 749	THATCHER	AZ	85552
105-51-020	81.60	HOWARD, VERDELL AND NELDA	BOX 749	THATCHER	AZ	85552

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105-55-039	2.00	JONES, JOHN Z AND ARLENE	BOX 195	PIMA	AZ	85543
105-55-047	4.00	PORTER, ROBERT L AND JOYCE	BOX 769	PIMA	AZ	85543
105-55-053	8.00	HUBBARD, ED G. & MERNA		PIMA	AZ	85543
107-15-001	18.10	SKINNER, HERBERT D AND ALENE M	RT 1 BOX 31	SAFFORD	AZ	85546
107-15-002A	0.30	SKINNER, MELVIN J AND BETTY RUTH		SAFFORD	AZ	85546
107-15-031	45.60	SKINNER, HERBERT ETAL	RT 1 BOX 31	SAFFORD	AZ	85546
107-18-010	19.10	BRANDAU, WILLIAM K. & LOLENE	P. O. Box 521	SAFFORD	AZ	85548
107-24-002	7.70	SANCHEZ, TRINIDAD AND AURORA	RT 1 BOX 511	SAFFORD	AZ	85546
107-24-004	4.60	LAFLECHE, ROLAND J & FLORA	RT 1 BOX 406	SAFFORD	AZ	85546
107-24-006	22.10	CYPRUS MIAMI MINING CORPORATION	P. O. BOX 4444	CLAYPOOL	AZ	85532
107-24-010	36.67	FAJARDO, EDISTEO S	RT 1 BOX 505	SAFFORD	AZ	85546
107-25-002	4.70	SANCHEZ, ROSA	RT 1 BOX 514	SAFFORD	AZ	85546
107-25-003	15.90	FAJARDO, EDISTEO & ALICE P	RT 1 BOX 505	SAFFORD	AZ	85546
107-25-004	12.10	BIBLE, RUTH/PINA, MARION S	1202 W SMOOT PL	TUCSON	AZ	85705
107-25-006	15.50	FAJARDO, EDISTEO S & ALICE P	RT 1 BOX 505	SAFFORD	AZ	85546
107-26-002	31.60	FAJARDO, AMADEO & ELVIA	RT 1 BOX 509	SAFFORD	AZ	85546
107-26-006	3.50	ANDERSON:J/G/M/YOUNG/JONES/WILSON	111 W MONROE SUITE 1800	PHOENIX	AZ	85003
107-26-007	39.56	CLONTS, TOMMY AND BETTY	BOX 166	SOLOMON	AZ	85551
107-26-008	17.74	CLONTS, TOMMY C & BETTY JEAN	BOX 166	SOLOMON	AZ	85551
107-26-012	39.33	FAJARDO, AMADEO P AND ELVIA	RT 1 BOX 509	SAFFORD	AZ	85546
107-26-016	12.60	FAJARDO, EDISTEO S	RT 1 BOX 505	SAFFORD	AZ	85546
107-29-001	19.00	EARVEN, M P / EARVEN, D W	BOX 205	SAFFORD	AZ	85546
107-29-002	100.20	CLONTS, TOMMY E	BOX 166	SOLOMON	AZ	85551
107-30-005	2.70	GARDNER, LEROY AND EVA GRACE	RT 1 BOX 487	SAFFORD	AZ	85546
107-30-006	125.70	UDALL, LEE KENYON & LEONA (2 OF 2)	BOX 174	THATCHER	AZ	85552
107-30-039	121.50	CLONTS, DALE & GAYLE	RT 1 BOX 520	SAFFORD	AZ	85546
107-32-002	50.00	HIGHLINE CANAL CO	207 5TH ST	SAFFORD	AZ	85546
107-32-004	21.40	CLONTS, TOMMY & BETTY	BOX 166	SOLOMON	AZ	85551
107-32-005	0.80	MICHELENA, LOUIS				
107-32-006	11.60	CURTIS BROTHERS	RT 1 BOX 492	SAFFORD	AZ	85546
107-32-007	45.70	CLONTS, TOMMY	P.O. BOX 166	SOLOMON	AZ	85551
107-32-008	19.30	GOMEZ: JESSIE/VIDAL SR	RT 5 BOX 67 1K	PHOENIX	AZ	
107-32-011	28.30	CLONTS, TOMMY	P.O. BOX 166	SOLOMON	AZ	85551
107-32-012	14.10	MOLINA, RUDOLFO G/MOLINA, ROSAURA	749 W. KELSO	TUCSON	AZ	85705
107-32-013	12.10	MOLINA, RUDOLFO G/ HERRERA, ROAURA	749 W. KELSO	TUCSON	AZ	85705
107-33-002	1.30	GOMEZ, JESSIE/ GOMEZ, VIDAL SR.	RT 1 BOX 114	WELTON	AZ	85356
107-33-011	191.60	CLONTS, DAVID N AND SHARON KAY	RT 1 BOX 518	SAFFORD	AZ	85546
107-33-012	33.80	CLONTS, TOMMY & BETTY	BOX 166	SOLOMON	AZ	85551
107-33-013	2.00	CLONTS, DAVID N & SHARON	RT 1 BOX 518	SAFFORD	AZ	85546
107-33-014	4.40	CLONTS, TOMMY & BETTY	BOX 166	SOLOMON	AZ	85551
107-33-015	105.40	CURTIS, BROOKS & MYRNA JEAN(1 OF 2)	RT 1 BOX 492	SAFFORD	AZ	85546
107-33-017	5.80	CURTIS BROTHERS	RT 1 BOX 492	SAFFORD	AZ	85546
107-36-010	165.90	TIDWELL, E L/ HINTON, MARIANNE T	RT 1 BOX 530	SAFFORD	AZ	85546
107-36-011	14.30	BOWMAN, TERRY OTTO	RT.1, BOX 526	SAFFORD	AZ	85546
107-36-012	14.30	BOWMAN, GLENN P/MCELEN, CAROL	2010 8TH AVE.	SAFFORD	AZ	85546
107-36-013	12.00	HUGHES: HELEN B/DENNIS	BOX 377	CLAYPOOL	AZ	85532
107-36-015	13.60	BOWMAN, MITCHALL K & SHIRLEY M	2001 9TH AVE	SAFFORD	AZ	85546
107-36-016	12.20	BOWMAN: BETTY J/TERRY O/ ALLEN, LIN	RT 1 BOX529A	SAFFORD	AZ	85546

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107-33-022	14.20	FAIN, ROY AND MILDRED B	17111 NE GLISAN	PORTLAND	OR	97230
107-37-001	35.90	MICHELENA, R LOUIS	32 W ERIE	TEMPE	AZ	85281
107-37-002	81.50	BOWMAN, TERRY AND CHRIS	RT 1 BOX 526	SAFFORD	AZ	85546
107-37-003	46.50	MICHELENA, R LOUIS	32 W ERIE	TEMPE	AZ	85281
107-38-002A	95.30	CLONTS, DALE G	RT 1 BOX 520	SAFFORD	AZ	85546
107-38-003	118.30	RABB, GRETCHEN GABRIEL	BOX 111	SAFFORD	AZ	85546
107-38-004	1.20	MONTES, ALFREDO/HIRKO, DALIA M	5735 N. 48TH LANE	GLENDALE	AZ	85301
107-39-011B	92.90	GARDNER, LEROY AND EVA GRACE	RT 1 BOX 487	SAFFORD	AZ	85546
107-39-018	6.00	CURTIS BROTHERS	RT 1 BOX 492	SAFFORD	AZ	85546
107-43-001A	42.40	GARDNER, LEROY AND EVA GRACE	RT 1 BOX 487	SAFFORD	AZ	85546
107-44-001	30.58	MONTES, ALFREDO	BOX 155	SOLOMON	AZ	85551
107-44-002	31.20	ALVILLAR, ANTONIO AND ALICE	RT 1 BOX 466	SAFFORD	AZ	85546
107-44-003	34.81	ALVILLAR, ANTONIO C AND ALICE M	RT 1 BOX 466	SAFFORD	AZ	85546
107-44-004	18.91	GOMEZ, VIDAL AND JESSIE	RT 1 BOX 67 1K	PHOENIX	AZ	85009
107-44-005	27.40	ALVILLAR/FIGUEROA/BACA/MORENO	RT 1 BOX 466	SAFFORD	AZ	85546
107-44-006	41.60	LARSON, RULON M & MARILYN P	RT 1 BOX 442	SAFFORD	AZ	85546
107-44-007	28.00	GARDNER, LEROY AND EVA GRACE	RT 1 BOX 487	SAFFORD	AZ	85546
107-45-006	1.40	DOMINGUEZ, HIGINIO	%FRANCISCA DOMINGUEZ BOX 1120	SAFFORD	AZ	85546
107-45-007	3.30	MONTEZ, CLARA D	BOX 68	SOLOMON	AZ	85551
107-45-009	2.00	AMADOR, RICHARD AND ELIZABETH	RT 1 BOX 461	SAFFORD	AZ	85546
107-45-011	2.00	CHACON, JOHNNY N AND MARIAN J	1111 E. LIMBERLOST DR., # 249	TUCSON	AZ	85719
107-45-036	2.20	LARSON, RULON & MARILYN	RT 1 BOX 442	SAFFORD	AZ	85546
107-47-001	37.10	BOWMAN, TERRY O. & SARA C.	RT 1 BOX 526	SAFFORD	AZ	85546
107-47-003	192.30	CLARIDGE, KENNETH & MARLENE	RT 1 BOX 301	SAFFORD	AZ	85546
107-47-005A	73.00	LARSON, RULON AND MARILYN	ROUTE 1	SAFFORD	AZ	85546
107-47-007	33.70	HERRINGTON, MARK C. & NONA UDALL	RT 1 BOX 412	SAFFORD	AZ	85546
107-47-010	74.50	LARSON, RULON M. & MARILYN P.	RT 1 BOX 442	SAFFORD	AZ	85546
107-49-001	52.20	CARRASCO/GOMEZ/DUNCAN/ BURRELL	%ALVIN CARRASCO PO BOX 43	SOLOMON	AZ	85551
107-49-002A	153.30	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
107-49-003B	3.20	LATTER DAY SAINTS/LAYTON, R DEON	50 EAST NORTH TEMPLE (TAX DIV)	SALT LAKE CITY	UT	84150
107-49-004	109.60	HUFF, LARRY	RT. 1, BOX 27	GLOBE	AZ	85501
107-50-004	71.40	GOMEZ, JESSIE % ANGEL GOMEZ	RT 5 BOX 67 1K	PHOENIX	AZ	85009
107-50-007	252.20	LAYTON, F DENNIS AND PAULA	PO BOX 3070	THATCHER	AZ	85552
107-51-001	11.50	UDALL, LEE KENYON AND LEONA C	BOX 174	THATCHER	AZ	85552
107-51-003	3.10	RIOS, RUBEN & SANDRA/CARRASCO,FELIX	PO BOX 282	GREEN VALLEY	AZ	85622
107-51-004	3.10	TANDYK, JOHN K AND BARBARA A	2138 W. JEFFERSON	PHOENIX	AZ	85009
107-52-001	28.20	LATTER DAY SAINTS REAL ESTATE DIV	50 EAST NORTH TEMPLE, 12TH FLR	SALT LAKE CITY	UT	84150
107-52-002	3.90	SLC PROPERTIES	RT 1 BOX 300	SAFFORD	AZ	85546
107-52-005	4.80	MORENO, EULALIA	BOX 12	SOLOMON	AZ	85551
107-52-013	1.60	CARRASCO: ROBERT & SYLVIA/FELIX L	820 10TH	SAFFORD	AZ	85546
107-52-028	1.80	RODRIGUEZ, EDILIA	7969 WEST MEADOWBROOK	PHOENIX	AZ	85033
107-52-029	1.10	PERU, RALPH % RAUL PERU	1006 RELATION	SAFFORD	AZ	85546
107-53-037	15.69	LAYTON, F DENNIS AND PAULA	PO BOX 3070	THATCHER	AZ	85552
107-54-004B	2.50	MANSUR, PAULA K	RT 1 BOX 416	SAFFORD	AZ	85546
107-54-006	1.50	MANSUR, PAULA K	RT 1 BOX 416	SAFFORD	AZ	85546
107-54-008	2.80	COX, L T AND WILMA F	BOX 271	SOLOMON	AZ	85551
107-54-011	111.10	GOMEZ, JESSIE	RT 5 BOX 67 1K	PHOENIX	AZ	85009
107-54-012	1.50	ROMERO, GERSON AND CLEO	RT 1 BOX 414	SAFFORD	AZ	85546

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107-54-014	1.00	COLVIN, HENRY C AND LORRAINE M	RT 1 BOX 414	SAFFORD	AZ	85546
107-54-015	1.50	MILLIGAN, RAY AND SHARON E	BOX 161	MORENCI	AZ	85540
107-54-016	7.10	MANSUR, PAULA K	RT 1 BOX 416	SAFFORD	AZ	85546
107-54-018	2.00	HERRINGTON, MARK C AND NONA U	RT 1 BOX 412	SAFFORD	AZ	85546
107-54-019	63.00	HERRINGTON, MARK C AND NONA U	RT 1 BOX 412	SAFFORD	AZ	85546
107-54-020	8.90	PRICE, PAULA K	RT 1 BOX 416	SAFFORD	AZ	85546
107-55-002	1.30	LARSON, M M	RT 1 BOX 442	SAFFORD	AZ	85546
107-55-017	11.00	BARNEY, REX O & GALE H	RT 1 BOX 615	SAFFORD	AZ	85546
107-58-001	30.20	LAYTON, F DENNIS AND PAULA	PO BOX 3070	THATCHER	AZ	85552
107-58-002	36.40	LAYTON: R DEON & M/F DENNIS & PAULA	PO BOX 3070	THATCHER	AZ	85552
107-58-003	29.80	LAYTON, F DENNIS AND PAULA	PO BOX 3070	THATCHER	AZ	85552
108-12-002	14.60	BLACK, LORNA	BOX 248	FORT THOMAS	AZ	85536
108-13-002	31.00	LARSON, VERA	RT 1 BOX 33A	GLOBE	AZ	
108-13-006	7.90	BLACK, EARL W AND HELEN	BOX 158	FT THOMAS	AZ	85536
108-13-008	56.30	GARCIA, ERNEST ALENA GARCIA	303 E 7TH ST	SAFFORD	AZ	85546
108-14-001	7.20	BRYCE, MELVIN R AND NORMA L	PO BOX 456	PIMA	AZ	85543
108-14-002	26.50	BLACK, EARL W AND HELEN	BOX 158	FT THOMAS	AZ	85536
108-14-008	20.10	BLACK, LORNA	BOX 248	FT THOMAS	AZ	85536
108-14-009	3.00	BLACK: ROY/IRENE/ROY LYNNE	920 WEST 10TH STREET	SAFFORD	AZ	85546
108-14-010	5.20	BLACK, LORNA	BOX 248	FT THOMAS	AZ	85536
108-15-002	67.80	BLACK, GERALD E AND MARY I	BOX 158	FT THOMAS	AZ	85536
108-15-004	0.20	KRILEY, LEO P	BOX 232	FT THOMAS	AZ	85536
108-15-006A	151.40	MOTES, WILMA C/BRYCE, MELVIN&NORMA	BOX 456	PIMA	AZ	85543
108-15-007	35.20	BLACK, LORNA	BOX 248	FT THOMAS	AZ	85536
108-15-012	9.10	HOLYOAK, LYMAN D AND VIRGIE	BOX 87	FT THOMAS	AZ	85536
108-16-001	21.80	HANCOCK, JERRY D & IRENE				
108-16-003	10.80	MOTES, THELO D/BRYCE, MELVIN&NORMA	BOX 456	PIMA	AZ	85543
108-16-004	25.20	MATTICE, RICHARD W AND VALERIE L	BOX 637	PIMA	AZ	85543
108-16-005	21.50	HANCOCK:LARRY & ALICE/NORMAN&MURIEL				
108-17-001	1.10	WILLIS, NASH&MARVEL/MCEUEN/CATLETT				
108-17-002	33.00	HANCOCK,LARRY & ALICE/NORMAN & MURI				
108-18-001	40.30	CLARIDGE,AB &LM/HANCOCK,JERRY & IRE				
108-19-001	4.60	HANCOCK, JERRY D AND IRENE				
108-19-002	51.50	HANCOCK: LARRY & ALICE/NORMAN&MURIE				
108-19-003	36.20	ALDER: JIM & BRENDA/JOE & EVELYN	BOX 831	THATCHER	AZ	85552
108-19-005	32.10	INDIAN SPRINGS RANCH INC				
108-20-001A	81.30	ALDER: JIM & BRENDA/JOE & EVELYN	BOX 831	THATCHER	AZ	85552
108-20-003	75.00	MONTIERTH, WENDELL/BRYCE, MELVIN&N	BOX 456	PIMA	AZ	85543
108-20-004	49.20	MONTIERTH, LESLIE AND HEDEVIG TRUST	BOX 51	VALLEY FARMS	AZ	85291
108-20-006	41.50	MONTIERTH, WENDELL/BRYCE, MELVIN&N	BOX 456	PIMA	AZ	85543
108-20-007	36.80	MATTICE, RICHARD W AND VALERIE L	BOX 637	PIMA	AZ	85543
108-21-003B	13.50	BRYCE, MELVIN R & NORMA L	BOX 456	PIMA	AZ	85543
108-21-004	65.60	BRYCE, MELVIN AND NORMA LOU	BOX 456	PIMA	AZ	85543
108-21-005	6.10	BLACK, LORNA	BOX 248	FT THOMAS	AZ	85536
108-21-006	46.70	MOTES, THELO/BRYCE, MELVIN & NORMA	BOX 456	PIMA	AZ	85543
108-21-007	16.30	MATTICE, RICHARD AND VALERIE	BOX 637	PIMA	AZ	85543
108-21-009	1.30	MATTICE, RICHARD AND VALERIE	BOX 637	PIMA	AZ	85543
108-24-002	148.00	ALDER: JIM & BRENDA/JOE & EVELYN	BOX 831	THATCHER	AZ	85552

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108-24-023	13.30	HINTON, TERREL HENSON & KATHY		FT THOMAS	AZ	85535
108-25-002	77.80	CLARIDGE, VIRGINIA/NORTON, M & R	BOX 25	FT THOMAS	AZ	85535
108-25-003	22.80	CLARIDGE, CHRIS L AND DEBBIE	BOX 235	FT THOMAS	AZ	85535
108-25-004	16.00	FT THOMAS HIGH SCHOOL	BOX 28	FT THOMAS	AZ	85535
108-25-005	18.00	BROWN, ELTON AND DELVA	BOX 106	FT THOMAS	AZ	85535
108-25-007	9.30	CLARIDGE, CHRIS L	BOX 235	FT THOMAS	AZ	85535
108-25-008	104.40	CLARIDGE, ALF	RT 1 BOX 296	SAFFORD	AZ	85546
108-25-001A	7.50	CLARIDGE, CHRIS L & DEBBIE	BOX 235	FT THOMAS	AZ	85535
108-25-009A	7.30	HINTON, T HENSON & CATHY		FT THOMAS	AZ	85535
108-26-015	2.50	HINTON, S JACK		FT THOMAS	AZ	85536
108-26-016	0.20	MCEUEN, ZONA	BOX 156	FT THOMAS	AZ	85535
108-26-017	0.70	MCEUEN, PORTER	BOX 156	FT THOMAS	AZ	85535
108-26-018	0.50	HINTON, WILLIW & LAVONA	BOX 188	FT THOMAS	AZ	85535
108-25-020	1.60	HERBERT, LAREE	BOX 276	FT THOMAS	AZ	85536
108-27-005A	0.20	HANCOCK, JERRY & REBECCA R	BOX 216	FT THOMAS	AZ	85536
108-27-005B	0.10	HANCOCK, JERRY WAYNE & REBECCA RAE	BOX 216	FT THOMAS	AZ	85535
108-27-006	0.10	WARD, MONTEE HINTON	BOX 82	FT THOMAS	AZ	85535
108-27-007	0.30	HANCOCK, JERRY WAYNE & REBECCA RAE	BOX 216	FT THOMAS	AZ	85536
108-27-009	0.80	FT THOMAS ELEMENTARY SCHOOL		FT THOMAS	AZ	85536
108-27-014	6.40	MCEUEN, PORTER	BOX 156	FT THOMAS	AZ	85536
108-27-017	0.50	KEEN, BOBBY AND CLARIS	BOX 143	FT THOMAS	AZ	85536
108-27-020	0.60	WILLIS, MARVEL M	BOX 751	SAFFORD	AZ	85546
108-27-024	0.20	LATTER DAY SAINTS	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
109-11-002	72.70	BRYCE, MELVIN AND NORMA	BOX 456	PIMA	AZ	85543
109-11-003	95.10	LAYTON, GLEN & JAY FARMS	P.O. BOX 729	THATCHER	AZ	85552
109-12-004	10.00	LATTER DAY SAINTS (REAL ESTATE DIV)	50 EAST NORTH TEMPLE	SALT LAKE CITY	UT	84150
109-12-005	35.60	CLARIDGE, ALF	RT 1 BOX 296	SAFFORD	AZ	85546
109-12-006	67.00	HERBERT, MELVIN M AND CHARLENE	PO BOX 107	FT THOMAS	AZ	85536
109-12-008	112.00	BRYCE, MELVIN AND NORMA	BOX 456	PIMA	AZ	85543
109-12-009	3.00	HERBERT, MELVIN & SHERRILL	BOX 107	FT THOMAS	AZ	85536
109-19-001	30.50	LAYTON, GLEN & JAY FARMS	P.O. BOX 729	THATCHER	AZ	85552
109-19-002	91.00	MOTES, NATHEN	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552
109-19-004	35.10	MOTES, NATHEN	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552
109-20-001	38.40	MOTES, NATHEN	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552
109-20-002	116.60	LAYTON, GLEN & JAY FARMS	P.O. BOX 729	THATCHER	AZ	85552
109-20-003	38.80	BRYCE, HAZEL B	BOX 456	PIMA	AZ	85543
109-20-004	40.00	LAYTON, GLEN & JAY FARMS	P.O. BOX 729	THATCHER	AZ	85552
109-20-005	54.40	LAYTON, GLEN & JAY FARMS	P.O. BOX 729	THATCHER	AZ	85552
109-20-006	40.00	MOTES, NATHAN	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552
109-20-007	14.00	LAYTON, GLEN & JAY FARMS	P.O. BOX 729	THATCHER	AZ	85552
109-20-008	40.00	BROWN, ELTON AND DELVA	BOX 106	FT THOMAS	AZ	85536
109-20-009	39.50	HAWKINS, DOUGLAS D	BOX 366	PIMA	AZ	85543
109-20-010	37.90	LAYTON, GLEN & JAY FARMS	P.O. BOX 729	THATCHER	AZ	85552
109-20-011	13.20	MOTES, NATHEN	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552
109-20-012	63.70	HERBERT, MELVIN M AND CHARLENE	PO BOX 107	FT THOMNAS	AZ	85536
109-20-013	1.00	MOTES, NATHEN	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552
109-21-001A	76.10	FOSTER, MELVIN AND NOLA FAYE	BOX 582	PIMA	AZ	85543
109-21-003	10.00	MOTES, NATHEN	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552

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109-21-004	62.70	MOTES, NATHEN	1600 ROBINSON RANCH ROAD	THATCHER	AZ	85552
109-21-005	55.40	BLACK, LOUISE	418 E 7TH ST	SAFFORD	AZ	85546
109-21-006	49.00	LUNDELL, RUSSELL AND LEOLA		THATCHER	AZ	85552
109-21-008	38.30	BRYCE, MELVIN	BOX 456	PIMA	AZ	85543
109-21-009	37.80	BRYCE, HAZEL B	BOX 456	PIMA	AZ	85543
109-21-011	11.90	BLACK, LOUISE	418 E 7TH ST	SAFFORD	AZ	85546
109-21-012	33.70	BELLMAN, BENJAMIN DAVID	12983 POLVERA AVE	SAN DIEGO	CA	92128
109-22-004	18.70	MULLENAUX:DERALD/MELVA/JAME/LAD/TOM	P O BOX 684	THATCHER	AZ	85552
109-22-008	64.20	PALMER, DENNIS AND MARGARET	PO BOX 682	THATCHER	AZ	85552
109-22-009	27.00	MULLENAUX:DERALD/MELVA/JAME/LAD/TOM	P.O. BOX 684	THATCHER	AZ	85552
109-24-001	9.54	MULLENAUX:DERALD/MELVA/JAME/LAD/TOM	P O BOX 684	THATCHER	AZ	85552
109-24-002	35.80	PALMER, DENNIS & MARGARET	PO BOX 682	THATCHER	AZ	85552
109-24-005	27.20	BRYCE, RONALD K. & CINDY L.	P.O. BOX K	PIMA	AZ	85543
109-24-007	32.30	MULLENAUX BROTHERS (2 OF 2)	P.O.BOX 684	THATCHER	AZ	85552
109-25-002	4.20	BRYCE, MELVIN AND NORMA	BOX 456	PIMA	AZ	85543
109-25-004	36.40	BRYCE, HAZEL B	BOX 456	PIMA	AZ	85543
109-25-005	60.00	BRYCE, RONALD K. & CINDY L.	P.O. BOX K	PIMA	AZ	85543
109-25-006	151.70	COCKRUM, H REESE AND BETTY	PO BOX 238	BRYN MAWR	CA	92318
109-25-007	30.90	MULLENAUX:DERALD/MELVA/JAME/LAD/TOM	P.O. BOX 684	THATCHER	AZ	85552
109-26-001A	58.00	BRYCE, RONALD K.	P.O. BOX K	PIMA	AZ	85543
109-26-002	14.90	BRYCE, RONDALD K. & CINDY L	P.O.BOX K	PIMA	AZ	85543
109-26-007	27.20	PALMER, MARCO AND JUDI	BOX 736	THATCHER	AZ	85552
109-26-008A	70.40	PALMER, MELBURN AND LAVONA (1 OF 2)	BOX 832	THATCHER	AZ	85552
109-29-001	56.30	MCEUEN, LUE	BOX 278	PIMA	AZ	85543
109-30-002	3.10	MCEUEN, LUE	BOX 278	PIMA	AZ	85543
109-31-002	15.40	INDIAN SPRINGS RANCH INC	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-31-012	18.80	INDIAN SPRINGS RANCH INC	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-31-018	88.00	INDIAN SPRINGS RANCH INC	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-32-006	53.00	BELLMAN, BENJAMIN DAVID	12983 POLVERA AVE	SAN DIEGO	CA	92128
109-32-008	54.40	INDIAN SPRINGS RANCH INC	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-32-009	14.80	INDIAN SPRINGS RANCH INC	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-32-010	67.80	INDIAN SPRINGS RANCH INC	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-33-001	181.90	BELLMAN, LAMAR	12983 POLVERA AVE	SAN DIEGO	CA	92128
109-33-002	9.60	BRYCE, HAZEL B	BOX 456	PIMA	AZ	85543
109-33-003	30.70	BRYCE, RONALD K. & CINDY L.	P.O. BOX K	PIMA	AZ	85543
109-33-005B	85.90	FERGUSON FARMS INC/BRYCE, MELVIN&N	BOX 456	PIMA	AZ	85543
109-34-004	0.20	UDALL, DAVID K	940 N HERITAGE	MESA	AZ	85201
109-34-005	89.90	UDALL, DAVID K	940 N HERITAGE	MESA	AZ	85201
109-34-006	95.30	PALMER, JAMES A AND CELINDA	P.O. BOX P	THATCHER	AZ	85552
109-34-009	27.20	MARSHALL, W B AND CLARA	STAR ROUTE BOX 335	EDEN	AZ	85535
109-34-010	1.20	INDIAN SPRINGS RANCH INC	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-34-011	6.40	INDIAN SPRINGS RANCH INC	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-34-012	46.80	PALMER, JAMES & CELINDA	P.O. BOX P	THATCHER	AZ	85552
109-35-008	3.50	MARSHALL, W B AND CLARA	STAR RT BOX 355	EDEN	AZ	85543
109-37-001	5.30	MARSHALL, W B AND CLARA	STAR ROUTE BOX 335	EDEN	AZ	85535
109-37-001A	42.50	MARSHALL, W B & CLARA	STAR RT BOX 335	EDEN	AZ	85535
109-37-002A	0.90	INDIAN SPRINGS RANCH	3398 HOT SPRINGS ROAD	EDEN	AZ	85535
109-37-003	9.40	HILBERS, DAVID	HCR 1, BOX 3336	EDEN	AZ	85535

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109-37-020	0.90	TAYLOR, ALFORD	EDEN RT	PIMA	AZ	85543
109-37-024	1.70	HAWKINS, DAVE E & MYRNA J	EDEN RT	PIMA	AZ	85543
109-37-032	61.90	PALMER, JAMES A & CELINDA	BOX P	THATCHER	AZ	85552
109-38-001	1.40	COLVIN, ROBERT J	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-38-002	47.00	COLVIN, D W	STAR ROUTE BOX 288	EDEN	AZ	85535
109-38-003	8.00	CARPENTER, INEZ		EDEN	AZ	85535
109-38-004	2.60	COLVIN, RJ / COLVIN, D.W.	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-38-005	0.90	COLVIN, ROBERT / D. W.	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-39-001	48.90	MARSHALL, W B AND CLARA	STAR ROUTE BOX 335	EDEN	AZ	85535
109-39-002	67.70	HILBERS, VERNON & BETTY	HCR 1, BOX 3336	EDEN	AZ	85535
109-39-003	80.50	HILBERS, VERNON & BETTY	HCR 1, BOX 3336	EDEN	AZ	85535
109-39-004	38.70	COLVIN, D W	STAR ROUTE BOX 288	EDEN	AZ	85535
109-39-005	78.50	COLVIN, ROBERT J	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-39-006	80.10	KEMPTON, LAMAR	STAR ROUTE	EDEN	AZ	85535
109-39-007	18.60	COLVIN, JAY D & BRENDA K	3335 HOT SPRINGS ROAD	EDEN	AZ	85535
109-39-008	34.10	MARSHALL, W B & CLARA	STAR ROUTE BOX 335	EDEN	AZ	85535
109-40-002	55.80	PALMER, VERLE & TRELVA	DRAWER AA	THATCHER	AZ	85552
109-40-003	35.70	FARRINGTON, MAY	BOX 33	FT THOMAS	AZ	85536
109-40-004	21.20	LUNT, GARTH	BOX 585	PIMA	AZ	85543
109-40-005	47.50	PALMER, MARCO & JUDI	P.O. BOX 736	THATCHER	AZ	85552
109-40-006	39.40	PALMER, MELBURN & LAVONNA	BOX 832	THATCHER	AZ	85552
109-40-007	40.00	PALMER, MELBURN & LAVONA	P.O. BOX 832	THATCHER	AZ	85552
109-40-008	47.20	COLVIN FARMS	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-40-009A	31.60	BRYCE, RONALD K.	P.O. BOX K	PIMA	AZ	85543
109-40-010	39.30	PALMER, MARCO AND JUDI	BOX 736	THATCHER	AZ	85552
109-41-002	5.60	LUNT, GARTH	BOX 585	PIMA	AZ	85543
109-41-005	92.70	PALMER, MELBURN AND LAVONA	BOX 832	THATCHER	AZ	85552
109-41-005B	2.60	PALMER, MELBURN & LAVONA	BOX 832	THATCHER	AZ	85552
109-41-007A	2.20	WELKER, DUDLEY	P. O. BOX 71	SAFFORD	AZ	85548
109-41-008A	69.70	COLVIN FARMS	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-41-014	104.70	PALMER, ELDON & LUCILLE	BOX 750	THATCHER	AZ	85552
109-42-002	19.20	COLVIN, D W	STAR ROUTE BOX 288	EDEN	AZ	85535
109-42-003	39.10	HANCOCK, LARRY VON	BOX 96	PIMA	AZ	85543
109-42-004	71.60	COLVIN, JAY D & BRENDA K	3335 HOT SPRINGS ROAD	EDEN	AZ	85535
109-42-005	76.20	COLVIN, D W	STAR ROUTE BOX 288	EDEN	AZ	85535
109-42-006A	31.00	COLVIN, R J & VERNA RAE	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-42-013	22.18	FERGUSON, RAYMOND KENT & ROSELYN	BOX 126	PIMA	AZ	85543
109-43-007	56.70	HANCOCK, LARRY VON	BOX 96	PIMA	AZ	85543
109-43-008	6.50	COLVIN, R J & VERNA RAE	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-43-010	5.00	LEBARON, OLAF W	BOX 843	EDEN	AZ	85535
109-43-013	36.80	CARPENTER, INEZ	EDEN RT	PIMA	AZ	85543
109-43-014	4.00	HAWKINS, DAVE E AND MYRNA T	EDEN RT	PIMA	AZ	85543
109-43-015	5.00	LEE, MELBA E	RT 1 BOX 46-2	SAFFORD	AZ	85546
109-43-016	1.30	WATSON, JM JR & DEBRA/DALE & ANITA	R R EDEN	EDEN	AZ	85535
109-43-018	1.70	COLVIN, BOB & VERNA	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-43-018A	1.30	VAUGHN, BOB & LEE	BOX 5354	EDEN	AZ	85535
109-43-019	1.70	HESTAD, RICHARD L	7631 N. MASSINGALE ROAD	TUCSON	AZ	85741
109-43-021	1.70	COLVIN, R J	3333 HOT SPRINGS ROAD	EDEN	AZ	85535

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109-43-022	0.80	VAUGHN, BOB & LEE	BOX 5354	EDEN	AZ	85535
109-43-024	1.30	FOXWORTH, CB & RUTH	RT 1 BOX 50A	GLOBE	AZ	85501
109-43-026	1.30	COLVIN, RJ & VERNA RAE	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-43-030	42.40	COLVIN, R J	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-43-036	1.50	LEBARON, D W & LORA M	BOX 259	EDEN	AZ	85535
109-43-041	61.50	COLVIN, ROBERT J	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-43-042	27.00	COLVIN, RJ	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-43-046	0.80	MARSHALL, CHARLES	1640 E BASELINE	PHOENIX	AZ	85040
109-43-047	0.50	HAWKINS, BILL & DIANE	HCR # 9	EDEN	AZ	85535
109-52-001	82.10	ALDER: JOSEPH & EVELYN/LESLIE&BREND	P.O. BOX 98	PIMA	AZ	85543
109-52-002	214.70	PALMER, ARDEN J AND MARY L	BOX P	THATCHER	AZ	85552
109-52-003	105.00	LEE, BLANCH T		THATCHER	AZ	85552
109-53-003A	1.20	GARCIA, JUAN & HERLINDA M	BOX 331	PIMA	AZ	85543
109-53-004	26.00	ANDERSON FARMS C/O CHARLES JONES	111 W MONROE SUITE 1800	PHOENIX	AZ	85003
109-53-005	240.10	PALMER, ARDEN J AND MARY LOUISE	BOX P	THATCHER	AZ	85552
109-53-006	9.30	HANCOCK, LARRY V AND ALICE	P.O. BOX 96	PIMA	AZ	85543
109-53-007	96.30	HANCOCK,LAWRENCE&L/NORMAN&M/LARRY&A	BOX 96	PIMA	AZ	85543
109-53-008	7.70	BOREN, JERRY & LINDA	BOX 269	PIMA	AZ	85543
109-54-002A	8.55	HANCOCK,LAWRENCE&L/NORMAN&M/LARRY&A	736 E 7TH PL	MESA	AZ	85201
109-54-002B	6.60	HANCOCK, NORMAN E & MURIEL	736 E 7TH PL	MESA	AZ	85201
109-54-003A	40.75	HANCOCK:LAWRENCE&L/NORMAN&M/LARRY&A	726 E 7TH PL	MESA	AZ	85201
109-54-004A	28.90	HANCOCK, NORMAN L & MURRIEL	736 E 7TH PL	MESA	AZ	85201
109-54-005	67.80	ANDERSON: JOHN/GEORGE/MARK	BOX 10757	EL PASO	TX	79997
109-54-006	48.80	ANDERSON, GEORGE AND PAULA	BOX 10757	EL PASO	TX	79997
109-54-007	4.00	ANDERSON, GEORGE AND PAULA	BOX 10757	EL PASO	TX	79997
109-54-009A	4.00	HANCOCK, LARRY V & ALICE M	BOX 96	PIMA	AZ	85543
109-55-001	25.80	COLVIN, ROBERT J	3333 HOT SPRINGS ROAD	EDEN	AZ	85535
109-55-002	32.40	CARPENTER, ALBERT & MAYBELL	BOX 44	EDEN	AZ	85535
109-55-003	44.50	CARPENTER, INEZ	BOX 44	EDEN	AZ	85535
109-55-004	11.20	HANCOCK:LAWRENCE&L/NORMAN&M/LARRY&A	726 E 7TH PL	MESA	AZ	85201
109-55-007	36.00	COONS, ZELMA/GENE/NILE/JOY	4525 GLENBAR, NBU #6	PIMA	AZ	85543
109-55-009	155.80	FERGUSON, RAYMOND KENT AND ROSELYN	BOX 126	PIMA	AZ	85543
109-55-012	1.00	ALLEN, EUGENE & JOAN	HCR 1, BOX 4412	PIMA	AZ	85543
109-55-013	7.00	SANCHEZ, ERNEST & GUADALUPE	BOX 445	KEARNY	AZ	85237
109-56-003	2.00	PENROD, JOSEPH	NBU 4, 4201 W. HWY 70	PIMA	AZ	85543
109-56-004	47.32	FERGUSON, RAYMOND & ROSELYN	BOX 126	PIMA	AZ	85543
109-59-082	0.50	RYAN, LOUISE	P.O. BOX 416	LONE TREE	IA	52755
109-59-999	1.10	THUNDERBIRD VALLEY%JESSE PEASE		THATCHER	AZ	85552
109-60-001	83.10	FERGUSON, RAYMOND AND ROSELYN	BOX 126	PIMA	AZ	85543
109-60-010	0.08	MEADOWS, ROBERT&E/LARSON,DENNIS&DEB	BOX 62	PIMA	AZ	85543
109-61-003	83.10	ANDERSON, GEORGE AND PAULA	BOX 10757	EL PASO	TX	79997
109-61-011	37.70	MATTHEWS, HAROLD	P.O. BOX 91	PIMA	AZ	85543
109-61-015	166.40	ANDERSON: GEORGE G/JOHN H/MARK L	BOX 10757	EL PASO	TX	79997
109-61-016	23.30	LAYTON, GLEN 7 JAY FARMS	BOX 729	THATCHER	AZ	85552
109-62-001A	0.35	MCBRIDE, KEITH & CAROLDEENE/ETHER	P.O. BOX 4	PIMA	AZ	85543
109-62-001B	0.25	MCBRIDE, KEITH&CAROLDEE/ETHER&NELLI	P.O. BOX 4	PIMA	AZ	85543
109-62-003A	16.90	BATTY: WALTER/JOHN/BRYCE, MELVIN&N	BOX 456	PIMA	AZ	85543
109-62-004A	17.00	BATTY, W A/BRYCE, MELVIN & NORMA	BOX 456	PIMA	AZ	85543

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109-62-005	103.20	LAYTON, GLEN & JAY FARMS	BOX 729	THATCHER	AZ	85552
109-62-006	33.30	ANDERSON:JOHN&SUE/GEORGE&ANN	C/O C JONES 111 W MONROE #1800	PHOENIX	AZ	85003
109-62-008	92.10	COONS:ZELMA MAE/GENE/NILE/JOY	4501 GLENBAR NBU # 6	PIMA	AZ	85543
109-62-009A	2.00	MCBRIDE, KEITH & CAROLDEENE	P.O. BOX 4	PIMA	AZ	85543
109-62-010	38.00	COONS, JOY ALVIN	4525 GLENBAR, NBU # 6	PIMA	AZ	85543
109-62-011	13.50	LAYTON, GLEN J.& JAY FARMS	BOX 729	THATCHER	AZ	85552
109-62-012	30.50	MATTICE, WARNER LEN & TAMARA JANE	BOX 655	PIMA	AZ	85543
109-63-001	1.00	WELKER, A A		PIMA	AZ	85543
109-63-002	17.60	WELKER, LA VELL AND WILLA JEAN	BOX 233	THATCHER	AZ	85552
109-63-005	7.50	LINES, RUSKIN	915 STRATTON DR	SAFFORD	AZ	85546
109-63-006	58.80	BLAKE, BENTON/LARSON, PHYLLIS	7830 NORTH 23RD AVENUE	PHOENIX	AZ	85021
109-63-007	1.60	MATTICE, WARNER & TAMARA	BOX 655	PIMA	AZ	85543
109-63-008	16.30	ANDERSON FARMS C/O C JONES	111 W MONROE SUITE 1800	PHOENIX	AZ	85003
109-63-010	123.33	LEE, BLANCHE		THATCHER	AZ	85552
109-63-015	0.30	LAYTON, GLEN J & JAY FARMS	BOX 729	THATCHER	AZ	85552
109-63-019	59.30	BRYCE, JOHN B & PHYLLIS A	BOX 307	PIMA	AZ	85543
109-64-002A	2.00	COONS, NILE W & BERTHA MAY	BOX 61	PIMA	AZ	85543
109-64-004	15.20	GATLIN, NIKKI JO	P.O. BOX 4368	FT. GRANT	AZ	85644
109-64-005	130.30	LARSON, PHYLLIS/BLAKE, BENTON L	7830 NORTH 23RD AVENUE	PHOENIX	AZ	85021
109-64-007	30.20	MATTICE, RICHARD W & VALERIE L	BOX 637	PIMA	AZ	85543
109-64-009	8.90	ROTHCO LTD	2406 E. HUBER	MESA	AZ	85203
109-64-010	256.10	LAYTON, GLEN J & MARJORIE	BOX M	THATCHER	AZ	85552
109-64-011	45.90	LINES, RUSKIN	915 STRATTON DR	SAFFORD	AZ	85546
109-64-012	79.70	MATTICE, GED	BOX 504	PIMA	AZ	85543
109-64-013	2.70	MATTICE, JOHN W & KAREN B	53 WINCHESTER DR	GLOBE	AZ	85501
109-65-002	11.00	COONS,ZELMA M/GENE/NILE/JOY	4501 GLENBAR NBU # 6	PIMA	AZ	85543
109-65-013	75.40	CROCKETT, LARRY & JEAN	BOX 606	PIMA	AZ	85543
109-65-021	122.70	BATTY,WA/BRYCE,MELVIN R & NORMA L	BOX 456	PIMA	AZ	85543
109-65-022	4.80	BRYCE, MELVIN R & NORMA LOU	BOX 456	PIMA	AZ	85543
109-66-001	9.60	MATTICE, WARNER LEN & TAMERA JANE	BOX 655	PIMA	AZ	85543
109-66-002	14.40	COONS:ZELMA MAE/GENE/NILA/JOY	4501 GLENBAR NBU # 6	PIMA	AZ	85543
109-66-003	11.10	MATTICE, WARNER LEN & TAMERA JANE	BOX 655	PIMA	AZ	85543
109-66-008	1.00	KELLEY, CHARLES & EVALEE	BOX 187	PIMA	AZ	85543
109-66-010	26.60	MATTICE, GED	BOX 504	PIMA	AZ	85543
109-66-011	4.30	COONS, ZELMA/GENE/NILE	4525 GLENBAR, NBU # 6	PIMA	AZ	85543
109-66-012	0.70	COONS, JOY A & VENEICE G	4525 GLENBAR NBU # 6	PIMA	AZ	85543
109-66-013	1.00	WIMBERLY, IRA W & SYLVIA	4510 GLENBAR NBU # 6	PIMA	AZ	85543
109-66-014	0.50	WIMBERLEY, LARRY ELMO & JOANN	4512 GLENBAR NBU # 6	PIMA	AZ	85543
109-67-007	7.50	LAYTON, GLEN 7 JAY FARMS	BOX 729	THATCHER	AZ	85552
109-73-005	110.00	CROCKETT, LARRY AND JEAN	BOX 606	PIMA	AZ	85543
109-73-006	1.00	CROCKETT, KEITH AND KATHLEEN M	BOX 128	PIMA	AZ	85543
109-74-003	39.00	CLUFF, DONALD R & ROBIN	BOX 391	PIMA	AZ	85543
109-74-004	43.00	ROGERS, THELMA	BOX 323	PIMA	AZ	85543
109-75-002A	26.25	LAYTON, GLEN J & MARJORIE	BOX M	THATCHER	AZ	85552
109-75-002B	1.00	LAYTON, GLEN J & MARJORIE	BOX M	THATCHER	AZ	85552
109-75-007	7.00	FOX:TRACY & MILDRED/CHARLES T	BOX 680	PIMA	AZ	85543
109-75-008	13.20	FLOWERS, HAYES & HELEN ELOISE	BOX 359	PIMA	AZ	85543
109-75-009	4.50	CROCKETT, LARRY AND JEAN	BOX 606	PIMA	AZ	85543

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109-75-010	16.50	VICORY, GARY L. & SHERRY L.	114 5TH STREET	SAFFORD	AZ	85546
109-75-012	7.20	TAYLOR, JERRY AND LEONA		PIMA	AZ	85543
109-75-015	17.70	PETERSON, DWAIN B AND NONA	NBU # 9	PIMA	AZ	85543
109-75-021	4.70	WEBB, CHESTER A AND MARDELLE M	BOX 414	PIMA	AZ	85543
109-75-023	3.10	WEBB, LANNY A & CAROLYN K	NBU # 13	PIMA	AZ	85543
109-75-025	1.30	WEBB, LANNY A & CAROLYN K	NBU # 13	PIMA	AZ	85543
109-75-026	3.20	PETERSON, DWAIN B AND NONA S	NBU # 9	PIMA	AZ	85543
109-75-028	4.75	TURMAN, BOBBY G & BARBARA J	BOX 662	PIMA	AZ	85543
109-75-032	3.40	KESKE, FRANK E & MARJORY E	NBU # 9	PIMA	AZ	85543
109-75-033	1.30	KESKE, FRANK E AND MARJORY E	NBU # 9	PIMA	AZ	85543
109-76-001	17.50	CLUFF, STEPHEN L	BOX 591	PIMA	AZ	85543
109-76-005B	2.00	MCBRIDE, REUBEN & SONDRA	BOX 591	PIMA	AZ	85543
109-76-005C	17.60	SKINNER, LYNN & JOYCE	NBU # 7	PIMA	AZ	85543
109-76-005D	1.60	CLARIDGE, JUNIETTA	BOX 486	PIMA	AZ	85543
109-76-005F	1.80	SKINNER, LYNN W. & JOYCE C.	NBU # 7	PIMA	AZ	85543
109-76-006	55.00	SKINNER, LYNN W AND JOYCE	NBU # 7	PIMA	AZ	85543
109-76-008	1.30	LAYTON, GLEN J AND MARJORIE	BOX M	THATCHER	AZ	85552
109-76-013	2.80	SMITH, FREDERICK & LEOLA		PIMA	AZ	85543
109-76-019	1.50	BOWMAN, EVERETT H & BILLIE	BOX 595	THATCHER	AZ	85552
109-76-021	2.40	FRENCH, TEDDY LEE & PATRICIA	BOX 614	PIMA	AZ	85543
109-76-025	8.80	LARSON, CLAY & NAOMA	BOX 185	PIMA	AZ	85543
109-76-044	1.00	EVANS, C L AND WANDA	BOX 631	PIMA	AZ	85543
109-76-046	0.90	EVANS, CECIL & LUCILLE	BOX 631	PIMA	AZ	85543
109-76-047	0.30	EVANS, CECIL & LUCILLE	BOX 631	PIMA	AZ	85543
109-77-002	7.50	TAYLOR, DONALD & CAROLE	BOX 231	PIMA	AZ	85543
109-77-014	38.30	MCBRIDE, REUBEN B AND SONDRA	BOX 591	PIMA	AZ	85543
109-77-015	6.70	TAYLOR, JERRY D AND LEONA	134 WEST 1ST ST	PIMA	AZ	85543
109-77-020	30.80	ROGERS, THELMA M	BOX 323	PIMA	AZ	85543
109-77-025	15.30	ROGERS, THELMA M	BOX 323	PIMA	AZ	85543
109-77-028	3.50	TAYLOR, FARR D & MAY LOUISE	BOX 907	PIMA	AZ	85543
109-77-030	1.00	LARSON, NADINE	260 S COTTONWOOD DRIVE	PIMA	AZ	85543
109-78-007	86.60	ROGERS, THELMA	BOX 323	PIMA	AZ	85543
109-79-017	2.00	BRYCE, MELVIN AND NORMA L	BOX 456	PIMA	AZ	85543
109-79-019	2.60	BRYCE, RONALD K & CYNTHIA L	NBU #14	PIMA	AZ	85543
ARIZ 109-42	0.30	STATE OF ARIZONA				
HWY 70	3.90	DECREE IN HIWAY 70				
LOTS	587.85	496 LOTS LESS THAN 1 ACRE				
PIMA	27.20	TOWN OF PIMA				
SAFFORD	177.70	TOWN OF SAFFORD				
STREETS	55.41	CITY OF SAFFORD				
SV LOTS	85.48	99 LOTS IN TOWN OF PIMA				
THATCHER	76.80	TOWN OF THATCHER				
USA	2.50	USA				
*** Total ***	32512.4					

ARIZONA LAND USE CODES

PROPERTY USE CODES - These codes designate the predominant use to which the property is put. (These are the most commonly used codes.)

VACANT LAND

00 00 thru 00 05 - UNDETERMINED --
00 10 thru 00 14 - RESIDENTIAL
00 20 thru 00 24 - COMMERCIAL
00 30 thru 00 34 - INDUSTRIAL
00 80 thru 00 84 - MOBILE HOME
00 85 - LIMITED OR NO DEVELOPMENT POTENTIAL

OTHER LCIC Codes which may appear on the report (as improvements).

SINGLE FAMILY RESIDENTIAL

01 00 thru 01 98

MULTIPLE RESIDENTIAL

03 00 - MULTIPLE RESIDENTIAL
03 10 - MIXED COMPLEX
03 20 - DUPLEX
03 30 - TRIPLEX
03 40 - FOURPLEX
03 50 - APARTMENTS 5 TO 24 UNITS
03 60 - APARTMENTS 25 OR MORE
03 70 - BOARDING HOUSE
03 80 - BOARDING HOUSE WITH MEDICAL SERV.

HOTEL - MOTEL - RESORTS

04 00 - HOTEL
05 00 - MOTEL
06 00 - RESORT

CONDOMINIUMS

07 00 thru 07 70

MOBILE HOME

08 00 - MOBILE HOME USE
08 10 - MOBILE HOME SUBDIVISION
08 20 - MOBILE HOME USE, SUBDIVIDED LOT
08 30 - MOBILE HOME USE, NOT SUBDIVIDED
08 40 - MOBILE HOME PARKS - COMMERCIAL
08 50 - TRAVEL TRAILER PARKS - COMMERCIAL
08 70 - MOBILE HOME COOPERATIVE

MISCELLANEOUS AND SALVAGE

09 00 thru 09 50

COMMERCIAL PROPERTY

10 00 - COMMERCIAL IMPROVEMENTS
10 10 - CONVERTED RESIDENCE

COMMERCIAL PROPERTY (CONT'D)

10 20 - LAUNDROMAT
11 00 - STORE BUILDING - COMMERCIAL
11 10 - QUICK SHOP GROCERY
12 10 - STORE AND OFFICE COMBINATION
12 30 - STORE AND APARTMENT COMBINATION
13 00 - DEPARTMENT STORE
14 00 - SHOPPING CENTER
14 10 - NEIGHBORHOOD SHOPPING CENTER
14 20 - COMMUNITY SHOPPING CENTER
14 30 - REGIONAL SHOPPING CENTER
15 00 - OFFICE BUILDING
15 05 - ONE STORY OFFICE
15 06 - TWO STORY OFFICE
15 07 - THREE OR MORE STORY OFFICE
16 00 - BANK/SAVINGS & LOAN
16 10 - BANKS
16 10 - SAVINGS & LOAN
17 00 thru 17 30 - SERVICE STATION - BULK STORAGE
18 00 thru 18 90 - AUTO REPAIR, SALES
19 00 thru 19 30 - NURSING HOME
20 00 thru 20 40 - RESTAURANT
20 50 - BAR
21 00 thru 21 50 - MEDICAL SERVICES
22 00 thru 22 50 - RACETRACKS - AIR FIELDS
23 00 thru 23 60 - CEMETERIES - MORTUARY
24 00 thru 24 50 - GOLF COURSES
25 00 thru 25 90 - THEATERS, BOWLING, SKATING, AMUSEMENTS
26 00 thru 26 20 - PARKING
27 00 thru 27 30 - CLUB, LODGE OR ORGAN.
28 00 thru 28 50 - PARTIALLY COMPLETED STRUCTURES
29 00 - SCHOOLS

INDUSTRIAL PROPERTY

30 00 - MISCELLANEOUS INDUSTRY
31 00 - MANUFACTURING OF DURABLE AND NONDURABLE PRODUCTS
32 00 - MANUFACTURING OF FOODS AND KINDRED PRODUCTS
34 00 - LUMBER MILLS
35 00 - COTTON GIN
36 00 - MINING
37 00 thru 37 40 - WAREHOUSING

RANCH PROPERTY

40 00 thru 40 30 - PLANT NURSERIES
41 00 - FIELD CROPS
42 00 - VINEYARDS
43 00 thru 43 20 - TREE CROPS
44 00 - CITRUS CROPS
45 00 - HIGH DENSITY AGRICULTURE

RANCH PROPERTY (CONT'D)

46 00 thru 46 30 - IMMATURE TREES
47 00 - RANCH PROPERTY
48 00 - PASTURE LAND
49 00 thru 49 10 - NON USED FARM LAND

PUBLIC UTILITIES

51 00 - RAILROAD OPERATING MACHINERY
52 00 - TELEPHONE & TELEGRAPH PROPERTY
53 00 - PIPELINE OPERATING PROPERTY
54 00 - GAS & ELECTRIC PROPERTY
55 00 - WATER UTILITY PROPERTY
56 00 - MICROWAVE SERVICE
57 00 - MUNICIPAL UTILITIES
58 00 - AIRLINE FLIGHT PROPERTY
59 00 - PRIVATE CAR COMPANIES

NATURAL RESOURCES

61 00 - PRODUCING MINES
63 00 - PRODUCING OIL
66 00 - NON-PRODUCING MINE PROPERTY
68 00 - MINERAL RIGHTS ONLY
69 00 - STANDING TIMBER

SPECIAL USE PROPERTY

85 00 thru 89 00

GENERAL SERVICE USE

92 00 thru 92 93 - RELIGIOUS
94 00 thru 94 96 - FEDERAL
95 00 thru 95 96 - STATE
96 00 thru 96 96 - COUNTY
97 00 thru 97 96 - MUNICIPAL
98 00 thru 98 60 - INDIAN LANDS

TYPE OF INSTRUMENT - EVIDENCE SALE

AG CONTRACT FOR SALE, AGREEMENT FOR SALE
D DEED OF A CORPORATION, DEED TRANSF. TITLE TO A CONDOMINIUM TENANCY IN COMMON DEED
DD DISCLAIMER DEED
PD GIFT DEED
GD GRANT DEED
HD SHERIFF'S DEED
JD JOINT TENANCY DEED, SPECIAL JT. TENANCY DEED
PD PROBATE DEED
PO PAY OFF DEED
QD QUIT CLAIM DEED
TD TRUST DEED
TR TREASURER'S DEED
WD WARRANTY DEED, SPECIAL WARRANTY DEED

EXHIBIT 2

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
101-01-001	WELKER, CHARLOTTE	79.50	FIELD CROPS
101-02-003	SAFFORD VALLEY COTTON GROWERS	23.60	COTTON GIN
101-02-003A	SAFFORD VALLEY COTTON GROWERS	2.30	COTTON GIN
101-03-001	SAFFORD VALLEY COTTON GROWERS	5.90	COTTON GIN
101-03-036	LONG, MILDRED J	10.37	FIELD CROPS
101-03-037	WELKER, NORMAN J	8.40	FIELD CROPS
101-09-054A	CAMPOS, EPIFANIO P	1.25	SINGLE FAMILY RESIDENTIAL
101-09-055A	PAXTON, DEWAIN & CHARLENE	1.08	SINGLE FAMILY RESIDENTIAL
101-09-067	ROBB, SIDNEY D & GWEN E	1.25	SINGLE FAMILY RESIDENTIAL
101-09-089	SHIRLEY, DALE	2.60	MULTIPLE RESIDENTIAL
101-09-102	EVANS, JORDAN	1.60	NOT LISTED
101-10-001B	LATTER DAY SAINTS REAL ESTATE DIVIS	10.24	RELIGIOUS
101-10-080	HEAP, NORMAN L AND VIRGINIA T	1.33	NOT LISTED
101-11-005	FIRST CHRISTIAN CHURCH OF SAFFORD	1.80	RELIGIOUS
101-11-008	SCOTT, WALTER JR/ WALTER & PAULINE	1.80	VACANT LAND
101-11-009	MCRAE, BINGHAM TED & RANELL F	1.30	SINGLE FAMILY RESIDENTIAL
101-11-014A	FRY ENTERPRISES/FARLEY, WILSON & V	2.12	SINGLE FAMILY RESIDENTIAL
101-11-049	GLENN PROPERTIES INC	15.50	VACANT LAND
101-11-051	JUAREZ, STEVEN N & ANITA L	1.00	VACANT LAND
101-11-052	MONTIERTH, WENDELL & SUSIE	1.10	SINGLE FAMILY RESIDENTIAL
101-11-055	GOODMAN, ROBERT AND VIRGINIA	1.80	NOT LISTED
101-12-004	RICHARDSON, WILFORD R	1.70	VACANT LAND
101-12-005	WELKER, NORMAN J	58.30	FIELD CROPS
101-12-007	HOLDER, JAMES & CLARICE	21.20	FIELD CROPS
101-12-008	HOLDER, JAMES F AND CLARICE	1.29	MULTIPLE RESIDENTIAL
101-13-014	ELLSWORTH, LAUREL P	3.94	VACANT LAND
101-13-015	BLISS, DARWIN	1.07	VACANT LAND

EXHIBIT 3

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
101-13-026	ANGLE, MELVIN L AND SHIRLEY	1.70	MOBILE HOME
101-14-003	SCOTT, E WALTER AND PAULINE	1.60	SINGLE FAMILY RESIDENTIAL
101-14-007A	ELY, HARVEY AND RENATE	2.00	SINGLE FAMILY RESIDENTIAL
101-14-009B	MCEUEN, NORMAN Z AND OLIVE M	1.50	VACANT LAND
101-14-011	MACK, ROSTEL	2.90	SINGLE FAMILY RESIDENTIAL
101-15-005	MACK, EUNICE	37.60	FIELD CROPS
101-16-002	BOWMAN FAMILY TRUST	1.90	SINGLE FAMILY RESIDENTIAL
101-16-004	OWENS, H D	1.90	SINGLE FAMILY RESIDENTIAL
101-16-011	SAFFORD SCHOOL	17.35	COUNTY
101-16-016	SAFFORD SCHOOL DIST #1	13.03	NOT LISTED
101-16-019	ROGERS, WALLACE B AND DOLORES	1.40	SINGLE FAMILY RESIDENTIAL
101-18-017	FIRST METHODIST CHURCH	1.00	RELIGIOUS
101-18-018	SAFFORD SCHOOL	10.40	COUNTY
101-18-020	SAFFORD SCHOOL DIST #1	3.40	COUNTY
101-18-024A	RHODES, DWAINE/MISAK	1.67	VACANT LAND
101-18-024B	RHODES, DWAINE/MISAK	1.61	VACANT LAND
101-18-030	S P TRANSPORTATION CO	3.90	COMMERCIAL PROPERTY
101-18-036	PHILLIPS, HAROLD	1.43	VACANT LAND
101-18-038	KEMPTON, KENT & PATRICIA	6.40	VACANT LAND
101-19-133	ROGERS FAMILY PARTNERSHIP	3.60	MULTIPLE RESIDENTIAL
101-20-003B	HATCH, BURWELL & MAYTEE	2.30	SINGLE FAMILY RESIDENTIAL
101-20-004	ROBBS, DIXIE DEAN	9.06	FIELD CROPS
101-20-005	REILING EDWARD RICHARD	20.10	FIELD CROPS
101-20-011	WEBB, URILDA	9.70	FIELD CROPS
101-20-020A	BROWN, WILLIAM O & BERNICE	17.45	FIELD CROPS
101-20-024	MOLINA,STEVE & L/JOHN P & C	1.83	SINGLE FAMILY RESIDENTIAL
101-20-025	HATCH, STEVEN TAD & TERRY JUNE	4.22	VACANT LAND

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
101-20-033	MACK, ROSTELL	3.70	FIELD CROPS
101-20-034	SAFFORD SCHOOL DISTICT	16.13	COUNTY
101-20-036	HOLDER, JAMES F AND CLARICE	1.00	COMMERCIAL PROPERTY
101-20-037	HOLDER, JAMES F & CLARICE	7.30	COMMERCIAL PROPERTY
101-20-038	CURTIS CARL FARMS INC/PHIL & NANCY	15.30	FIELD CROPS
101-20-039	PRENTICE, TRUMAN AND SARAH	1.89	SINGLE FAMILY RESIDENTIAL
101-20-040	HATCH, BURWELL AND MAYTEE	2.09	VACANT LAND
101-20-041	AUKERMAN, BURT M AND BETTY L	1.09	SINGLE FAMILY RESIDENTIAL
101-21-009	LINES, BOYCE	5.74	SINGLE FAMILY RESIDENTIAL
101-21-010	LINES, BOYCE	4.16	VACANT LAND
101-21-026	MOYERS, CHARLES A & LORRAINE	1.72	NOT LISTED
101-21-028	POLLOCK, NORMAN JACK & F COLLEEN	1.47	SINGLE FAMILY RESIDENTIAL
101-21-033	SOLLARS,THOMAS & D/HOLDER,JAMES & C	3.68	VACANT LAND
101-21-044	HATCH, RIC	2.57	FIELD CROPS
101-21-045	DESERT ROSE DEVELOPMENT	15.76	NOT LISTED
101-21-047	G C R A D A, INC.	8.94	COMMERCIAL PROPERTY
101-21-050	LINES, RICHARD B & RAMONA G	18.68	FIELD CROPS
101-21-051	CLONTS, SURCIE C AND MILDRED	38.50	FIELD CROPS
101-21-052	ELLSWORTH, CLIFF AND MARY HELEN	1.12	SINGLE FAMILY RESIDENTIAL
101-21-054	ELLSWORTH, PAULINE	1.17	VACANT LAND
101-24-021	JENKINS, ETHELYN	2.55	SINGLE FAMILY RESIDENTIAL
101-24-028	STAUFFER, DELMAR BAILEY & ELIZABETH	2.00	SINGLE FAMILY RESIDENTIAL
101-24-030	CHENEY, ERVIN D	1.86	SINGLE FAMILY RESIDENTIAL
101-24-036	WELKER, DONALD I & PHYLLIS	2.00	SINGLE FAMILY RESIDENTIAL
101-24-039	SCHWALLIER, MICHAEL J. & PEGGY	1.63	SINGLE FAMILY RESIDENTIAL
101-24-040	GLENN PROPERTIES INC	1.19	VACANT LAND
101-24-068	KNIGHT, F W AND MARY E	1.55	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
101-24-069	KNIGHT/ANDERSON/HINEMAN/POWELL	11.00	VACANT LAND
101-24-072	HAMILTON, GLENN AND BEA	2.75	VACANT LAND
101-24-075	CLUFF PROP INC	4.60	VACANT LAND
101-25-002	ARVALLO, ALBERT F & ANGELINA D	1.70	NOT LISTED
101-25-003C	OWENS INVESTMENT CORP	26.89	VACANT LAND
101-25-132	CLUFF PROP INC	4.80	VACANT LAND
101-25-139	GREEN, GARY RONALD	1.10	VACANT LAND
101-25-140	GREEN, RONALD M & TOMI KAYE	1.10	SINGLE FAMILY RESIDENTIAL
101-25-141	DURON, GILBERT & AGUEDA	1.90	VACANT LAND
101-25-142	RAGLAND, EDWIN G & MONIKA	2.00	VACANT LAND
101-27-001A	HANCOCK/LYNN HANCOCK/NORMAN	18.22	VACANT LAND
102-04-003	HALE/KNUTSEN/GALARDI/PHILLIPS	62.60	FIELD CROPS
102-04-004	ALDER, JOE AND EVELYN/LESLIE &BREND	8.60	FIELD CROPS
102-10-001	CRAIG, LANELL	90.00	NOT LISTED
102-10-003A	JOHNSON, GERALD KEITH WD	28.50	FIELD CROPS
102-10-003B	JOHNSON, ARTHUR VORIS	28.75	FIELD CROPS
102-11-002	BELL, ROBERT J & B/SMITH, IVAN J &M	62.80	NOT LISTED
102-11-004	GOLDING, IRVAN S	19.80	FIELD CROPS
102-12-001	GOLDING, IRVAN S	38.80	FIELD CROPS
102-13-004	CURTIS: CARL & RUTH, PHIL & NANCY	101.48	FIELD CROPS
102-13-007	PALMER, VERLE I & TRELVA	57.48	FIELD CROPS
102-13-011	KAI, JOHN JR / KAI, HERBERT	28.20	FIELD CROPS
102-14-003	PRINA FARMS INC.	60.40	FIELD CROPS
102-14-004	LAYTON, HENRY MARDEN	96.60	FIELD CROPS
102-14-005	SAFFORD CITY OF	1.30	MUNICIPAL
102-15-011	KRM ENTERPRIZES	1.39	MULTIPLE RESIDENTIAL
102-15-013	KAI MOTELS INC C/O KAI JOHN	11.10	COMMERCIAL PROPERTY

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
102-15-016	PALMER, VERLE I & TRELVA	1.10	VACANT LAND
102-15-020	OWENS PLAZA TRUST	2.09	COMMERCIAL PROPERTY
102-15-021	CURTIS,CARL & RUTH/PHIL & NANCY	2.08	COMMERCIAL PROPERTY
102-15-028	CURTIS, CARL & RUTH/PHIL & NANCY	1.03	NOT LISTED
102-15-029	CURTIS, CARL & RUTH/PHIL & NANCY	1.03	COMMERCIAL PROPERTY
102-15-031	OLSEN, HARVEY J	1.76	VACANT LAND
102-15-043A	FIRST UNITED STATE CREDIT UNION	1.31	VACANT LAND
102-15-052	PALMER/RYAN/WATERS/CURTIS	1.82	NOT LISTED
102-15-053	PALMER/RYAN/WATERS/CURTIS	1.79	NOT LISTED
102-15-054	PALMER/RYAN/WATERS/CURTIS	30.22	NOT LISTED
102-15-063	CURTIS,CARL & RUTH/PHIL & NANCY	25.65	NOT LISTED
102-16-001A	FERGUSON FARMS A PARTNERSHIP	25.41	FIELD CROPS
102-16-014	KAY, ROGER D & WANDA/ROBINSON L&L	2.79	MOBILE HOME
102-16-032	CHRISTENSON, RAY M & FREEDA E	1.18	COMMERCIAL PROPERTY
102-16-034	HARALSON INVESTMENT CO	1.27	COMMERCIAL PROPERTY
102-17-003A	BIRDNO, ARMAND H FAMILY TRUST	6.51	FIELD CROPS
102-17-019	FERGUSON FARMS A PARTNERSHIP	14.41	FIELD CROPS
102-17-023	BELL, J ALBERTA ESTATE/PRINA, FRED	9.20	VACANT LAND
102-17-024	BELL, J ALBERTA ESTATE/PRINA, FRED	2.15	VACANT LAND
102-18-001C	BIRDNO, ARMAND H	1.62	MOTEL
102-18-021B	WEST, BONNIE	1.27	SINGLE FAMILY RESIDENTIAL
102-18-030	BIRDNO, ARMAND H FAMILY TRUST	3.33	VACANT LAND
102-18-052	BIRDNO, ARMAND H & FAMILY TRUST	17.32	NOT LISTED
102-20-001A	SOUTHEASTERN BOTTLING CO	2.50	MANUFACTURING (FOODS/KINDRED)
102-20-003	PRINA, DENELDA FERGUSON	85.30	FIELD CROPS
102-20-004	PRINA, Z C	132.20	NOT LISTED
102-25-001	GRIFFITH, JOHN & MARY	2.50	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
102-25-003	ESCOBEDO FARMS INC	25.30	FIELD CROPS
102-25-007	MALOY, THELMA	6.50	WAREHOUSING
102-26-062	HARALSON, A H SONS MFG.	1.20	MANUFACTURING (DUR/NONDURABLE)
102-26-063	SAFFORD CITY OF	9.00	MUNICIPAL
102-27-002	JOHNSON, TOM	1.00	COMMERCIAL PROPERTY
102-27-005	AMRON, HOWARD C/BENDEZ, M ALBERT	1.20	COMMERCIAL PROPERTY
102-27-015	LUSTER, RAY AND NAYDA	1.00	COMMERCIAL PROPERTY
102-27-026A	SANFORD, THELMA	4.00	SINGLE FAMILY RESIDENTIAL
102-28-003	ROGERS, WALLACE & D/KRIEG, DEAN & M	2.00	MOTEL
102-28-011	HANCOCK, IVAN	1.70	NOT LISTED
102-28-013	LINES:RUSKIN JR, PAUL, CHRISTOPHER	1.00	SINGLE FAMILY RESIDENTIAL
102-28-057	BRINKERHOFF INVESTMENTS	1.90	WAREHOUSING
102-28-059	BRINKERHOFF INVESTMENTS	2.50	WAREHOUSING
102-29-002	ESCOBEDO FARMS INC	63.50	FIELD CROPS
102-29-002B	JOHN, HAROLD	37.30	FIELD CROPS
102-29-010	JOHN, BELVA ELIZABETH	46.20	FIELD CROPS
102-29-014	SLC PROPERTIES	3.00	FIELD CROPS
102-29-019	DALEY, NED & VELMA	106.10	MOBILE HOME
102-31-007	CLARIDGE, ALF	9.80	RANCH PROPERTY
102-32-004	TIDWELL,E L,ETTA/HINTON,MARIANNE	3.60	FIELD CROPS
102-33-002	CLARIDGE, ALF B	208.99	FIELD CROPS
102-33-003A	KEMPTON, JERALD AND ANNE	36.90	FIELD CROPS
102-33-003B	SLC PROPERTIES	133.10	FIELD CROPS
102-34-001	CLARIDGE, ALF	282.73	FIELD CROPS
102-34-002	CLARIDGE, ALF B & LENORE	303.40	FIELD CROPS
102-35-002	CLARIDGE, EDWARD M / U.S. STEEL	143.90	FIELD CROPS
102-35-003	BRYCE,LAYTON,MATTICE,ALLRED	104.70	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
102-35-004	OLSEN: DALE & ELIDA, MARVIN & MARY	17.80	FIELD CROPS
102-35-009	TRAW, BLANCHE STEVENSON	74.80	FIELD CROPS
102-36-	ARIZONA STATE HIGHWAY DEPARTMENT	1.50	UNKNOWN
102-36-001	JOHN, PAUL	64.96	FIELD CROPS
102-36-002	JOHN, HARVEY J	70.70	FIELD CROPS
102-36-003	PENDER: WILLIAM,KENNETH,NORMA	6.00	MOBILE HOME
102-36-005	ARIZONA STATE HWY DPT	1.00	STATE
102-37-001	WILLIAMS, MARGARET	18.40	FIELD CROPS
102-37-002	MONTIERTH: NEAL,JOSEPH,LOIS	46.90	FIELD CROPS
102-37-003	HYDE, JOSEPH G & JOAN W	19.20	COMMERCIAL PROPERTY
102-37-011	OLSEN: DALE & ELIDA, MARVIN & MARY	38.90	FIELD CROPS
102-39-001	CLARIDGE, ALF	1.34	COMMERCIAL PROPERTY
102-39-014	LONG, ROBERT L	10.53	COMMERCIAL PROPERTY
102-41-003	KILLIAN, JOE V AND EARLINE	3.50	SINGLE FAMILY RESIDENTIAL
102-41-005	WELKER, NORMAN J	74.20	FIELD CROPS
102-41-009	JOHN, BELVA ELIZABETH	15.80	TREE CROPS
102-41-010	URIBE: MARIA, ALBERT & MARIA	18.00	FIELD CROPS
102-41-015	MARBLE, DONALD C & SHARON B	5.00	SINGLE FAMILY RESIDENTIAL
102-41-018	FLETCHER ENT INC % COBRE TIRE CO	2.40	COMMERCIAL PROPERTY
102-42-002	WELKER, NORMAN J	87.30	FIELD CROPS
102-42-005	NELSON, HOOVER E & ALTA J	69.00	NOT LISTED
102-43-002	JOHN, HUGH A & FLORA	64.80	FIELD CROPS
102-43-005A	RUIZ, FRANK T & EULOJIA	3.40	SINGLE FAMILY RESIDENTIAL
102-43-012	SAINZ, PATRICIO S & OLIVIA	1.30	MOBILE HOME
102-43-016	THOMISON, RAYMOND L	1.50	COMMERCIAL PROPERTY
102-43-035	MONTIERTH: NEAL, JOSEPH,LOIS	59.41	NOT LISTED
102-43-036	PEARSON, CLIFFORD RALPH & CYNTHIA L	1.00	VACANT LAND

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
102-43-037	PEARSON, IVAN B	2.00	SINGLE FAMILY RESIDENTIAL
103-01-001	LINDSEY, WILLIAM R/ADDIE	75.10	NOT LISTED
103-02-028	LINES, RICHARD B & RAMONA G	7.70	FIELD CROPS
103-02-029	CLONTS, SURCIE C AND MILDRED	36.60	FIELD CROPS
103-04-045A	MCEUEN, RONALD C AND CAROL	1.00	SINGLE FAMILY RESIDENTIAL
103-04-048	BINGHAM, GEORGE C	1.16	SINGLE FAMILY RESIDENTIAL
103-07-008	ELY, HARVEY E & RENATE	10.30	SPECIAL USE PROPERTY
103-07-017	ROBBS, STEVENS, ANGLE	27.04	FIELD CROPS
103-07-029	WELKER, ROSA	60.40	FIELD CROPS
103-07-032	GEE, GAR TEONG & PUI CHUN YU	14.17	VACANT LAND
103-07-037	MACK, ROSTEL	13.63	NOT LISTED
103-07-042	NEW TESTEMENT BAPIST CHURCH	7.54	RELIGIOUS
103-07-051	ANGLE, ELDON AND AVALON	5.45	SINGLE FAMILY RESIDENTIAL
103-07-054	BRINKERHOFF, SPENCER & RUTH	3.51	SINGLE FAMILY RESIDENTIAL
103-08-	ALEXANDER LOTS	2.90	UNKNOWN
103-08-004B	SAFFORD SCHOOL DIST #1	8.00	COUNTY
103-08-004C	BURRELL, C VERNON AND ANDREW	20.50	NOT LISTED
103-08-004D	BURRELL, C VERNON/ANDREW	2.50	NOT LISTED
103-08-005	ALEXANDER, HAROLD & SHIRLEY	12.80	MOBILE HOME
103-08-031	RATH, JOGESWAR AND RUNUBALA	6.48	VACANT LAND
103-08-041	BERMUDEZ, BALTAZAR M & MARY ANN	1.31	SINGLE FAMILY RESIDENTIAL
103-08-042	BROWN, WM O & BERNICE	1.39	COMMERCIAL PROPERTY
103-08-043	BROWN, WAYNE OLIVER & CYNTHIA MAE	1.42	MOBILE HOME
103-08-044A	SEDREL, IVAN S	2.11	SINGLE FAMILY RESIDENTIAL
103-08-046A	RYAN, RUTH M/ HEMBREE, PATRICIA M	2.08	SINGLE FAMILY RESIDENTIAL
103-08-055	LATTER DAY SAINTS	9.71	RELIGIOUS
103-08-062	GOODNER, BRUCE	1.36	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
103-08-063	CAMPOS, TRINIDAD & JUANITA	1.16	MOBILE HOME
103-08-065	BERMUDEZ, BALTAZAR M AND MARY ANN	1.19	MOBILE HOME
103-08-066	RAWSON, PAUL	1.75	SINGLE FAMILY RESIDENTIAL
103-08-067	TOLMAN, RONALD C & LOUISE L	1.75	SINGLE FAMILY RESIDENTIAL
103-08-069	DECKER, DAVID & SUSAN	1.74	VACANT LAND
103-08-070	ROSEBERRY, RONALD J & CAROLYN	1.74	SINGLE FAMILY RESIDENTIAL
103-09-005	JENSEN, RUTH	6.90	FIELD CROPS
103-09-008	GRAHAM, BARRY L & SHIRLEY A	1.00	SINGLE FAMILY RESIDENTIAL
103-09-009	DORRELL, CECIL J AND JESSIE	1.50	SINGLE FAMILY RESIDENTIAL
103-09-016	VILLALBA, ONESIMO & ROSA	1.50	SINGLE FAMILY RESIDENTIAL
103-09-020	CLIFFORD, OPAL (MOODY)	16.84	NOT LISTED
103-10-005	LOMA LINDA ESTATES INC/WELKER, D	7.78	FIELD CROPS
103-10-012	HAMILTON, GT/POLLOCK,NJ	1.07	VACANT LAND
103-10-013	BINGHAM, A	1.07	SINGLE FAMILY RESIDENTIAL
103-10-014	HUNTINGTON, JOSEPH L & ELIZABETH C	1.07	SINGLE FAMILY RESIDENTIAL
103-10-015	TANKERSLEY, PAUL	1.07	SINGLE FAMILY RESIDENTIAL
103-10-016	MARTIN, JOHN W & MARCIA A	1.06	SINGLE FAMILY RESIDENTIAL
103-10-017A	BUNDT, KENNETH & TERRI	1.02	VACANT LAND
103-10-019	PETERSON, OMA B	1.08	SINGLE FAMILY RESIDENTIAL
103-10-020	DOBBS, BILL & M CHARMAYNE	1.06	SINGLE FAMILY RESIDENTIAL
103-10-021	PEREZ, JOE M & SHARLOTTE J	1.07	SINGLE FAMILY RESIDENTIAL
103-10-022	HAWKINS, WESLEY & MAXINE	1.07	VACANT LAND
103-10-023	BAUER, BRUCE P & KIMBERLY G	1.07	SINGLE FAMILY RESIDENTIAL
103-10-024	HAMILTON, GT/POLLOCK, NJ	1.07	VACANT LAND
103-10-025	HAMILTON, GT/POLLOCK, NJ	1.05	VACANT LAND
103-10-026	CARPENTER, JEFF & PENNY	2.95	VACANT LAND
103-10-027	NORTON, ROBERT & JOYCE L	1.94	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
103-10-029	WELKER, NORMAN & CHARLOTTE	57.10	FIELD CROPS
√103-10-034	BARNEY, RUSS R AND CAROL JEAN	3.84	SINGLE FAMILY RESIDENTIAL
103-10-035	FINDLEY, RICK & SANDY	1.07	SINGLE FAMILY RESIDENTIAL
103-11-018A	BASS, GROVER T AND LAURA	6.30	NOT LISTED
103-12-001	SCOTT, E. WALTER & PAULINE	27.00	FIELD CROPS
103-12-002	OLSEN, LEWIS & VIVIAN LE	10.00	SPECIAL USE PROPERTY
103-12-003	OLSEN, HARRY	10.00	SPECIAL USE PROPERTY
103-12-004	NAYLOR, NAN MARIE	37.00	FIELD CROPS
103-12-005	WELKER, WILLARD	140.10	FIELD CROPS
103-12-008	WELKER, WILLARD	13.30	FIELD CROPS
103-12-009	WELKER, WILLARD	50.40	FIELD CROPS
103-12-013	ELLSWORTH, LAUREL	56.30	FIELD CROPS
103-13-003A	OLSEN: DALE, MARVIN, RANDALL,STEVEN	12.00	FIELD CROPS
103-13-005	CLIFFORD, REVA M	35.70	FIELD CROPS
103-13-013	OLSEN: DALE, MARVIN, RANDALL	33.50	FIELD CROPS
103-13-017	MONTIERTH, LOIS BIGLER	16.80	FIELD CROPS
103-14-002	OLSEN: DALE, MARVIN, RANDALL,STEVEN	36.80	FIELD CROPS
103-14-003	OLSEN: DALE & ELIDA, MARVIN & MARY	10.00	FIELD CROPS
103-14-004	OLSEN, DALE, MARVIN, RANDALL,STEVEN	20.00	FIELD CROPS
103-15-003	ELLSWORTH, TRELLA	37.30	FIELD CROPS
103-15-004	BLAIR, JOE W & JANELL	37.00	FIELD CROPS
103-16-001	KEMPTON, C L & HERMIONE	45.60	FIELD CROPS
103-16-006A	MAYLEN, KIRT	1.36	MOBILE HOME
103-16-008	UNIV OF AZ SAFFORD AG CENTER	62.80	STATE
103-16-009	MONTIERTH:ROBERT, JOSEPH, LOIS	10.50	FIELD CROPS
103-16-010A	MONTIERTH: ROBERT, JOSEPH, LOIS	32.80	FIELD CROPS
103-16-010B	CLIFFORD, GORDON L & BILLIE RUTH	8.00	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
103-16-012	BLAIR, JOE W & JANELL	50.30	FIELD CROPS
103-16-013	WELKER, NORMAN & CHARLOTTE	140.00	FIELD CROPS
103-16-014	WELKER, NORMAN J & CHARLOTTE W	52.40	FIELD CROPS
103-16-015	FOOTE, GERALD	56.40	FIELD CROPS
103-16-016	LINDSEY: WILLIAM R, ADDIE	35.40	FIELD CROPS
103-16-018	MONTIERTH, ARCH	2.70	SINGLE FAMILY RESIDENTIAL
103-16-197	REAM, NELDA	1.26	SINGLE FAMILY RESIDENTIAL
103-16-201	DURNELL, NOLAND R	1.14	MOBILE HOME
103-16-202	VASQUEZ,L/RAMIREZ,DANIEL/ADIEL B	1.33	MOBILE HOME
103-16-203	BIXLER, DAVID & HELEN	1.80	MOBILE HOME
103-16-205	HANCOCK, IVAN F & KATHRYN T	1.23	MOBILE HOME
103-16-207	MONTIERTH: ROBERT, JOSEPH, LOIS	61.90	FIELD CROPS
103-17-001	LARSON, MARY PRICE	39.50	FIELD CROPS
103-17-002	CLARIDGE, ALF BRENT & LINDA M	138.70	FIELD CROPS
103-17-003	LATTER DAY SAINTS %LDS TAX DIV 22FL	74.10	FIELD CROPS
103-17-006	KEMPTON, C L & HERMIONE	39.00	FIELD CROPS
103-17-009	FOOTE, WALTER	75.90	FIELD CROPS
103-17-012	DEAN, D/ STONE, W/ SMITH, L/ DEAN C	20.64	FIELD CROPS
103-17-012A	BARNEY, VILATE AND MILLIE	19.60	FIELD CROPS
103-17-013A	BARNEY, FRANKLIN & ALICE/ LOUIS	21.80	FIELD CROPS
103-17-014A	BARNEY, FRANKLIN & ALICE ANN BAWDEN	30.40	FIELD CROPS
103-17-018	KEMPTON, C L & HERMIONE	18.31	FIELD CROPS
103-17-029	CLARIDGE, ALF B & LENORE	29.60	FIELD CROPS
103-17-030	CLARIDGE, CHRIS	45.40	FIELD CROPS
103-18-002	CLARIDGE, ALF B & LENORE	31.30	FIELD CROPS
103-18-003	LAYTON, F DENNIS & PAULA	291.60	FIELD CROPS
103-18-004	LAYTON, F DENNIS & PAULA	38.80	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
103-18-006	KEMPTON, C L & HERMIONE	49.20	FIELD CROPS
103-18-007A	KEMPTON, JERALD LEROY	30.40	FIELD CROPS
103-18-008	LAYTON, F DENNIS & PAULA	86.70	FIELD CROPS
103-18-011	SLC PROPERTIES	16.50	SINGLE FAMILY RESIDENTIAL
103-19-001	CLARIDGE, KENNETH SAMUEL & MARLENE	3.18	NOT LISTED
103-19-015	CARPENTER, PEARL	1.58	NOT LISTED
103-19-034	SOLOMONVILLE SCHOOL	2.85	COUNTY
103-20-004	HANCOCK, IVAN F & KATHRYN F	13.70	FIELD CROPS
103-20-007	LATTER DAY SAINTS%LDS TAX DIV. 22FL	55.80	FIELD CROPS
103-20-009	LATTER DAY SAINTS%LDS TAX DIV. 22FL	17.40	92 RELIGIOUS FARM
103-20-010	LAYTON, F DENNIS & PAULA	57.40	FIELD CROPS
103-21-005	LATTER DAY SAINTS%LDS TAX DIV 22FL.	7.90	FIELD CROPS
103-21-011	FOOTE, WALTER SR TRUST	39.50	FIELD CROPS
103-22-001	KEMPTON, JERRY L & ANNE % CL KEMPTO	34.40	FIELD CROPS
103-22-010B	DAVIS: DELORES I/WALTON,L T & N J	1.20	SINGLE FAMILY RESIDENTIAL
103-22-015A	ELLSWORTH, TRELLA	29.90	FIELD CROPS
103-22-039	KEMPTON, JERALD, & ANNE	59.00	NOT LISTED
103-22-041	FOOTE:BERTRAND & JEANNE/ELY H & R	26.90	FIELD CROPS
104-02-001	CRAIG, LANELL / SHELLEY	26.00	NOT LISTED
104-02-002	LAYTON, GLEN J	86.80	FIELD CROPS
104-02-002A	LAYTON, GLEN J	9.00	FIELD CROPS
104-02-007A	DAILEY, BROOKS & MARGARET	20.40	RANCH PROPERTY
104-02-008	PALMER, VERLE	20.20	FIELD CROPS
104-02-014	DALEY, KENT & MARION/JIM & LYNN	19.20	FIELD CROPS
104-02-015	DALEY, KENT & MARION/ JIMMIE & LYNN	6.00	FIELD CROPS
104-02-016	DALEY, KENT & MARION/JIMMIE & LYNN	71.60	NOT LISTED
104-02-017	DALEY, KENT & MARION/JIMMIE & LYNN	13.80	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
104-02-019	DALEY, KENT & MARION/JIMMIE & LYNN	5.70	FIELD CROPS
104-02-021	HUNT, LEA & VERA	32.00	FIELD CROPS
104-02-022	LATTER DAY SAINTS	68.30	FIELD CROPS
104-02-024	LATTER DAY SAINTS	4.80	FIELD CROPS
104-02-025	HUNT, LEA & VERA	38.60	FIELD CROPS
104-03-002	HUNT, LEA & VERA	3.00	SINGLE FAMILY RESIDENTIAL
104-03-003	HARTUNG, MARY BERNADINE	1.40	COMMERCIAL PROPERTY
104-03-006A	DOMINGUEZ, SATURINO P & JUANITA	1.50	MULTIPLE RESIDENTIAL
104-03-010	BARQUIN, JUAN & SOLEDAD L	1.70	NOT LISTED
104-03-012	LUTZ, N B & DORTHA F	3.90	MOBILE HOME
104-03-016	GRAND PROP INC DBA THE PIONEER	3.00	COMMERCIAL PROPERTY (PARKING)
104-03-017	SPAFFORD, LOTTIE E	5.50	SINGLE FAMILY RESIDENTIAL
104-04-003B	BOTT, CARL & LAURA LEE	1.20	MOBILE HOME
104-04-010	DRYDEN, NEWELL & BUNNY	1.20	SINGLE FAMILY RESIDENTIAL
104-04-012	PORTER, MAUDE	27.50	FIELD CROPS
104-04-014	HOOPES, JERRY ORRELL & JOANN J	14.30	FIELD CROPS
104-04-015	HOOPES, JERRY ORRELL & JOANN J	5.00	SINGLE FAMILY RESIDENTIAL
104-04-018	HOOPES, GROVER LAMRO & ELAINE	3.80	VACANT LAND
104-04-022	LAYTON, DENNIS F & PAULA	10.00	FIELD CROPS
104-04-034	WILSON, CRAE	1.00	SINGLE FAMILY RESIDENTIAL
104-04-044	CLUFF, RONALD E & PATSY	1.00	SINGLE FAMILY RESIDENTIAL
104-04-046	PLATT, RODNEY & NEDRA	29.20	FIELD CROPS
104-04-055	PALMER, ARDEN J & MARY LOUISE	19.50	FIELD CROPS
104-04-056	LEE, EWERT T & YVONNE	2.70	SINGLE FAMILY RESIDENTIAL
104-04-059	WATSON, CHARLES W & DIANE L	1.80	VACANT LAND
104-04-060	CURTIS, MAYBURN J & BETTY	1.30	COMMERCIAL PROPERTY
104-04-066	LAYTON, F DENNIS & PAULA	14.50	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
104-04-069	PORTER, MAUDE	10.00	FIELD CROPS
104-04-070	LAYTON, DENNIS F & PAULA	28.90	FIELD CROPS
104-04-074	PALMER, ARDEN J & MARY LOUISE	9.00	VACANT LAND
104-04-075	PALMER, ARDEN J & MARY LOUISE	11.20	FIELD CROPS
104-04-076	BURKETT, BERTHA	1.70	SINGLE FAMILY RESIDENTIAL
104-04-077	PALMER, ARDEN J & MARY LOUISE	103.80	FIELD CROPS
104-04-078	PALMER, JAMES A & CELINDA	1.10	SINGLE FAMILY RESIDENTIAL
104-09-109	THATCHER SCHOOL DISTRICT	10.00	COUNTY
104-09-117A	DAILEY, BROOKS	10.00	FIELD CROPS
104-10-001A	LATTER DAY SAINTS	2.00	RELIGIOUS
104-10-005	EASTERN ARIZONA COLLEGE	8.00	STATE
104-10-149	VELASQUEZ, MANUELA	2.00	SINGLE FAMILY RESIDENTIAL
104-10-307	SIMMONS, MELVIN & EMILY	1.10	VACANT LAND
104-10-308	EDDINGTON, MILTON	2.90	MOBILE HOME
104-11-001	LAYTON, FARRELL C	178.70	FIELD CROPS
104-11-002	LAYTON, FARRELL C	9.00	FIELD CROPS
104-11-003	CLARIDGE, VIRGINIA	22.60	FIELD CROPS
104-11-005	CLARIDGE, VIRGINIA	7.60	FIELD CROPS
104-11-012	ROMNEY, PARK	1.30	MOBILE HOME
104-11-013	PETERSON, STEVE	2.00	MOBILE HOME
104-11-016	FERGUSON FARMS-PRINA FARMS INC	50.80	FIELD CROPS
104-11-017	PALMER, ELDON	31.20	FIELD CROPS
104-11-018	LOMA LINDA ESTATES	21.40	FIELD CROPS
104-11-019	PENNINGTON, AUTRY & MARJORIE	2.90	SINGLE FAMILY RESIDENTIAL
104-11-020	HETMER, RAYMOND F & BOBBIE	1.80	SINGLE FAMILY RESIDENTIAL
104-12-001	GRAHAM COUNTY ELECTRIC	6.80	NOT LISTED
104-12-003C	CLARIDGE, VIRGINIA	82.20	NOT LISTED

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
104-12-006A	SHERMAN, GERALD AND JUDY	7.30	NOT LISTED
104-12-014	PECK, MARION MAX AND ALTA L	4.46	VACANT LAND
104-12-016	SMITH, EVERETT F AND MARGARET	4.50	SINGLE FAMILY RESIDENTIAL
104-12-017	SMITH, KEITH E AND ETTA M	11.60	FIELD CROPS
104-13-005	ALLEN, LEE AND COLLEEN	1.00	SINGLE FAMILY RESIDENTIAL
104-13-006	ALLEN, LEE AND COLLEEN	2.10	COMMERCIAL PROPERTY
104-13-007	LAYTON, FARRELL C	1.10	FIELD CROPS
104-13-007A	LAYTON, FARRELL C	10.50	FIELD CROPS
104-13-007B	LAYTON, FARRELL C	2.30	FIELD CROPS
104-13-017A	BROWN, WOODROW J	1.00	NOT LISTED
104-13-017B	BROWN, WOODROW J	2.25	NOT LISTED
104-13-018	BROWN, WOODROW J	1.00	SINGLE FAMILY RESIDENTIAL
104-13-035	LATTER DAY SAINTS	3.90	RELIGIOUS
104-13-039	PALMER, DENNIS V & MARGARET	2.10	SINGLE FAMILY RESIDENTIAL
104-13-043	MOORE, LORYN DALE AND LILLIE ANN	1.00	SINGLE FAMILY RESIDENTIAL
104-13-046	PALMER, VERLE & TRELVA	15.30	NOT LISTED
104-13-047	TATE, IRETTA L	17.90	TREE CROPS
104-13-050	TATE, HAROLD A/ALLEN, MAXINE	9.90	TREE CROPS
104-13-055	PALMER, VERLE & TRELVA	15.10	FIELD CROPS
104-14-006	LOFGREEN, A H ET AL	57.10	FIELD CROPS
104-15-001	FLORES, ISABELLE	1.40	SINGLE FAMILY RESIDENTIAL
104-15-004	DECONCINI, ORA	11.00	FIELD CROPS
104-15-006A	CLARIDGE, VIRGINIA	35.00	FIELD CROPS
104-15-012	FERGUSON FARMS A PARTNERSHIP	64.10	FIELD CROPS
104-17-044	POLLOCK, SAMUEL WEBSTER & LOUISE	4.00	SPECIAL USE PROPERTY
104-17-050	HOUSEHOLDER, DELBERT AND KAREN	8.70	FIELD CROPS
104-17-051	HOLGERSON, GLEN M AND KATHLYN	1.50	NOT LISTED

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
104-23-005	CLARIDGE, VIRGINIA	2.50	FIELD CROPS
104-23-008	CARL CURTIS FARMS INC	20.50	VACANT LAND
104-23-011	LINES, RUSKIN R AND JANICE	44.10	FIELD CROPS
104-23-013	SMITH FAMILY TRUST, KEITH E & ETTA	8.50	FIELD CROPS
104-23-029	DALEY, NED & VELMA	28.80	FIELD CROPS
104-23-030	DALEY, NED	21.00	FIELD CROPS
104-24-001	CLUFF, VANCE J	8.00	SINGLE FAMILY RESIDENTIAL
104-24-003	LEE, BLANCH T	1.80	SINGLE FAMILY RESIDENTIAL
104-24-005	FERRIN, DALE	2.20	NOT LISTED
104-24-014	CURTIS, DEAN A	7.80	FIELD CROPS
104-24-019	GLASSGOW, ALBERT & BERTHA	1.10	SINGLE FAMILY RESIDENTIAL
104-24-027	FLOWERS, JEFF J & MYRTLE	1.80	VACANT LAND
104-24-048	DODGE, BRUCE	4.70	SINGLE FAMILY RESIDENTIAL
104-25-006	WOODS, JULIA	4.20	SINGLE FAMILY RESIDENTIAL
104-25-035	SUNCREST APARTMENTS	5.80	MULTIPLE RESIDENTIAL
104-25-049	DALEY, NED & VELMA	20.80	FIELD CROPS
104-26-24A	MOODY, VERMA	1.00	SINGLE FAMILY RESIDENTIAL
104-28-059	EASTERN ARIZONA COLLEGE	26.70	STATE
104-28-060	CARPENTER, CLOYD/UDALL, LEOLA	99.20	FIELD CROPS
104-28-062	CURTIS, CARL FARMS INC/DEAN & PHILLIS	13.60	NOT LISTED
104-28-065	CARPENTER, CLOYD M & VEDA MAE	14.00	FIELD CROPS
104-28-066	CURTIS, CARL FARMS INC	35.20	FIELD CROPS
104-28-068	DALEY, NED & VELMA	34.20	FIELD CROPS
104-29-018	ALVA, MIKE	1.10	SINGLE FAMILY RESIDENTIAL
104-29-020	ALLRED, LARRY	1.00	MOBILE HOME
104-29-037	STEVENS, HAROLD & JOSEPHINE	1.40	SINGLE FAMILY RESIDENTIAL
104-29-048	ROWLEY, HAROLD V	2.10	NOT LISTED

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
104-29-057	DALEY, NED	7.60	FIELD CROPS
104-29-066	SALAZAR, E G & EMMA	4.89	MOBILE HOME
104-29-067	CLEMISHIRE, RONALD L & PRISCILLA	2.27	MOBILE HOME
104-29-071	CURTIS, CARL FARMS/DEAN A & PHYLLIS	12.89	FIELD CROPS
104-29-076	HOLLADAY, DALE & JANICE	4.00	VACANT LAND
104-29-077	OVERSTREET, DALTON & MICHELLE	4.50	VACANT LAND
104-29-078	MIHLFEITH, NEIL & JOYE	4.10	VACANT LAND
104-30-002	DALEY, NED	20.00	FIELD CROPS
104-30-010	KAI, JOHN JR/HERBERT	5.90	VACANT LAND
104-30-018	LAYTON,LAYTON,MCKAY,BAUER	103.60	NOT LISTED
104-30-020	DOWNEY SAVINGS & LOAN ASSOC	1.70	COMMERCIAL PROPERTY
104-30-022	DOWNEY SAVINGS & LOAN ASSOC	2.30	COMMERCIAL PROPERTY
104-30-023	DOWNEY SAVINGS & LOAN ASSOC	4.00	COMMERCIAL PROPERTY
104-31-001	CHALMERS, JOHN R AND PATRICIA	3.40	SINGLE FAMILY RESIDENTIAL
104-31-002A	DALEY, NED	96.40	FIELD CROPS
104-31-003A	WILLIAMS, CLIFFORD J & BESSIE LOU	1.70	SINGLE FAMILY RESIDENTIAL
104-31-005	RHODES, JOHN D & KATHY L	1.10	SINGLE FAMILY RESIDENTIAL
104-31-007	DALEY, NED	9.80	FIELD CROPS
104-31-015	ARIZ CONF CORP OF 7 DAY ADV	6.70	RELIGIOUS
104-31-022	FIRST S. BAPTIST CHURCH THATCHER	5.40	RELIGIOUS
104-31-024	WILLIAMS, CLIFFORD J & BESSIE LOU	1.70	VACANT LAND
104-31-026	NELSON, PAUL & PATRICIA	5.50	VACANT LAND
104-31-027	SLADE, WAYNE & DELORES	20.20	VACANT LAND
104-31-028	LEE, MACHALL D & JOY	1.30	SINGLE FAMILY RESIDENTIAL
104-32-011	BAUER, PHILLIP H & VIVIAN	3.30	FIELD CROPS
104-32-012	KAI, JOHN JR/HERBERT	12.30	MOBILE HOME
104-32-013	JOHNSON, WILLIAM DAVID	23.10	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
104-32-015	LATTER DAY SAINTS	96.00	92 RELIGIOUS FARM
104-32-017	JOHNSON, THOMAS K	2.60	COMMERCIAL PROPERTY
104-32-018	JOHNSON, THOMAS K	5.60	COMMERCIAL PROPERTY
104-32-019	JOHNSON, THOMAS K	1.30	COMMERCIAL PROPERTY
104-32-020	LAYTON,MCKAY,BAUER	18.40	NOT LISTED
104-33-002	WHITMER, JAMES B AND RUTH A	1.30	PLANT NURSERIES
104-33-003C	JOHNSON, THOMAS K	1.50	COMMERCIAL PROPERTY
104-33-004	HOUSEHOLDER, DELBERT AND KAREN	4.00	NOT LISTED
104-33-005	HUNT, LEA & VERA	5.80	FIELD CROPS
104-33-006	HOUSEHOLDER, DELBERT & ELOUISE	3.70	SINGLE FAMILY RESIDENTIAL
104-33-008A	PAYNE, MICHAEL R	2.00	SINGLE FAMILY RESIDENTIAL
104-33-015	ALLRED: J, G, L/DOWDLE R/STEVENS J	20.30	FIELD CROPS
104-33-020	BLAIN, KENNETH E AND JOYE L	1.60	SINGLE FAMILY RESIDENTIAL
104-33-023	MOTES, ELIZA	17.60	NOT LISTED
104-33-024	MOTES, NATHEN L	15.80	FIELD CROPS
104-33-025	WHITMER, J BENJAMIN JR & SUSAN W	4.20	COMMERCIAL PROPERTY
104-33-026	WHITMER, JAMES B AND RUTH A	5.90	VACANT LAND
104-33-027	HUNT, LEA AND VERA	8.10	FIELD CROPS
104-33-028	HUNT, JOHN AND KERRY	1.20	SPECIAL USE PROPERTY
104-33-031	MOTES, ELIZA E	7.80	FIELD CROPS
104-33-032	ALLRED: G, J, L/DOWDLE R/STEVENS J	16.90	FIELD CROPS
104-33-033	SAFFORD ANIMAL HOSPITAL	2.00	COMMERCIAL PROPERTY
104-33-035	ALLRED, J:G:L/DOWDLE, L/STEVENS J	28.50	FIELD CROPS
104-35-004	LEE, DAVID T AND MARILYN D	60.70	FIELD CROPS
104-35-005C	ROBERTS, DONALD D & MARY LOUISE	6.00	SINGLE FAMILY RESIDENTIAL
104-35-006	LATTER DAY SAINTS	24.30	FIELD CROPS
104-35-009	ZAPPIA, EDMUND R AND DORA C	2.00	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
104-35-010	MEEKER, RUSSEL & LUCY/HIGGINS J & D	20.20	PLANT NURSERIES
104-35-041	BINGHAM, STEPHEN AND NANCY	1.00	SINGLE FAMILY RESIDENTIAL
104-35-045	CURTIS, ED & GERRY	1.70	VACANT LAND
104-35-046	CURTIS, EDWARD R & GERALDE	2.90	SINGLE FAMILY RESIDENTIAL
104-35-048	W PATRICK WYMAN FAMILY TRUST	5.40	COMMERCIAL PROPERTY
104-35-051	GRAY, JOHN D AND BETTY	4.30	SINGLE FAMILY RESIDENTIAL
104-35-054	GALE, DWAIN A AND SHARON A	3.20	SINGLE FAMILY RESIDENTIAL
104-35-058	HARTZLER, DON R & MARY C	1.50	NOT LISTED
104-35-059	HOUSEHOLDER, DELBERT AND KAREN	35.40	FIELD CROPS
104-35-061	CURTIS, EDWARD R & GERALDE	1.20	VACANT LAND
104-35-079	CURTIS, CARL FARMS INC	74.70	FIELD CROPS
104-35-082	ROBERTS, DONALD & MARY LOUISE	2.00	VACANT LAND
104-35-083	ROBERTSON, WILLIAM L & E RUTH	1.50	NOT LISTED
104-35-092	MORTON, WILLIAM D & PAMELA	2.10	SINGLE FAMILY RESIDENTIAL
104-35-093	HAM, JOHN R JR & PATHENIA M	1.40	SINGLE FAMILY RESIDENTIAL
104-35-104	SHIDELER, HAROLD W & LOIS S	1.00	SINGLE FAMILY RESIDENTIAL
104-35-105	CLIFFORD, MAX B & RUSSELLENE	1.00	VACANT LAND
104-35-106	CLIFFORD, MAX B & RUSSELLENE	1.40	SINGLE FAMILY RESIDENTIAL
104-35-107	MORRIS, TERRY G & DIANNA L	1.40	VACANT LAND
104-35-108	WOLFE, BARBARA BROOKS	1.00	SINGLE FAMILY RESIDENTIAL
104-35-109	SPERRY, WAYNE & MARIE	1.00	VACANT LAND
104-35-110	HEDGES, GAIL & LINDA	1.00	VACANT LAND
104-35-111	JACOBSON, RONALD J & JEAN S	1.30	SINGLE FAMILY RESIDENTIAL
104-35-113	CURTIS, KAY D & GAYLA	1.00	SINGLE FAMILY RESIDENTIAL
104-35-114	HOUSEHOLDER, DELBERT & KAREN	40.40	FIELD CROPS
104-35-122	PEARCE, LAVERLE J & CYNTHIA	1.00	SINGLE FAMILY RESIDENTIAL
104-35-123	WOLF, JERALD C & LINDA	1.00	MOBILE HOME

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
104-35-125	HANCOCK, IVAN	2.50	MOBILE HOME
104-35-130	VOELCKEL, LOUIS & KITTY	1.30	SINGLE FAMILY RESIDENTIAL
104-35-136	GREEN, MAX J & NATHLENE	9.83	VACANT LAND
104-35-137	GREEN, MAX J & NATHLENE	4.80	VACANT LAND
104-35-138	CURTIS, KAY D & GAYLA	4.25	VACANT LAND
104-35-139	ALDER, MARDENE & SHARON	4.80	VACANT LAND
104-37-023A	MOUNT GRAHAM HOSPITAL DISTRICT	12.00	COUNTY
104-37-025A	MOUNT GRAHAM COMMUNITY HOSPITAL INC	1.50	NOT LISTED
104-37-025B	MOUNT GRAHAM COMMUNITY HOSPITAL INC	1.00	COMMERCIAL PROPERTY
104-37-026	PRO BLDG INC	1.50	NOT LISTED
104-38-006A	MOUNT GRAHAM COMMUNITY HOSPITAL INC	25.90	COMMERCIAL PROPERTY
104-38-011A	STEVENS, PEGGY/ STINSON, RUTH C	1.10	SINGLE FAMILY RESIDENTIAL
104-40-012	WILLIAMS, BETHALEE	1.10	SINGLE FAMILY RESIDENTIAL
104-40-058	HALLETT, TED	1.10	PLANT NURSERIES
104-40-062	RIBIC, W J & MYRNA	1.20	MOBILE HOME
104-41-013A	MARBLE, DONALD C & SHARON B	5.30	NOT LISTED
105-01-006	LEE, BLANCHE	3.70	FIELD CROPS
105-01-009	BRYCE, W E C/O WILLADENE MCRAE	67.80	FIELD CROPS
105-02-002	WELKER, A A	75.40	FIELD CROPS
105-02-003	PECK, DELBERT	00.50	SINGLE FAMILY RESIDENTIAL
105-02-004	WELKER, LAVELL AND WILLA JEAN	6.10	VACANT LAND
105-02-004A	CHILDERS, EUNICE MARIE	00.20	SPECIAL USE PROPERTY
105-02-005	PEREZ, RAPHAEL & ROSE	1.00	SINGLE FAMILY RESIDENTIAL
105-02-006B	BRYCE, JOHN & PHYLLIS	1.00	MOBILE HOME
105-02-009	WELKER, ALTON A	9.50	FIELD CROPS
105-02-013	BRYCE, A J AND ROXIE	23.80	FIELD CROPS
105-02-016	LUMM, A GORDON	17.70	SPECIAL USE PROPERTY

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-02-019	COHN, MAURICE N AND LORENE	0.60	SINGLE FAMILY RESIDENTIAL
105-02-020	COHN, MAURICE N AND LORENE	4.00	VACANT LAND
105-02-021	WHITE, JESSIE E	20.90	VACANT LAND
105-02-023	WHITE, JESSIE E	4.70	VACANT LAND
105-02-027	RUSSELL, WILLIAM L SR & ELIZABETH D	10.00	MOBILE HOME
105-02-030	WRIGHT, GORDON E. & MARLA K	4.15	SINGLE FAMILY RESIDENTIAL
105-02-031	PEARSON, ARMON I & HOLLY JO	7.05	MOBILE HOME
105-02-034	ELLIOT, LINDA KAY	0.90	SINGLE FAMILY RESIDENTIAL
105-02-037	JOHNSON, G MELVIN & OLLIE	0.80	SINGLE FAMILY RESIDENTIAL
105-02-038	FOOTE, JON & NAOMI	3.00	MOBILE HOME
105-02-042	BRYCE, ANDY & MELBA/BOYCE & MARILYN	0.52	SINGLE FAMILY RESIDENTIAL
105-02-043	BRYCE, DAVID BOYCE & MARILYN	9.48	RANCH PROPERTY
105-02-044	BRYCE, BRITTON DEAN & BRANDI	4.20	VACANT LAND
105-02-045	GUNTER, CURTIS	4.00	VACANT LAND
105-03-001	BRYCE, W E C/O WILLADENE MCRAE	61.50	FIELD CROPS
105-03-002	GASCA, JOSE EFRAIN & FRANCES	1.40	VACANT LAND
105-03-004	MILLER, JOE A & GLADYS	0.50	SINGLE FAMILY RESIDENTIAL
105-03-005	WEECH, A E AND JEANETTE B	22.40	NOT LISTED
105-03-007	WELKER, LAVELL A AND WILLA JEAN	16.0	FIELD CROPS
105-03-010	GASCA, RUBEN P AND GRACIELA	1.00	SINGLE FAMILY RESIDENTIAL
105-03-012	WELKER, LAVELL A AND WILLA JEAN	3.40	NOT LISTED
105-03-013	WELKER, LAVELL A & WILLA JEAN	12.40	NOT LISTED
105-03-014	TATUM, JOE B & JUDY L	15.45	SPECIAL USE PROPERTY
105-03-015	MORRIS, DALE F	0.35	VACANT LAND
105-04-001	WEECH, A E AND JEANETTE B	6.50	FIELD CROPS
105-04-002A	STEWART, JACK & JOSEPHINE	2.20	SINGLE FAMILY RESIDENTIAL
105-04-004C	HARRIS, ROBERT E AND MARIE W	2.40	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-04-004D	HARRIS, ROBERT E SR & MARIE W	0.30	SINGLE FAMILY RESIDENTIAL
105-04-005	WELKER, ALTON A	31.20	FIELD CROPS
105-04-011	STEWART, JACK AND JOSEPHINE	0.50	MOBILE HOME
105-04-014	BRYCE, DAVID BOYCE & MARILYN	4.20	FIELD CROPS
105-05-003	BRYCE, ROSS & MELVA FAWN WD	56.00	FIELD CROPS
105-05-004	ANDERSON FARMS CO CHARLES E JONES	12.40	FIELD CROPS
105-05-005	BRYCE, ROSS S	1.00	SINGLE FAMILY RESIDENTIAL
105-05-006A	BRYCE, A J	162.00	FIELD CROPS
105-07-001	HOUSEHOLDER, DELBERT AND K	3.60	FIELD CROPS
105-08-001	SMITH, OMER J FAMILY INC	34.90	VACANT LAND
105-08-002	WELKER, LAVELL AND WILLA JEAN	12.40	NOT LISTED
105-08-003	NORTON, HAROLD C AND LILLIE	26.50	FIELD CROPS
105-08-004	MARSHALL: RUE JR/STEVEN/RUE	37.70	FIELD CROPS
105-08-005	SMITH, JARED	37.10	FIELD CROPS
105-08-006	SKINNER, RANDY	7.40	HIGH DENSITY AGRICULTURAL
105-08-007	MARSHALL: RUE JR/STEVEN/RUE S	126.80	FIELD CROPS
105-08-008	HOUSEHOLDER, DELBERT AND K	24.50	FIELD CROPS
105-08-011	HOUSEHOLDER, DELBERT AND KAREN	1.40	FIELD CROPS
105-09-002	MARSHALL: RUE JR/STEVEN/RUE	203.65	FIELD CROPS
105-09-006	MARSHALL, DAN & CAROL	245.30	FIELD CROPS
105-09-007	MCBRIDE, BOYCE T & DIANE	10.70	HIGH DENSITY AGRICULTURAL
105-09-008	PIMA TOWN OF	5.00	MUNICIPAL
105-09-009	MATTICE LIVESTOCK CO	2.00	FIELD CROPS
105-10-001A	MARSHALL: RUE JR/STEVEN/RUE	16.90	FIELD CROPS
105-10-002	WELKER, A A	8.10	FIELD CROPS
105-10-006B	LINES, RUSKIN	157.49	FIELD CROPS
105-10-008B	MATTICE LIVESTOCK CO	14.50	HIGH DENSITY AGRICULTURAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-10-009	MATTICE LIVESTOCK CO	96.40	FIELD CROPS
105-10-010	PIMA TOWN OF	9.20	MUNICIPAL
105-11-001B	MATTICE, RICHARD W & VALERIE LEE	8.00	HIGH DENSITY AGRICULTURAL
105-11-001D	MATTICE, GEORGE	19.70	FIELD CROPS
105-11-002	MATTICE LIVESTOCK CO	14.00	FIELD CROPS
105-11-003B	CROCKETT, OSMER AND JAMIE	51.00	FIELD CROPS
105-11-004	MATTICE LIVESTOCK CO	17.40	FIELD CROPS
105-11-005B	JARVIS, SILAS & RUTH W	11.30	VACANT LAND
105-11-005C	JARVIS, SILAS & RUTH W	5.90	SINGLE FAMILY RESIDENTIAL
105-11-006A	MCBRIDE: TOM & JAN/MARK & DIANE	5.90	FIELD CROPS
105-11-006B	MCBRIDE, TOM & JAN/MARK & DIANE	2.10	FIELD CROPS
105-12-012	LEE, LUTHER / PETERSON, DWAIN	1.20	SINGLE FAMILY RESIDENTIAL
105-12-021	CROCKETT, OSMER	4.40	SINGLE FAMILY RESIDENTIAL
105-13-002	MCCLELLAN RH & LOIS B	4.14	MOBILE HOME
105-13-008	POWELL, GARY & SARAH	2.30	SINGLE FAMILY RESIDENTIAL
105-13-009	LINES, RUSKIN	36.70	FIELD CROPS
105-13-010	LINES, RUSKIN	9.39	NOT LISTED
105-13-013	BINGHAM, THOMAS KIP & SUSAN	1.60	VACANT LAND
105-15-001A	LINES, KENNETH	2.40	SINGLE FAMILY RESIDENTIAL
105-15-014	REID, JOSEPH	3.40	SINGLE FAMILY RESIDENTIAL
105-18-042	WEECH, BULAN J	1.90	NOT LISTED
105-19-004	KERBY, REX ETALS	5.20	SPECIAL USE PROPERTY
105-19-013	MCBRIDE, CLARENCE AND JOAN	19.10	NOT LISTED
105-20-029	BRYCE, MELVIN & NORMA	9.50	SPECIAL USE PROPERTY
105-21-009	ROGERS, WALTER C	27.10	FIELD CROPS
105-22-010	REYNOLDS, VIVIAN	4.50	SINGLE FAMILY RESIDENTIAL
105-22-PPS	PIMA PUBLIC SCHOOLS	12.00	UNKNOWN

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-23-061	LEE, CHARLES ESTATE	1.25	SINGLE FAMILY RESIDENTIAL
105-23-068	PECK, NELSON	1.06	VACANT LAND
105-24-002C	BELLAMY, BOB D	4.21	MOBILE HOME
105-25-001	MCBRIDE: TOM & JAN/MARK & DIANE	7.00	FIELD CROPS
105-25-001B	MCBRIDE: TOM & JAN/MARK & DIANE	45.80	FIELD CROPS
105-25-002	MARSHALL: RUE JR/STEVEN/RUE	9.10	FIELD CROPS
105-25-003A	MATTICE LIVESTOCK CO	2.10	FIELD CROPS
105-25-004A	MATTICE, GEORGE	34.70	FIELD CROPS
105-25-005	MCBRIDE: TOM & JAN/MARK & DIANE	16.20	FIELD CROPS
105-25-007A	ALDER, JEFF	56.50	FIELD CROPS
105-25-007B	ALDER, JEFF	37.90	FIELD CROPS
105-25-009	MCBRIDE, REUBEN B & SONDRA	2.60	HIGH DENSITY AGRICULTURAL
105-25-010	HUNT, JOHN / SANDERS, SCOTT	17.60	FIELD CROPS
105-26-002A	SALINE, GARNET AND MARGIE	12.60	FIELD CROPS
105-26-002B	SALINE, VERNON AND LINDA	0.60	NOT LISTED
105-26-002C	SALINE, VERNON L AND LINDA D	1.10	NOT LISTED
105-26-002D	SALINE, GARNET	5.70	VACANT LAND
105-26-003A	SALINE: GLENN E/GLEN	4.60	FIELD CROPS
105-26-003B	SALINE, GLENN E, GLEN	2.20	FIELD CROPS
105-26-006	RAINS, FRED	0.70	VACANT LAND
105-26-007	POWELL, ALLEN E & BEATRICE	0.50	SINGLE FAMILY RESIDENTIAL
105-26-008B	JARVIS, REECE F & ANNA JANE	0.50	SINGLE FAMILY RESIDENTIAL
105-26-011	MILLER, FARRELL & MARVA	1.00	SINGLE FAMILY RESIDENTIAL
105-26-014B	THOMPSON, GARY & CAROL E	0.20	MOBILE HOME
105-26-015	SALINE, VERNON AND LINDA	0.70	NOT LISTED
105-26-017	MCBRIDE, THOMAS EDWARD & JANETTE G	0.50	SINGLE FAMILY RESIDENTIAL
105-26-018B	ALLRED:DALE C/BILLIE J/DENNIS P	1.00	VACANT LAND

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-26-022	ADAMS, ANTON L & FLORA	0.40	SINGLE FAMILY RESIDENTIAL
105-26-023	POWELL, ALLEN AND BEATRICE	1.50	VACANT LAND
105-26-025	MCBRIDE: THOMAS & JAN/MARK & DIANE	0.80	SINGLE FAMILY RESIDENTIAL
105-26-026	WEECH, ALENE	1.30	VACANT LAND
105-26-027	WEECH, ALENE	0.70	SINGLE FAMILY RESIDENTIAL
105-26-028	SALINE, ERVIN J AND VEDA	6.50	FIELD CROPS
105-26-029	SALINE, ERVIN J & VEDA	2.40	FIELD CROPS
105-26-030	SALINE, GLEN	1.70	FIELD CROPS
105-26-031	SALINE, GLEN	0.80	FIELD CROPS
105-26-032	MCBRIDE: TOM & JAN/ MARK & DIANE	13.90	FIELD CROPS
105-26-033	MCBRIDE, BURT	1.00	SINGLE FAMILY RESIDENTIAL
105-26-035	SMITH, KELLY OR PAMELA	2.60	NOT LISTED
105-26-043	WINGFIELD, DONALD H AND LORA	5.00	VACANT LAND
105-26-044	WINGFIELD, DONALD H AND LORA	4.00	VACANT LAND
105-26-045	THOMPSON, GARY L & CAROL E	0.20	SINGLE FAMILY RESIDENTIAL
105-26-046	MCBRIDE: TOM & JAN/MARK & DIANE	58.10	FIELD CROPS
105-26-047	MCBRIDE, MARK J & DIANE R	0.50	SINGLE FAMILY RESIDENTIAL
105-26-048	VENN, ROBERT L & HAZEL	1.20	SINGLE FAMILY RESIDENTIAL
105-26-049	HANCOCK, FRANK C & MOLLY J	0.60	VACANT LAND
105-26-055	SMITH, PAUL OR JEAN E	7.20	NOT LISTED
105-26-059	MAXWELL, CHARLES & VIOLA	1.60	SINGLE FAMILY RESIDENTIAL
105-27-001	DALEY, NED	36.70	FIELD CROPS
105-27-002	MORRIS, KAREN	164.00	FIELD CROPS
105-27-003	BRYCE, ROSS	51.20	FIELD CROPS
105-27-005	LEE, D T	70.30	FIELD CROPS
105-27-006	ALDER, JEFF	10.60	FIELD CROPS
105-28-002A	HOUSEHOLDER, DELBERT AND KAREN	14.90	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-28-002B	HOWARD, VERDELL & NELDA	20.30	FIELD CROPS
105-28-003	LEE, D T	20.00	FIELD CROPS
105-28-004	HOWARD, VERDELL & NELDA/CHOATE,LOIS	35.20	FIELD CROPS
105-28-005	CHOATE, LOIS MERRILL	22.80	FIELD CROPS
105-28-007	HOWARD, VERDELL	36.66	FIELD CROPS
105-28-008	DALEY, NED	66.10	FIELD CROPS
105-28-011	WATSON, ELLIS/PENROD, FLOYD & JERRI	3.60	NOT LISTED
105-28-013	LUCAS, RICHARD C & LORRAINE	10.00	SPECIAL USE PROPERTY
105-28-014	HOUSEHOLDER, DELBERT E & KAREN	42.10	FIELD CROPS
105-28-017	IMRICH, MARKO & MARGARET	7.70	FIELD CROPS
105-29-001	HOWARD: MARJORIE/VERDELL & NELDA	19.44	FIELD CROPS
105-29-002	HOWARD, VERDELL & NELDA	1.30	FIELD CROPS
105-29-003	HOWARD, NINA	0.50	SINGLE FAMILY RESIDENTIAL
105-30-001	HOWARD, VERDELL & NELDA	10.90	FIELD CROPS
105-30-002	LAMB, CLELLA MAE	5.50	SPECIAL USE PROPERTY
105-30-003B	CURTIS:GARY DAVID/ KAY D & GAYLA	37.10	FIELD CROPS
105-30-008	KUPCHANKO, CLAUDE & MARGARET A	9.00	SPECIAL USE PROPERTY
105-30-010	MEYER, CLIFFORD E AND JUNE	6.70	VACANT LAND
105-30-011	MEYER, CLIFFORD E AND JUNE	6.00	VACANT LAND
105-30-012	RAMIREZ, DAVID C AND IDA	8.70	VACANT LAND
105-30-013	LINK, JERRY P & POLY / PAUL & ARTA	0.30	SINGLE FAMILY RESIDENTIAL
105-30-017	JOHNSON, ROBERT C JR & JULIE	2.60	SINGLE FAMILY RESIDENTIAL
105-30-018	BACH, CLARENCE A & SHARON L	5.00	MOBILE HOME
105-30-019	ALEXANDER DAVD & BELEN	5.00	SPECIAL USE PROPERTY
105-30-020	LINES, STEVE & SHERRIL	4.00	VACANT LAND
105-30-021	LINES, STEVE & SHERRIL	0.30	VACANT LAND
105-30-024	SMITH, WILLARD L & MARGERY L	0.70	MOBILE HOME

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-30-025	JONES, JOAN B	0.70	MOBILE HOME
105-31-001	HOWARD, VERDELL AND NELDA	12.00	FIELD CROPS
105-31-002	HOWARD, ZENOS AND BOBBIE	26.10	FIELD CROPS
105-31-002A	HOWARD, ZENOS & BOBBIE	3.70	FIELD CROPS
105-31-004A	HOWARD, IRVIN D & ILA	9.50	NOT LISTED
105-31-004B	HOWARD, GENE R & DOROTHY	30.00	FIELD CROPS
105-31-011	HOWARD, MARJORIE	41.20	FIELD CROPS
105-31-013	OBANNON, SHARON	2.80	NOT LISTED
105-31-017	HOWARD, VERDELL & NELDA ET AL	5.50	FIELD CROPS
105-31-020	HOWARD, VERDELL AND NELDA	37.50	FIELD CROPS
105-31-030	TALLEY, MYRL KINLY & CAROLYN ANN	8.10	FIELD CROPS
105-31-031	TALLEY, MYRL & CAROLYN	34.80	FIELD CROPS
105-31-032	PACHECO, ROBERT J	0.30	MOBILE HOME
105-31-033	SNEDIGAR, THELMA	0.30	MOBILE HOME
105-31-034	SNEDIGAR, THELMA	3.70	MOBILE HOME
105-31-040	LEE, LAWRENCE & MELBA	0.10	NOT LISTED
105-31-044	REED, NINA	3.50	FIELD CROPS
105-31-050	CHESLEY: DERALD & MARIE,ROBIN & KENT	3.40	NOT LISTED
105-31-061	STEWART, WALTER & FLOY	10.70	FIELD CROPS
105-31-062	HOWARD, RONALD G & JANICE	5.80	FIELD CROPS
105-31-063	LEE, L,M/LAYTON, NEIL & LOUISA	6.43	SPECIAL USE PROPERTY
105-31-064	KAYNER, BRYAN F & DEBRA A	4.27	SINGLE FAMILY RESIDENTIAL
105-32-001	HOWARD, MARJORIE	22.30	NOT LISTED
105-32-002	DALEY, NED	14.30	FIELD CROPS
105-32-003	DALEY, JIM & LYNN /KENT & MARION	200.30	FIELD CROPS
105-32-004	DALEY, JACK AND BEULAH	24.20	FIELD CROPS
105-32-007	DALEY, JACK S	65.90	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-32-008	PHILLIPS: E P/H M/D S/S S	1.10	FIELD CROPS
105-32-009	PHILLIPS: E P/H M/D S/S S	75.70	FIELD CROPS
105-32-010	HOWARD, ZENOS AND BOBBIE	4.00	FIELD CROPS
105-33-001	WHITMER, JAMES B	46.50	FIELD CROPS
105-33-002	ALDER, ELBERT	5.90	FIELD CROPS
105-33-004	SHIFLET, J S	26.80	FIELD CROPS
105-33-005	DALEY, BROOKS AND MARGARET	75.60	FIELD CROPS
105-33-006	CARPENTER, JERALD & DONNA FAM TRUST	155.40	NOT LISTED
105-33-007	SMITH, KELLY R AND PAMELA	20.00	NOT LISTED
105-34-001	SMITH, NEPHI & CATHERINE F	89.10	FIELD CROPS
105-34-002	SHIFLET, J S	10.00	FIELD CROPS
105-34-003	DALEY, BROOKS	29.40	FIELD CROPS
105-34-004	WHITMER, JAMES B	17.90	FIELD CROPS
105-34-005	BIGLER, ZANE	1.60	NOT LISTED
105-34-006	PENNINGTON, EZEKIL	6.60	NOT LISTED
105-35-001A	ALDER, ELBERT	78.10	FIELD CROPS
105-35-001B	ALDER, ELBERT	63.60	FIELD CROPS
105-35-001C	ALDER, ELBERT	1.00	FIELD CROPS
105-35-002	ALDER, ELBERT	44.20	FIELD CROPS
105-35-003	ALDER, JEFF	42.30	FIELD CROPS
105-35-007	DALEY, BROOKS & MARGARET	4.90	FIELD CROPS
105-35-008A	ALDER, JOE L	4.00	SINGLE FAMILY RESIDENTIAL
105-35-008B	ALDER, JOE L	7.60	FIELD CROPS
105-35-009A	ALDER, RAY	33.50	FIELD CROPS
105-35-009B	ALDER, RAY	12.70	FIELD CROPS
105-35-011	SMITH, OMER	6.40	FIELD CROPS
105-35-013	LUSTER, RAY CURTIS AND NAYDA	6.53	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-35-017	JUDD, JOHN D & SANDRA S	2.70	SINGLE FAMILY RESIDENTIAL
105-35-023A	SP TRANSPORTATION CO	4.60	VACANT LAND
105-35-030A	WILSON, DALE O & ANNA M	1.90	SINGLE FAMILY RESIDENTIAL
105-35-057	ALDER, RAY	55.10	FIELD CROPS
105-35-070	LINES, RIC & JANN	1.06	VACANT LAND
105-35-073	DALEY, BROOKS & MARGARET	6.00	FIELD CROPS
105-35-074	SMITH, OMER J	10.50	FIELD CROPS
105-35-077	MCCLELLAN, RALPH H & LOIS B	10.74	VACANT LAND
105-35-080	GOWIN, KENNETH RAY JR & DEBRA	1.60	VACANT LAND
105-35-085	ANGER, ED AND SHIRLEY	56.90	NOT LISTED
105-35-086	ANGER, ED AND SHIRLEY	28.60	FIELD CROPS
105-35-087	ALDER, JEFF	26.00	FIELD CROPS
105-35-088	ALDER, JEFF	7.10	FIELD CROPS
105-36-007	SALINE, LA ROY DE VAR	45.70	NOT LISTED
105-36-008	SMITH, KEITH E AND ETTA M	70.30	FIELD CROPS
105-36-010	SMITH, KEITH E AND ETTA M	38.30	FIELD CROPS
105-36-011	JARVIS, SILAS AND RUTH W	16.30	FIELD CROPS
105-36-012	BRYCE, ALMA E AND WYONA	9.70	FIELD CROPS
105-36-013	BRYCE, BEN N AND PATRICIA	6.00	SPECIAL USE PROPERTY
105-36-014A	BEALS, C S	7.60	FIELD CROPS
105-36-014C	BEALS, C S	39.20	FIELD CROPS
105-36-015B	POLLOCK, LAMELL & H/TAYLOR,JERRY&L	14.20	FIELD CROPS
105-36-023	NEGRETTE, RAOUL & MARILYN	1.30	SINGLE FAMILY RESIDENTIAL
105-36-024B	MCBRIDE, MELDON K & CAROLDEENE R	2.50	SINGLE FAMILY RESIDENTIAL
105-36-026	LUNT, GARTH AND OLIVE	3.90	SPECIAL USE PROPERTY
105-36-028	POLLOCK, LAMELL & ROHLENE	1.75	SINGLE FAMILY RESIDENTIAL
105-36-031	STACY,ROBERT	1.00	NOT LISTED

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-36-046	BEALS, SOLON & D/WEECH, BULAN & J	25.80	NOT LISTED
105-36-060	HUGHES, JASON & JONELL	2.00	VACANT LAND
105-36-062	FERRIN, RAY E & RAMONA	27.80	FIELD CROPS
105-36-065	HUMPREYS, LARRY	1.25	SINGLE FAMILY RESIDENTIAL
105-37-010D	RAMSEY, RAYMOND	1.90	SINGLE FAMILY RESIDENTIAL
105-37-010E	GARCIA, CASIMIRO & MARY LOUISE	3.90	SINGLE FAMILY RESIDENTIAL
105-37-015	MILBRANDT, HAROLD AND BELVA B	2.90	SINGLE FAMILY RESIDENTIAL
105-37-017	BEALS, C S	11.10	FIELD CROPS
105-37-018A	ALDER, RAY	23.30	FIELD CROPS
105-37-022	PATTERSON, A/RAMSEY, R&N/BROWN, J&L	2.90	MOBILE HOME
105-37-023	GARCIA, CASIMIRO AND MARY LOUISE	18.20	FIELD CROPS
105-37-024	MAYHEW, ERIC	1.90	SINGLE FAMILY RESIDENTIAL
105-37-025	BEALS, FARRELL LAMONT	1.90	SINGLE FAMILY RESIDENTIAL
105-37-026	BEALS, FARRELL LAMONT	1.80	FIELD CROPS
105-39-???	FOLLET, MCBRIDE, KIGHT, LOFGREN	1.64	UNKNOWN
105-40-001	BRYCE, ALMA E AND WYONA	43.80	FIELD CROPS
105-40-013	FERRIN, RAY E & RAMONA	75.40	FIELD CROPS
105-43-001	ALDER, JEFF	3.70	FIELD CROPS
105-43-002	JEFF ALDER FAMILY TRUST	5.30	NOT LISTED
105-43-003	ALDER, ELBERT	83.40	FIELD CROPS
105-43-009	LAYTON, LUKE	22.10	FIELD CROPS
105-43-014	NORTON, FRANK & V/SMITH, OMER & C	37.90	FIELD CROPS
105-43-015	SMITH, OMER	11.60	FIELD CROPS
105-43-017	BRYCE, BEN W & PATRICIA ANN	2.90	SINGLE FAMILY RESIDENTIAL
105-43-019	BRYCE, BEN N & PATRICIA ANN	12.90	FIELD CROPS
105-44-001	LATTER DAY SAINTS %REAL ESTATE DIV.	19.00	RELIGIOUS
105-44-002	WHITMER, DELBERT	17.30	VACANT LAND

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-44-003	WHITMER, DELBERT L & JEANNINE F	4.50	VACANT LAND
105-44-004	BIGLER, JACOB DALE AND VERNA	3.40	SINGLE FAMILY RESIDENTIAL
105-44-010	SHIFLET, JOSEPH ROY	3.00	SINGLE FAMILY RESIDENTIAL
105-44-011B	BARNEY, JOHN D	1.20	MULTIPLE RESIDENTIAL
105-44-013	THATCHER SCHOOL DIST	1.80	COUNTY
105-44-016B	SHURTZ, BERT AND HATTIE	2.50	SINGLE FAMILY RESIDENTIAL
105-44-018	MARTIN, M PHIL AND KAY	2.50	VACANT LAND
105-44-019	LDS REAL ESTATE DIVISION	2.20	RELIGIOUS
105-44-020	MARTIN, ABNER/BRYCE, MARVA/MARTIN R	2.30	SINGLE FAMILY RESIDENTIAL
105-44-021	SHERMAN, ALVIRA	1.00	SINGLE FAMILY RESIDENTIAL
105-44-029	CLUFF, CLYDE AND MARTHA V	7.70	SINGLE FAMILY RESIDENTIAL
105-44-030A	PACHECO, ROBERT J & KIMBERLY J	4.90	VACANT LAND
105-44-030D	BAILIE, THERON C AND IMOGENE	5.00	VACANT LAND
105-44-030E	BAILIE, THERON C AND IMOGENE	5.00	SINGLE FAMILY RESIDENTIAL
105-44-038	WALTERS, LARRY & K	2.10	SINGLE FAMILY RESIDENTIAL
105-44-047	ADAMS, JULIA C	5.60	SINGLE FAMILY RESIDENTIAL
105-44-050	JONES, R IVAN & T DIANE	1.00	MOBILE HOME
105-44-052	BIGLER, JOSEPH A AND EVELYN	1.75	TREE CROPS
105-44-053	BIGLER, JOSEPH A AND EVELYYN	1.75	TREE CROPS
105-44-054	BIGLER, GALEN A & MARGIE A	1.75	TREE CROPS
105-44-055	JOHNSON, DAN AND CAROL	1.75	TREE CROPS
105-44-056	WILLIAMS, LETA E AND JAMES A	1.75	TREE CROPS
105-44-057	BIGLER, SIDNEY E AND CULA	1.75	TREE CROPS
105-44-058	BIGLER, ZANE E AND RUBY	1.30	TREE CROPS
105-44-059	MORGAN, DAVID & PAMELA	1.75	TREE CROPS
105-44-060	LARSON, BEVAN & UNA/BIGLER, DENNIS	1.75	TREE CROPS
105-44-061	HADDOCK, LOYAL G AND AMY	1.75	TREE CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-44-062	BIGLER, DALE AND VERNA	1.75	TREE CROPS
105-44-064	WHITMER, JAMES B AND RUTH	5.00	VACANT LAND
105-44-068	HILL, LYNDA	1.60	SINGLE FAMILY RESIDENTIAL
105-44-069	CLUFF, ERVIN F AND LETHA	12.40	FIELD CROPS
105-44-073	BLACK, DIANNA	1.10	SINGLE FAMILY RESIDENTIAL
105-44-074	FERRIN, ROSS	1.00	MOBILE HOME
105-44-076	WELKER, DUDLEY S AND MARILYN	1.70	VACANT LAND
105-44-077	TANNER, NORMAN C AND EVELYN P	1.70	SINGLE FAMILY RESIDENTIAL
105-44-078	JACOB, DENNIS M AND ANN F	1.70	SINGLE FAMILY RESIDENTIAL
105-44-080	JONES, R IVAN & T DIANE	1.70	SINGLE FAMILY RESIDENTIAL
105-44-081	CLOUNTS, DAROLD W AND MARILYN F	1.00	MOBILE HOME
105-44-084	SMITH, ELDON L & VERA C	2.37	FIELD CROPS
105-44-088	TEMPLIN, CLAY & CARRIE	1.18	SINGLE FAMILY RESIDENTIAL
105-44-089	CARTER, JAMES	1.20	VACANT LAND
105-45-001	WEECH, A E AND JEANETTE B	2.40	MOBILE HOME
105-45-004	NORTON, RILEY E AND FLORA	1.00	SINGLE FAMILY RESIDENTIAL
105-45-009B	SHURTZ, GALE AND FLORENE	2.20	SINGLE FAMILY RESIDENTIAL
105-45-011A	SHIFLET, J S	7.50	SINGLE FAMILY RESIDENTIAL
105-45-011B	MCCREARY, VALETA HEUSER	1.30	SINGLE FAMILY RESIDENTIAL
105-45-012	NORTON, LLOYD/SMITH, OMER & CARMEN	18.90	FIELD CROPS
105-45-013	STRACENER, JAMES & GENEVIEVE	4.40	VACANT LAND
105-45-014	NELSON, JERRY RAY	2.20	MISCELLANEOUS AND SALVAGE
105-45-015	OVERSON, RHODA	4.00	MULTIPLE RESIDENTIAL
105-45-018	LATTER DAY SAINTS %REAL ESTATE DIV.	2.50	VACANT LAND
105-45-019	LAYTON, FAY L	1.00	SINGLE FAMILY RESIDENTIAL
105-45-020	COMBS, ALICE S	12.20	SPECIAL USE PROPERTY
105-45-022	LOFGREEN, A H ET AL/MANAVOO CORP	9.40	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-45-023A	ANDERSON, JOHN M AND GLENNICE M	5.00	NOT LISTED
105-45-024	LAYTON, LUKE	20.00	FIELD CROPS
105-45-036	ROBERTS, PEGGY A/O'NEIL, COSTELLO	5.30	SPECIAL USE PROPERTY
105-45-037	BUSSEY, CHARLIE AND RUBY	5.70	MOBILE HOME
105-45-039	SMITH, VERA C	1.90	SINGLE FAMILY RESIDENTIAL
105-45-040	MOYERS, DENNIS AND LINDA	14.10	NOT LISTED
105-45-041	NORTON, THAD C AND VIRGINIA	1.70	SINGLE FAMILY RESIDENTIAL
105-45-042	WHITE, PARIS JAMES AND LILLIAN A	1.20	SINGLE FAMILY RESIDENTIAL
105-45-050	HERRICK, CARL & NORA	1.00	VACANT LAND
105-45-051	LEAVITT, GRACIE BOOTH	1.00	VACANT LAND
105-45-052	BOOTH, GRACIE N	1.00	SINGLE FAMILY RESIDENTIAL
105-45-053	BOOTH, BURL F	1.00	VACANT LAND
105-45-054	HERRICK, RUTH %BOOTH CRACIE	1.00	VACANT LAND
105-45-059	SHURTZ, GALE & FLORENE	2.35	VACANT LAND
105-45-060	HAWKINS, WILLIAM & GAYTHEL	3.80	VACANT LAND
105-45-061	PENNINGTON, AUTRY L & MARJORIE	0.90	VACANT LAND
105-45-062	PENNINGTON, KETE	1.00	VACANT LAND
105-46-001	SHIFLET, IVAN L AND EVA GENE	33.90	FIELD CROPS
105-46-002	ADAMS, JULIA C	1.10	SINGLE FAMILY RESIDENTIAL
105-46-006	LAYTON, REAY V	4.60	SINGLE FAMILY RESIDENTIAL
105-46-007	LAYTON, LUKE	42.60	FIELD CROPS
105-46-008	LAYTON, RALPH R	12.20	SPECIAL USE PROPERTY
105-46-009	LAYTON, FAY L	8.70	SINGLE FAMILY RESIDENTIAL
105-46-010	LOFGREEN, A H ET AL/MANIVOO CORP	15.00	FIELD CROPS
105-46-014	ADAMS, JULIA	1.30	SINGLE FAMILY RESIDENTIAL
105-47-004	LATTER DAY SAINTS %REAL ESTATE DIV.	18.90	RELIGIOUS
105-47-016	ELMER, PHOEBE	34.80	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-47-018	SMITH, EVERETT F AND MARGARET	7.50	SPECIAL USE PROPERTY
105-47-019	SMITH, EVERETT & M/WATTS, ANDREW &M	28.90	FIELD CROPS
105-47-020	WADE, JERRY A AND PATRICIA	5.70	SINGLE FAMILY RESIDENTIAL
105-47-021	FERGUSON, RHONDA LEE	4.00	VACANT LAND
105-47-022	FERGUSON, KENNETH KIM	4.00	VACANT LAND
105-47-023	FERGUSON, DEBRA M %DEBRA M HARRIS	4.00	SINGLE FAMILY RESIDENTIAL
105-47-024	TRAYLOR, MARLA	4.00	MOBILE HOME
105-47-025	FERGUSON, JOHN M	4.00	MOBILE HOME
105-47-028	PETERSON, DARVEL & DORIS	5.60	COMMERCIAL PROPERTY
105-47-030	MOYERS, DENNIS VON & LINDA SUE	5.60	FIELD CROPS
105-47-031	MASSEY, WILLIAM F & ELLEN	6.50	SINGLE FAMILY RESIDENTIAL
105-47-032	CARTER, ARTHUR	4.80	VACANT LAND
105-47-033	WADE, JERRY	3.40	VACANT LAND
105-48-001	FERGUSON FARMS A PARTNERSHIP	40.60	FIELD CROPS
105-48-002	FERGUSON FARMS A PARTNERSHIP	19.00	FIELD CROPS
105-48-003	SHIFLET, J S	17.60	FIELD CROPS
105-48-004C	JONES, JOHN H & MARY M	2.00	SINGLE FAMILY RESIDENTIAL
105-48-005	DESERT ROSE DEVELOPMENT	32.90	NOT LISTED
105-48-006	LATTER DAY SAINTS %REAL ESTATE DIV.	38.50	FIELD CROPS
105-48-008	LAYTON, FARRELL C	69.40	FIELD CROPS
105-48-009	LAYTON, FARRELL C	26.10	FIELD CROPS
105-48-010	THATCHER CITY OF	37.80	MUNICIPAL -
105-48-011	LAYTON, GLEN J	79.20	FIELD CROPS
105-48-012	LAYTON, RALPH R	33.30	FIELD CROPS
105-48-013	PHILLIPS, D S	61.20	FIELD CROPS
105-48-014A	SMITH, NEPHI & CATHERINE F	26.20	FIELD CROPS
105-48-016	SMITH,LOT D & P C/O AZ TRUST DEED	2.50	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-48-019	FOX, FRANK AND LINDA	6.80	SPECIAL USE PROPERTY
105-48-021	JONES, JOHN H & MARY M	1.00	VACANT LAND
105-48-022	WILEY, KEITH	2.00	VACANT LAND
105-48-025	WHITE, WILLIAM GARY & MARY MARGARET	3.00	MOBILE HOME
105-48-026	WILEY, KEITH	5.60	VACANT LAND
105-48-027	SMITH, KEITH E & ETTA M	15.10	FIELD CROPS
105-48-028	SMITH, LOT D FAMILY CORP	2.50	VACANT LAND
105-48-031	SMITH:GLADE,CAROLYN/KEITH/GLADE M	13.40	FIELD CROPS
105-48-033	SMITH, GLADE M & CAROLYN	3.30	SINGLE FAMILY RESIDENTIAL
105-48-034	SMITH:GLADE/OMER/KEITH/ELDON/MAX/D	19.70	FIELD CROPS
105-48-035	ROSEBERRY, GORMAN B	3.30	VACANT LAND
105-48-036	ROSEBERRY, GORMAN B	1.10	VACANT LAND
105-48-041	SMITH, LOT D FAMILY CORP	18.00	FIELD CROPS
105-49-001	TALLEY, MYRL & CAROLYN	26.10	FIELD CROPS
105-49-003	PLATT, RODNEY & NEDRA	13.00	FIELD CROPS
105-49-004	PLATT, RODNEY B & NEDRA	51.30	FIELD CROPS
105-49-007	ALLRED, LAVAR H & DELBERT	36.40	NOT LISTED
105-49-008	LAYTON, GLEN J	58.30	FIELD CROPS
105-49-009	DALEY, BROOKS	19.30	FIELD CROPS
105-49-010	PHILLIPS, STEVEN	22.10	FIELD CROPS
105-49-013	DALEY, BROOKS	7.30	FIELD CROPS
105-49-015	PLATT, RODNEY AND NEDRA	4.70	FIELD CROPS
105-49-017	PLATT, RODNEY & NEDRA	9.74	FIELD CROPS
105-49-018	PLATT, RODNEY AND NEDRA	35.52	FIELD CROPS
105-49-019	PLATT, RODNEY AND NEDRA	22.24	FIELD CROPS
105-49-021	DALEY, BROOKS & MARGARET	66.30	FIELD CROPS
105-50-001A	PROVENCIO, ARTHUR	1.00	VACANT LAND

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
105-50-003A	PROVENCIO, ARTHUR	6.23	SPECIAL USE PROPERTY
105-50-010	PHILLIPS/HAMBLIN/PHILLIPS/PHILLIPS	16.80	FIELD CROPS
105-50-012	BURRELL CHAS%PROVENCIO ARTHUR	1.30	VACANT LAND
105-50-013	MONTEZ, GILBERT AND MARTINA	1.00	VACANT LAND
105-51-001	SKINNER, VIOLET %RULAN D. SKINNER	0.50	SPECIAL USE PROPERTY
105-51-002	SKINNER, VIOLET %RULON D. SKINNER	30.90	FIELD CROPS
105-51-005	KUPCHANKO, CLAUDE & MARGARET	0.40	NOT LISTED
105-51-008	SKINNER, HERBERT O AND ALENE	39.10	NOT LISTED
105-51-009	SKINNER:MELVIN/GRANT/HERBERT/ARNOLD	51.30	FIELD CROPS
105-51-010	DALEY, NED	25.87	FIELD CROPS
105-51-012	HOWARD, VERDELL & NELDA	1.60	COUNTY
105-51-017	KUPCHANKO, CLAUDE & MARGARET	1.80	NOT LISTED
105-51-018	LUNDELL, RUSSELL AND LEOLA	48.70	NOT LISTED
105-51-019	HOWARD, VERDELL AND NELDA	70.40	FIELD CROPS
105-51-020	HOWARD, VERDELL AND NELDA	81.60	FIELD CROPS
105-56-039	JONES, JOHN Z AND ARLENE	2.00	NOT LISTED
105-56-047	PORTER, ROBERT L AND JOYCE	4.00	NOT LISTED
105-56-053	HUBARD, ED G & MERNA	8.00	SINGLE FAMILY RESIDENTIAL
107-15-001	SKINNER, HERBERT O AND ALENE M	18.10	FIELD CROPS
107-15-002A	SKINNER, MELVIN J AND BETTY RUTH	0.80	SINGLE FAMILY RESIDENTIAL
107-15-031	SKINNER, HERBERT ET AL	45.60	NOT LISTED
107-18-010	BRANDAU, WILLIAM K & LOLENE	19.10	FIELD CROPS
107-24-002	SANCHEZ, TRINIDAD AND AURORA	7.70	SPECIAL USE PROPERTY
107-24-004	LAFLECHE, ROLAND J & FLORA	4.60	HIGH DENSITY AGRICULTURAL
107-24-006	CYPRUS MIAMI MINING CORPORATION	22.10	FIELD CROPS
107-24-010	FAJARDO, EDISTEO S	36.67	FIELD CROPS
107-25-002	SANCHEZ, ROSA	4.70	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
107-25-003	FAJARDO, EDISTEO & ALICE P	15.90	FIELD CROPS
107-25-004	BIBLE, RUTH/PINA, MARION S	12.10	VACANT LAND
107-25-006	FAJARDO, EDISTEO S & ALICE P	15.90	FIELD CROPS
107-26-002	FAJARDO, AMADEO & ELVIA	31.60	FIELD CROPS
107-26-006	ANDERSON: J/G/M/YOUNG/JONES/WILSON	3.50	VACANT LAND
107-26-007	CLONTS, TOMMY AND BETTY	39.56	FIELD CROPS
107-26-008	CLONTS, TOMMY C & BETTY JEAN	17.74	FIELD CROPS
107-26-012	FAJARDO, AMADEO P AND ELVIA	39.33	FIELD CROPS
107-26-016	FAJARDO, EDISTEO S	12.60	FIELD CROPS
107-29-001	EARVEN, M P / EARVEN, D W	19.00	RANCH PROPERTY
107-29-002	CLONTS, TOMMY E	100.20	FIELD CROPS
107-30-005	GARDNER, LEROY AND EVA GRACE	2.70	FIELD CROPS
107-30-006	UDALL, LEE KENYON & LEONA	125.70	FIELD CROPS
107-30-039	CLONTS, DALE & GAYLE	121.50	FIELD CROPS
107-32-002	HIGHLINE CANAL CO	50.00	FIELD CROPS
107-32-004	CLONTS, TOMMY & BETTY	21.40	FIELD CROPS
107-32-005	MICHELENA, LOUIS	0.80	FIELD CROPS
107-32-006	CURTIS BROTHERS	11.60	FIELD CROPS
107-32-007	CLONTS, TOMMY	45.70	FIELD CROPS
107-32-008	GOMEZ: JESSIE/VIDAL SR	19.30	FIELD CROPS
107-32-011	CLONTS, TOMMY	28.30	FIELD CROPS
107-32-012	MOLINA, RUDOLFO G/MOLINA, ROSAURA	14.10	FIELD CROPS
107-32-013	MOLINA, RUDOLFO G/HERRERA, ROAURA	12.10	FIELD CROPS
107-33-002	GOMEZ, JESSIE/ GOMEZ, VIDAL SR.	1.30	FIELD CROPS
107-33-011	CLONTS, DAVID N AND SHARON KAY	191.60	FIELD CROPS
107-33-012	CLONTS, TOMMY & BETTY	33.80	FIELD CROPS
107-33-013	CLONTS, DAVID N & SHARON	2.00	HIGH DENSITY AGRICULTURAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
107-33-014	CLONTS, TOMMY & BETTY	4.40	FIELD CROPS
107-33-015	CURTIS, BROOKS & MYRNA JEAN	105.40	FIELD CROPS
107-33-017	CURTIS BROTHERS	5.80	FIELD CROPS
107-36-010	TIDWELL, E L/ HINTON, MARIANNE T	165.90	FIELD CROPS
107-36-011	BOWMAN, TERRY OTTO	14.30	FIELD CROPS
107-36-012	BOWMAN, GLENN P/MCEUEN, CAROL	14.30	FIELD CROPS
107-36-013	HUGHES: HELEN B/DENNIS	12.00	FIELD CROPS
107-36-015	BOWMAN, MITCHALL K & SHIRLEY M	13.60	FIELD CROPS
107-36-016	BOWMAN: BETTY J/TERRY O/ ALLEN, LIN	12.20	FIELD CROPS
107-36-022	FAIN, ROY AND MILDRED B	14.20	FIELD CROPS
107-37-001	MICHELENA, R LOUIS	36.80	FIELD CROPS
107-37-002	BOWMAN, TERRY AND CHRIS	81.50	FIELD CROPS
107-37-003	MICHELENA, R LOUIS	46.50	FIELD CROPS
107-38-002A	CLONTS, DALE G	96.80	NOT LISTED
107-38-003	RABB, GRETCHEN GABRIEL	118.30	FIELD CROPS
107-38-004	MONTES, ALFREDO/HIRKO, DALIA M	1.20	FIELD CROPS
107-39-011B	GARDNER, LEROY AND EVA GRACE	92.90	FIELD CROPS
107-39-018	CURTIS BROTHERS	6.00	NOT LISTED
107-43-001A	GARDNER, LEROY AND EVA GRACE	42.40	FIELD CROPS
107-44-001	MONTES, ALFREDO	30.58	NOT LISTED
107-44-002	ALVILLAR, ANTONIO AND ALICE	31.20	FIELD CROPS
107-44-003	ALVILLAR, ANTONIO C AND ALICE M	34.81	FIELD CROPS
107-44-004	GOMEZ, VIDAL AND JESSIE	18.91	FIELD CROPS
107-44-005	ALVILLAR/FIGUEROA/BACA/MORENO	27.40	FIELD CROPS
107-44-006	LARSON, RULON M & MARILYN P	41.60	FIELD CROPS
107-44-007	GARDNER, LEROY AND EVA GRACE	28.00	FIELD CROPS
107-45-006	DOMINGUEZ, HIGINIO	1.40	VACANT LAND

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
107-45-007	MONTEZ, CLARA D	3.30	SINGLE FAMILY RESIDENTIAL
107-45-009	AMADOR, RICHARD AND ELIZABETH	2.00	VACANT LAND
107-45-011	CHACON, JOHNNY N AND MARIAN J	2.00	VACANT LAND
107-45-036	LARSON, RULON & MARILYN	2.20	FIELD CROPS
107-47-001	BOWMAN, TERRY O. & SARA C.	37.10	FIELD CROPS
107-47-003	CLARIDGE, KENNETH & MARLENE	192.30	FIELD CROPS
107-47-005A	LARSON, RULON AND MARILYN	73.00	FIELD CROPS
107-47-007	HERRINGTON, MARK C. & NONA UDALL	33.70	FIELD CROPS
107-47-010	LARSON, RULON M. & MARILYN P.	74.50	FIELD CROPS
107-49-001	CARRASCO/GOMEZ/DUNCAN/ BURRELL	52.20	FIELD CROPS
107-49-002A	LATTER DAY SAINTS REAL ESTATE DIV	153.30	FIELD CROPS
107-49-003B	LATTER DAY SAINTS/LAYTON, R DEON	3.20	FIELD CROPS
107-49-004	HUFF, LARRY	109.60	FIELD CROPS
107-50-004	GOMEZ, JESSIE % ANGEL GOMEZ	71.40	FIELD CROPS
107-50-007	LAYTON, F DENNIS AND PAULA	252.20	FIELD CROPS
107-51-001	UDALL, LEE KENYON AND LEONA C	11.50	FIELD CROPS
107-51-003	RIOS, RUBEN & SANDRA/CARRASCO,FELIX	3.10	VACANT LAND
107-51-004	TANDYK, JOHN K AND BARBARA A	3.10	SINGLE FAMILY RESIDENTIAL
107-52-001	LATTER DAY SAINTS REAL ESTATE DIV	28.20	FIELD CROPS
107-52-002	SLC PROPERTIES	3.90	VACANT LAND
107-52-005	MORENO, EULALIA	4.80	VACANT LAND
107-52-013	CARRASCO: ROBERT & SYLVIA/FELIX L	1.60	VACANT LAND
107-52-028	RODRIGUEZ, EDILIA	1.80	SINGLE FAMILY RESIDENTIAL
107-52-029	PERU, RALPH % RAUL PERU	1.10	VACANT LAND
107-53-037	LAYTON, F DENNIS AND PAULA	15.69	FIELD CROPS
107-54-004B	MANSUR, PAULA K	2.50	SINGLE FAMILY RESIDENTIAL
107-54-006	MANSUR, PAULA K	1.50	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
107-54-008	COX, L T AND WILMA F	2.80	SINGLE FAMILY RESIDENTIAL
107-54-011	GOMEZ, JESSIE	111.10	FIELD CROPS
107-54-012	ROMERO, GERSON AND CLEO	1.50	SINGLE FAMILY RESIDENTIAL
107-54-014	COLVIN, HENRY C AND LORRAINE M	1.00	SINGLE FAMILY RESIDENTIAL
107-54-015	MILLIGAN, RAY AND SHARON E	1.50	VACANT LAND
107-54-016	MANSUR, PAULA K	7.10	FIELD CROPS
107-54-018	HERRINGTON, MARK C AND NONA U	2.00	SINGLE FAMILY RESIDENTIAL
107-54-019	HERRINGTON, MARK C AND NONA U	63.00	FIELD CROPS
107-54-020	PRICE, PAULA K	8.90	FIELD CROPS
107-55-002	LARSON, M M	1.30	FIELD CROPS
107-55-017	BARNEY, REX O & GALE H	11.00	FIELD CROPS
107-58-001	LAYTON, F DENNIS AND PAULA	30.20	FIELD CROPS
107-58-002	LAYTON: R DEON & M/F DENNIS & PAULA	36.40	FIELD CROPS
107-58-003	LAYTON, F DENNIS AND PAULA	29.80	FIELD CROPS
108-12-002	BLACK, LORNA	14.60	FIELD CROPS
108-13-002	LARSON, VERA	31.00	FIELD CROPS
108-13-006	BLACK, EARL W AND HELEN	7.90	FIELD CROPS
108-13-008	GARCIA, ERNEST %LENA GARCIA	56.30	FIELD CROPS
108-14-001	BRYCE, MELVIN R AND NORMA L	7.20	FIELD CROPS
108-14-002	BLACK, EARL W AND HELEN	26.50	FIELD CROPS
108-14-008	BLACK, LORNA	20.10	FIELD CROPS
108-14-009	BLACK: ROY/IRENE/ROY LYNNE	3.00	VACANT LAND
108-14-010	BLACK, LORNA	5.20	FIELD CROPS
108-15-002	BLACK, GERALD E AND MARY I	67.80	FIELD CROPS
108-15-004	KRILEY, LEO P	0.20	SINGLE FAMILY RESIDENTIAL
108-15-006A	MOTES, WILMA C/BRYCE, MELVIN&NORMA	151.40	FIELD CROPS
108-15-007	BLACK, LORNA	35.20	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
108-15-012	HOLYOAK, LYMAN D AND VIRGIE	9.10	SINGLE FAMILY RESIDENTIAL
108-16-001	HANCOCK, JERRY D & IRENE	21.80	FIELD CROPS
108-16-003	MOTES, THELO D/BRYCE, MELVIN&NORMA	10.80	FIELD CROPS
108-16-004	MATTICE, RICHARD W AND VALERIE L	25.20	FIELD CROPS
108-16-005	HANCOCK:LARRY & ALICE/NORMAN&MURIEL	21.50	FIELD CROPS
108-17-001	WILLIS, NASH&MARVEL/MCEUEN/CATLETT	1.10	VACANT LAND
108-17-002	HANCOCK,LARRY & ALICE/NORMAN & MURI	33.00	FIELD CROPS
108-18-001	CLARIDGE,AB &LM/HANCOCK,JERRY & IRE	40.30	FIELD CROPS
108-19-001	HANCOCK, JERRY D AND IRENE	4.60	FIELD CROPS
108-19-002	HANCOCK: LARRY & ALICE/NORMAN&MURIE	51.50	FIELD CROPS
108-19-003	ALDER: JIM & BRENDA/JOE & EVELYN	36.20	FIELD CROPS
108-19-005	INDIAN SPRINGS RANCH INC	32.10	FIELD CROPS
108-20-001A	ALDER: JIM & BRENDA/JOE & EVELYN	81.30	FIELD CROPS
108-20-003	MONTIERTH, WENDELL/BRYCE, MELVIN&N	75.00	FIELD CROPS
108-20-004	MONTIERTH, LESLIE AND HEDEVIG TRUST	49.20	FIELD CROPS
108-20-006	MONTIERTH, WENDELL/BRYCE, MELVIN&N	41.50	FIELD CROPS
108-20-007	MATTICE, RICHARD W AND VALERIE L	36.80	FIELD CROPS
108-21-003B	BRYCE, MELVIN R & NORMA L	13.50	FIELD CROPS
108-21-004	BRYCE, MELVIN AND NORMA LOU	65.60	FIELD CROPS
108-21-005	BLACK, LORNA	6.10	FIELD CROPS
108-21-006	MOTES, THELO/BRYCE, MELVIN & NORMA	46.70	FIELD CROPS
108-21-007	MATTICE, RICHARD AND VALERIE	16.30	FIELD CROPS
108-21-009	MATTICE, RICHARD AND VALERIE	1.30	FIELD CROPS
108-24-002	ALDER: JIM & BRENDA/JOE & EVELYN	148.00	FIELD CROPS
108-24-023	HINTON, TERREL HENSON & KATHY	13.90	NOT LISTED
108-25-002	CLARIDGE, VIRGINIA/NORTON, M & R	77.80	FIELD CROPS
108-25-003	CLARIDGE, CHRIS L AND DEBBIE	22.80	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
108-25-004	FT THOMAS HIGH SCHOOL	16.00	COUNTY
108-25-005	BROWN, ELTON AND DELVA	18.00	FIELD CROPS
108-25-007	CLARIDGE, CHRIS L	9.30	FIELD CROPS
108-25-008	CLARIDGE, ALF	104.40	FIELD CROPS
108-26-001A	CLARIDGE, CHRIS L & DEBBIE	7.60	FIELD CROPS
108-26-009A	HINTON,T HENSON & CATHY	7.30	SINGLE FAMILY RESIDENTIAL
108-26-015	HINTON, S JACK	2.50	VACANT LAND
108-26-016	MCEUEN, ZONA	0.20	MISCELLANEOUS AND SALVAGE
108-26-017	MCEUEN, PORTER	0.70	MULTIPLE RESIDENTIAL
108-26-018	HINTON, WILLIW & LAVONA	0.50	SINGLE FAMILY RESIDENTIAL
108-26-020	HERBERT, LAREE	1.60	SINGLE FAMILY RESIDENTIAL
108-27-005A	HANCOCK, JERRY & REBECCA R	0.20	SINGLE FAMILY RESIDENTIAL
108-27-005B	HANCOCK, JERRY WAYNE & REBECCA RAE	0.10	VACANT LAND
108-27-006	WARD, MONTEE HINTON	0.10	SINGLE FAMILY RESIDENTIAL
108-27-007	HANCOCK, JERRY WAYNE & REBECCA RAE	0.30	VACANT LAND
108-27-009	FT THOMAS ELEMENTARY SCHOOL	0.80	COUNTY
108-27-014	MCEUEN, PORTER	6.40	COMMERCIAL PROPERTY
108-27-017	KEEN, BOBBY & CLARIS	0.50	COMMERCIAL PROPERTY
108-27-020	WILLIS, MARVEL M	0.60	SINGLE FAMILY RESIDENTIAL
108-27-024	LATTER DAY SAINTS	0.20	RELIGIOUS
109-11-002	BRYCE, MELVIN AND NORMA	72.70	FIELD CROPS
109-11-003	LAYTON, GLEN & JAY FARMS	95.10	FIELD CROPS
109-12-004	LATTER DAY SAINTS (REAL ESTATE DIV)	10.00	RELIGIOUS
109-12-005	CLARIDGE, ALF	35.60	FIELD CROPS
109-12-006	HERBERT, MELVIN M AND CHARLENE	67.00	FIELD CROPS
109-12-008	BRYCE, MELVIN AND NORMA	112.00	FIELD CROPS
109-12-009	HERBERT, MELVIN & SHERRILL	3.00	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-19-001	LAYTON, GLEN & JAY FARMS	30.50	HIGH DENSITY AGRICULTURAL
109-19-002	MOTES, NATHEN	91.00	FIELD CROPS
109-19-004	MOTES, NATHAN	35.10	FIELD CROPS
109-20-001	MOTES, NATHEN	38.40	FIELD CROPS
109-20-002	LAYTON, GLEN & JAY FARMS	116.60	FIELD CROPS
109-20-003	BRYCE, HAZEL B	38.80	FIELD CROPS
109-20-004	LAYTON, GLEN & JAY FARMS	40.00	FIELD CROPS
109-20-005	LAYTON, GLEN & JAY FARMS	54.40	FIELD CROPS
109-20-006	MOTES, NATHAN	40.00	FIELD CROPS
109-20-007	LAYTON, GLEN & JAY FARMS	14.00	FIELD CROPS
109-20-008	BROWN, ELTON AND DELVA	40.00	FIELD CROPS
109-20-009	HAWKINS, DOUGLAS D	39.50	FIELD CROPS
109-20-010	LAYTON, GLEN & JAY FARMS	37.90	FIELD CROPS
109-20-011	MOTES, NATHAN	13.20	FIELD CROPS
109-20-012	HERBERT, MELVIN M AND CHARLENE	63.70	FIELD CROPS
109-20-013	MOTES, NATHAN	1.00	FIELD CROPS
109-21-001A	FOSTER, MELVIN AND NOLA FAYE	76.10	FIELD CROPS
109-21-003	MOTES, NATHAN	10.00	FIELD CROPS
109-21-004	MOTES, NATHAN	62.70	FIELD CROPS
109-21-005	BLACK, LOUISE	55.40	FIELD CROPS
109-21-006	LUNDELL, RUSSELL AND LEOLA	49.00	FIELD CROPS
109-21-008	BRYCE, MELVIN	38.30	FIELD CROPS
109-21-009	BRYCE, HAZEL B	37.80	FIELD CROPS
109-21-011	BLACK, LOUISE	11.90	FIELD CROPS
109-21-012	BELLMAN, BENJAMIN DAVID	33.70	FIELD CROPS
109-22-004	MULLENAUX: DERALD/MELVA/JAME/LAD/TOM	18.70	FIELD CROPS
109-22-008	PALMER, DENNIS AND MARGARET	64.20	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-22-009	MULLENAUX:DERALD/MELVA/JAME/LAD/TOM	27.00	FIELD CROPS
109-24-001	MULLENAUX:DERALD/MELVA/JAME/LAD/TOM	9.54	VACANT LAND
109-24-002	PALMER, DENNIS & MARGARET	35.80	FIELD CROPS
109-24-005	BRYCE, RONALD K. & CINDY L.	27.20	FIELD CROPS
109-24-007	MULLENAUX BROTHERS	32.30	VACANT LAND
109-25-002	BRYCE, MELVIN AND NORMA	4.20	SPECIAL USE PROPERTY
109-25-004	BRYCE, HAZEL B	36.40	FIELD CROPS
109-25-005	BRYCE, RONALD K. & CINDY L.	60.00	FIELD CROPS
109-25-006	COCKRUM, H REESE AND BETTY	151.70	FIELD CROPS
109-25-007	MULLENAUX:DERALD/MELVA/JAME/LAD/TOM	30.90	NOT LISTED
109-26-001A	BRYCE, RONALD K.	58.00	FIELD CROPS
109-26-002	BRYCE, RONALD K. & CINDY L.	14.90	FIELD CROPS
109-26-007	PALMER, MARCO AND JUDI	27.20	FIELD CROPS
109-26-008A	PALMER, MELBURN AND LAVONA	70.40	FIELD CROPS
109-29-001	MCEUEN, LUE	56.30	FIELD CROPS
109-30-002	MCEUEN, LUE	3.10	RANCH PROPERTY
109-31-002	INDIAN SPRINGS RANCH INC	15.40	FIELD CROPS
109-31-012	INDIAN SPRINGS RANCH INC	18.80	FIELD CROPS
109-31-018	INDIAN SPRINGS RANCH INC	88.00	RANCH PROPERTY
109-32-006	BELLMAN, BENJAMIN DAVID	53.00	FIELD CROPS
109-32-008	INDIAN SPRINGS RANCH INC	54.40	FIELD CROPS
109-32-009	INDIAN SPRINGS RANCH INC	14.80	VACANT LAND
109-32-010	INDIAN SPRINGS RANCH INC	67.80	FIELD CROPS
109-33-001	BELLMAN, LAMAR	181.90	FIELD CROPS
109-33-002	BRYCE, HAZEL B	9.60	FIELD CROPS
109-33-003	BRYCE, RONALD K. & CINDY L.	30.70	FIELD CROPS
109-33-005B	FERGUSON FARMS INC/BRYCE, MELVIN&N	85.90	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-34-004	UDALL, DAVID K	0.20	FIELD CROPS
109-34-005	UDALL, DAVID K	89.90	FIELD CROPS
109-34-006	PALMER, JAMES A AND CELINDA	95.30	FIELD CROPS
109-34-009	MARSHALL, W B AND CLARA	27.20	FIELD CROPS
109-34-010	INDIAN SPRINGS RANCH INC	1.20	FIELD CROPS
109-34-011	INDIAN SPRINGS RANCH INC	6.40	FIELD CROPS
109-34-012	PALMER, JAMES & CELINDA	46.80	FIELD CROPS
109-35-008	MARSHALL, W B AND CLARA	3.50	NOT LISTED
109-37-001	MARSHALL, W B AND CLARA	5.30	FIELD CROPS
109-37-001A	MARSHALL, W B & CLARA	42.50	NOT LISTED
109-37-002A	INDIAN SPRINGS RANCH	0.90	SINGLE FAMILY RESIDENTIAL
109-37-003	HILBERS, DAVID	9.40	FIELD CROPS
109-37-020	TAYLOR, ALFORD	0.90	SINGLE FAMILY RESIDENTIAL
109-37-024	HAWKINS, DAVE E & MYRNA J	1.70	VACANT LAND
109-37-032	PALMER, JAMES & CELINDA	61.90	FIELD CROPS
109-38-001	COLVIN, ROBERT J	1.40	MISCELLANEOUS AND SALVAGE
109-38-002	COLVIN, D W	47.00	FIELD CROPS
109-38-003	CARPENTER, INEZ	8.00	VACANT LAND
109-38-004	COLVIN, R J / COLVIN D W	2.60	VACANT LAND
109-38-005	COLVIN, ROBERT / D W	0.90	SINGLE FAMILY RESIDENTIAL
109-39-001	MARSHALL, W B AND CLARA	48.90	FIELD CROPS
109-39-002	HILBERS, VERNON & BETTY	67.50	FIELD CROPS
109-39-003	HILBERS, VERNON & BETTY	80.50	FIELD CROPS
109-39-004	COLVIN, D W	38.70	FIELD CROPS
109-39-005	COLVIN, ROBERT J	78.50	NOT LISTED
109-39-006	KEMPTON, LAMAR	80.10	FIELD CROPS
109-39-007	COLVIN, JAY D & BRENDA K	18.60	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-39-008	MARSHALL, W B & CLARA	34.10	FIELD CROPS
109-40-002	PALMER, VERLE & TRELVA	55.80	FIELD CROPS
109-40-003	FARRINGTON, MAY	35.70	FIELD CROPS
109-40-004	LUNT, GARTH	21.20	NOT LISTED
109-40-005	PALMER, MARCO & JUDY	47.50	FIELD CROPS
109-40-006	PALMER, MELBURN & LAVONNA	39.40	FIELD CROPS
109-40-007	PALMER, MELBURN & LAVONNA	40.00	FIELD CROPS
109-40-008	COLVIN FARMS	47.20	FIELD CROPS
109-40-009A	BRYCE, RONALD K	31.60	FIELD CROPS
109-40-010	PALMER, MARCO AND JUDI	39.30	FIELD CROPS
109-41-002	LUNT, GARTH	5.60	FIELD CROPS
109-41-005	PALMER, MELBURN AND LAVONA	92.70	FIELD CROPS
109-41-005B	PALMER, MELBURN & LAVONA	2.60	FIELD CROPS
109-41-007A	WELKER, DUDLEY	2.20	VACANT LAND
109-41-008A	COLVIN FARMS	69.70	FIELD CROPS
109-41-014	PALMER, ELDON & LUCILLE	104.70	NOT LISTED
109-42-002	COLVIN, D W	19.20	FIELD CROPS
109-42-003	HANCOCK, LARRY VON	39.10	FIELD CROPS
109-42-004	COLVIN, JAY D & BRENDA K	71.60	FIELD CROPS
109-42-005	COLVIN, D W	76.20	FIELD CROPS
109-42-006A	COLVIN, R J & VERNA RAE	31.00	FIELD CROPS
109-42-013	FERGUSON, RAYMOND KENT & ROSELYN	22.18	FIELD CROPS
109-43-007	HANCOCK, LARRY VON	56.70	FIELD CROPS
109-43-008	COLVIN, R J & VERNA RAE	6.50	FIELD CROPS
109-43-010	LEBARON, OLAF W	5.00	VACANT LAND
109-43-013	CARPENTER, INEZ	36.80	FIELD CROPS
109-43-014	HAWKINS, DAVE E AND MYRNA T	4.00	SINGLE FAMILY RESIDENTIAL

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-43-015	LEE, MELBA E	5.00	VACANT LAND
109-43-016	WATSON, JM JR & DEBRA/DALE & ANITA	1.30	SINGLE FAMILY RESIDENTIAL
109-43-018	COLVIN, BOB & VERNA	1.70	VACANT LAND
109-43-018A	VAUGHN, BOB & LEE	1.30	VACANT LAND
109-43-019	HESTAD, RICHARD L	1.70	SINGLE FAMILY RESIDENTIAL
109-43-021	COLVIN, R J	1.70	SINGLE FAMILY RESIDENTIAL
109-43-022	VAUGHN, BOB & LEE	0.80	SINGLE FAMILY RESIDENTIAL
109-43-024	FOXWORTH, CB & RUTH	1.30	MOBILE HOME
109-43-026	COLVIN, RJ & VERNA RAE	1.30	SINGLE FAMILY RESIDENTIAL
109-43-030	COLVIN, R J	42.40	FIELD CROPS
109-43-036	LEBARON, O W & LORA M	1.50	SINGLE FAMILY RESIDENTIAL
109-43-041	COLVIN, ROBERT J	61.50	FIELD CROPS
109-43-042	COLVIN, R J	27.00	FIELD CROPS
109-43-046	MARSHALL, CHARLES	0.80	SINGLE FAMILY RESIDENTIAL
109-43-047	HAWKINS, BILL & DIANE	0.50	VACANT LAND
109-52-001	ALDER: JOSEPH & EVELYN/LESLIE&BREND	82.10	FIELD CROPS
109-52-002	PALMER, ARDEN J AND MARY L	214.70	FIELD CROPS
109-52-003	LEE, BLANCH T	105.00	FIELD CROPS
109-53-003A	GARCIA, JUAN & HERLINDA M	1.20	NOT LISTED
109-53-004	ANDERSON FARMS C/O CHARLES JONES	26.00	FIELD CROPS
109-53-005	PALMER, ARDEN J AND MARY LOUISE	240.10	FIELD CROPS
109-53-006	HANCOCK, LARRY V AND ALICE	9.30	NOT LISTED
109-53-007	HANCOCK,LAWRENCE&L/NORMAN&M/LARRY&A	96.30	FIELD CROPS
109-53-008	BOREN, JERRY & LINDA	7.70	FIELD CROPS
109-54-002A	HANCOCK,LAWRENCE&L/NORMAN&M/LARRY&A	8.55	FIELD CROPS
109-54-002B	HANCOCK, NORMAN E & MURIEL	6.60	FIELD CROPS
109-54-003A	HANCOCK:LAWRENCE&L/NORMAN&M/LARRY&A	40.70	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-54-004A	HANCOCK, NORMAN L & MURRIEL	28.90	FIELD CROPS
109-54-005	ANDERSON: JOHN/GEORGE/MARK	67.80	FIELD CROPS
109-54-006	ANDERSON, GEORGE AND PAULA	48.80	FIELD CROPS
109-54-007	ANDERSON, GEORGE AND PAULA	4.00	FIELD CROPS
109-54-009A	HANCOCK, LARRY V & ALICE M	4.00	FIELD CROPS
109-55-001	COLVIN, ROBERT J	25.80	FIELD CROPS
109-55-002	CARPENTER, ALBERT & MAYBELL	32.40	FIELD CROPS
109-55-003	CARPENTER, INEZ	44.50	FIELD CROPS
109-55-004	HANCOCK:LAWRENCE&L/NORMAN&M/LARRY&A	11.20	FIELD CROPS
109-55-007	COONS: ZELMA/GENE/NILE/JOY	36.00	FIELD CROPS
109-55-009	FERGUSON, RAYMOND KENT AND ROSELYN	155.80	FIELD CROPS
109-55-012	ALLEN, EUGENE & JOAN	1.00	SINGLE FAMILY RESIDENTIAL
109-55-013	SANCHEZ, ERNEST & GUADALUPE	7.00	VACANT LAND
109-56-003	PENROD, JOSEPH	2.00	SPECIAL USE PROPERTY
109-56-004	FERGUSON, RAYMOND & ROSELYN	47.32	MISCELLANEOUS INDUSTRY
109-59-082	RYAN, LOUISE	0.50	VACANT LAND
109-59-999	THUNDERBIRD VALLEY C/O JESSE PEASE	1.10	NOT LISTED
109-60-001	FERGUSON, RAYMOND AND ROSELYN	83.10	FIELD CROPS
109-60-010	MEADOWS,ROBERT&E/LARSON,DENNIS&DEB	0.08	VACANT LAND
109-61-003	ANDERSON, GEORGE AND PAULA	83.10	FIELD CROPS
109-61-011	MATTHEWS, HAROLD	37.70	FIELD CROPS
109-61-015	ANDERSON: GEORGE G/JOHN H/MARK L	166.40	FIELD CROPS
109-61-016	LAYTON, GLEN & JAY FARMS	23.30	FIELD CROPS
109-62-001A	MCBRIDE, KEITH & CAROLDEENE/ETHER	0.35	COMMERCIAL PROPERTY
109-62-001B	MCBRIDE,KEITH&CAROLDEEN/ETHER/NELLI	0.25	SINGLE FAMILY RESIDENTIAL
109-62-003A	BATTY: WALTER/JOHN/BRYCE, MELVIN&N	16.90	FIELD CROPS
109-62-004A	BATTY, W A/BRYCE, MELVIN & NORMA	17.00	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-62-005	LAYTON, GLEN & J	103.20	FIELD CROPS
109-62-006	ANDERSON:JOHN&SUE/GEORGE&ANN	33.90	FIELD CROPS
109-62-008	COONS:ZELMA MAE/GENE/NILE/JOY	92.10	FIELD CROPS
109-62-009A	MCBRIDE, KEITH & CAROLDEENE	2.00	VACANT LAND
109-62-010	COONS, JOY ALVIN	38.00	FIELD CROPS
109-62-011	LAYTON, GLEN J & JAY FARMS	13.50	FIELD CROPS
109-62-012	MATTICE. WARNER LEN & TAMARA JANE	30.50	FIELD CROPS
109-63-001	WELKER, A A	1.00	FIELD CROPS
109-63-002	WELKER, LAVELL A AND WILLA JEAN	17.60	FIELD CROPS
109-63-005	LINES, RUSKIN	7.50	FIELD CROPS
109-63-006	BLAKE, BENTON/LARSON, PHYLLIS	58.80	FIELD CROPS
109-63-007	MATTICE, WARNER & TAMARA	1.60	FIELD CROPS
109-63-008	ANDERSON FARMS C/O C JONES	16.30	FIELD CROPS
109-63-010	LEE, BLANCHE	123.33	FIELD CROPS
109-63-015	LAYTON,GLEN J & JAY FARMS	0.30	FIELD CROPS
109-63-019	BRYCE, JOHN B & PHYLLIS A	59.30	FIELD CROPS
109-64-002A	COONS, NILE W & BERTHA MAY	2.00	SINGLE FAMILY RESIDENTIAL
109-64-004	GATLIN, NIKKI JO	15.20	FIELD CROPS
109-64-005	LARSON, PHYLLIS/BLAKE, BENTON L	130.90	FIELD CROPS
109-64-007	MATTICE, RICHARD W & VALERIE L	30.20	FIELD CROPS
109-64-009	ROTHCO LTD	8.90	SPECIAL USE PROPERTY
109-64-010	LAYTON, GLEN J & MARJORIE	256.10	FIELD CROPS
109-64-011	LINES, RUSKIN	45.90	FIELD CROPS
109-64-012	MATTICE, GEO	79.70	FIELD CROPS
109-64-013	MATTICE, JOHN W & KAREN B	2.70	SINGLE FAMILY RESIDENTIAL
109-65-002	COONS,ZELMA M/GENE/NILE/JOY	11.00	FIELD CROPS
109-65-013	CROCKETT, LARRY & JEAN	75.40	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-65-021	BATTY,WA/BRYCE,MELVIN R & NORMA L	122.70	FIELD CROPS
109-65-022	BRYCE, MELVIN R & NORMA LOU	4.80	FIELD CROPS
109-66-001	MATTICE, WARNER LEN & TAMERA JANE	9.60	FIELD CROPS
109-66-002	COONS:ZELMA MAE/GENE/NILA/JOY	14.40	FIELD CROPS
109-66-003	MATTICE, WARNER LEN & TAMERA JANE	11.10	FIELD CROPS
109-66-008	KELLEY, CHARLES & EVALEE	1.00	SINGLE FAMILY RESIDENTIAL
109-66-010	MATTICE, GEO	26.60	FIELD CROPS
109-66-011	COONS: ZELMA/GENE/NILE	4.30	NOT LISTED
109-66-012	COONS, JOY A & VENEICE G	0.70	SINGLE FAMILY RESIDENTIAL
109-66-013	WIMBERLY, IRA W & SYLVIA	1.00	SINGLE FAMILY RESIDENTIAL
109-66-014	WIMBERLEY, LARRY ELMO & JOANN	0.50	SINGLE FAMILY RESIDENTIAL
109-67-007	LAYTON, GLEN J AND MARJORIE	7.50	FIELD CROPS
109-73-005	CROCKETT, LARRY AND JEAN	110.00	FIELD CROPS
109-73-006	CROCKETT, KEITH AND KATHLEEN M	1.00	SINGLE FAMILY RESIDENTIAL
109-74-003	CLUFF, DONALD R & ROBIN	39.00	FIELD CROPS
109-74-004	ROGERS, THELMA	43.00	FIELD CROPS
109-75-002A	LAYTON, GLEN J & MARJORIE	26.25	FIELD CROPS
109-75-002B	LAYTON, GLEN J & MARJORIE	1.00	FIELD CROPS
109-75-007	FOX:TRACY & MILDRED/CHARLES T	7.00	FIELD CROPS
109-75-008	FLOWERS, HAYES & HELEN ELOISE	13.20	FIELD CROPS
109-75-009	CROCKETT, LARRY AND JEAN	4.50	FIELD CROPS
109-75-010	VICORY, GARY L. & SHERRY L.	16.50	NOT LISTED
109-75-012	TAYLOR, JERRY AND LEONA	7.20	PASTURE LAND
109-75-015	PETERSON, DWAIN B AND NONA	17.70	NOT LISTED
109-75-021	WEBB, CHESTER A AND MARDELLE M	4.70	FIELD CROPS
109-75-023	WEBB, LANNY A & CAROLYN K	3.10	FIELD CROPS
109-75-025	WEBB, LANNY A & CAROLYN K	1.30	FIELD CROPS

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-75-026	PETERSON, DWAIN B AND NONA S	3.20	SINGLE FAMILY RESIDENTIAL
109-75-028	TURMAN, BOBB G AND BARBARA J	4.75	SINGLE FAMILY RESIDENTIAL
109-75-032	KESKE, FRANK E & MARJORY E	3.40	VACANT LAND
109-75-033	KESKE, FRANK E AND MARJORY E	1.30	SINGLE FAMILY RESIDENTIAL
109-76-001	CLUFF, STEPHEN L	17.50	NOT LISTED
109-76-005B	MCBRIDE, REUBEN & SONDRA	2.00	SINGLE FAMILY RESIDENTIAL
109-76-005C	SKINNER, LYNN & JOYCE	17.60	NOT LISTED
109-76-005D	CLARIDGE, JUNIETTA	1.60	NOT LISTED
109-76-005F	SKINNER, LYNN, W. & JOYCE C.	1.80	SINGLE FAMILY RESIDENTIAL
109-76-006	SKINNER, LYNN W AND JOYCE	55.00	FIELD CROPS
109-76-008	LAYTON, GLEN J AND MARJORIE	1.30	FIELD CROPS
109-76-013	SMITH, FREDERICK & LEOLA	2.80	SINGLE FAMILY RESIDENTIAL
109-76-019	BOWMAN, EVERETT H & BILLIE	1.50	MOBILE HOME
109-76-021	FRENCH, TEDDY LEE & PATRICIA	2.40	MOBILE HOME
109-76-025	LARSON, CLAY & NAOMA	8.80	VACANT LAND
109-76-044	EVANS, C L AND WANDA	1.00	VACANT LAND
109-76-046	EVANS, CECIL AND LUCILLE	0.90	SINGLE FAMILY RESIDENTIAL
109-76-047	EVANS, CECIL AND LUCILLE	0.30	VACANT LAND
109-77-002	TAYLOR, DONALD & CAROLE	7.50	NOT LISTED
109-77-014	MCBRIDE, REUBEN B AND SONDRA	38.30	FIELD CROPS
109-77-015	TAYLOR, JERRY D AND LEONA	6.70	FIELD CROPS
109-77-020	ROGERS, THELMA M	30.80	NOT LISTED
109-77-025	ROGERS, THELMA M	15.30	FIELD CROPS
109-77-028	TAYLOR, FARR D & MAY LOUISE	3.50	NOT LISTED
109-77-030	LARSON, NADINE	1.00	VACANT LAND
109-78-007	ROGERS, THELMA	86.60	NOT LISTED
109-79-017	BRYCE, MELVIN AND NORMA L	2.00	NOT LISTED

PARCEL NO.	NAME OF LANDOWNER	ACRES	LAND USE CODE
109-79-019	BRYCE, RONALD K & CYNTHIA L	2.60	SINGLE FAMILY RESIDENTIAL
ARIZ 109-42	STATE OF ARIZONA	0.30	UNKNOWN
HWY 70	DECREE IN HIWAY 70	3.90	UNKNOWN
LOTS	496 LOTS LESS THAN 1 ACRE	587.85	UNKNOWN
PIMA	TOWN OF PIMA	27.20	UNKNOWN
SAFFORD	TOWN OF SAFFORD	177.70	UNKNOWN
STREETS	CITY OF SAFFORD	55.41	UNKNOWN
SV LOTS	99 LOTS IN TOWN OF PIMA	85.48	UNKNOWN
THATCHER	TOWN OF THATCHER	76.80	UNKNOWN
USA	USA	2.50	UNKNOWN

APPENDIX G: GILA VALLEY IRRIGATION DISTRICT - ANALYSIS OF GLOBE EQUITY NO. 59 DECREED LANDS BY COUNTY ASSESSOR LAND USE CODES

This appendix contains 1 table which lists all of the Graham County assessor land use codes for Globe Equity No. 59 decreed acreage found within the Gila Valley Irrigation District. The parcels with decreed acreage were taken from a tabulation entitled "Gila Valley Irrigation District - Water Users and Parcel Numbers - January 1989." This tabulation is found in the objection found by the Gila River Indian Community (GRIC) (APPENDIX F). The Arizona Department of Water Resources (DWR) reviewed all the county assessor land use designations and researched all parcels coded as "NOT LISTED" in the GRIC objection. DWR has determined that the decreed acreage designated as "RANCH PROPERTY" is 28,624.30 acres. DWR also determined that the other land use codes also have irrigated acreage associated with them. There is an additional 944.52 irrigated acres for these land use codes.

TABLE G-1

GILA VALLEY IRRIGATION DISTRICT
ANALYSIS OF GLOBE EQUITY NO. 59 DECREED ACREAGE
BY COUNTY ASSESSOR LAND USE CODES

GILA VALLEY IRRIGATION DISTRICT ASSESSOR LAND USE CODE	LAND USE PARCEL ACREAGE	LAND USE PARCEL IRRIGATED ACREAGE
Commercial Property	193.45	58.80
Cotton Gin	31.80	4.80
County	110.04	51.10
Field Crops	28,299.82	
High Density Agricultural	82.50	
Manufacturing (Dur/Non Durable)	1.20	
Manufacturing (Foods & Kindred)	2.50	
Miscellaneous Industry	47.32	47.32
Miscellaneous and Salvage	3.80	2.70
Mobile Home	300.97	159.39
Motel	3.62	
Multiple Residential	24.67	3.40
Municipal	66.08	
Ninety-two Religious Farm	113.40	17.40
Pasture Land	7.20	
Plant Nurseries	22.60	20.20
Public Utilities	6.80	
Ranch Property	149.78	
Religious	98.59	68.15
Single Family Residential	621.16	298.84
Special Use	219.36	148.62
State	98.50	61.80
Tree Crops	62.40	
Unknown	1,035.18	
Vacant Land	897.10	2.00
Warehousing	12.35	
TOTAL	**32,512.19**	**944.52**

APPENDIX H: GLOBE EQUITY NO. 59 DECREED ACREAGE FOR THE TOWNS OF PIMA, SAFFORD, AND THATCHER

This appendix contains 4 tables which pertain the Globe Equity No. 59 decreed acreage for the towns of Pima, Safford, and Thatcher. The tables and their page numbers are listed below.

TABLE NUMBER	TABLE DESCRIPTION	PAGE NUMBER
TABLE H-1	Town of Pima, Arizona - Globe Equity No. 59 Decreed Acreage	H-2
TABLE H-2	Town of Safford, Arizona - Globe Equity No. 59 Decreed Acreage	H-2
TABLE H-3	Town of Thatcher, Arizona - Globe Equity No. 59 Decreed Acreage	H-3
TABLE H-4	Pima, Safford, and Thatcher - Total Globe Equity No. 59 Decreed Acreage	H-5

TABLE H-1

TOWN OF PIMA, ARIZONA
GLOBE EQUITY NO. 59 DECREED ACREAGE

LEGAL LOCATION	DECREED TO	PRIORITY	CANAL	ACRES
T.6S., R.25E., SECTION 30-19	TOWN OF PIMA	DOAN	UNION	50.00
T.6S., R.25E., SECTION 30-19	TOWN OF PIMA	DOAN	SMITHVILLE	130.00
			TOTAL DECREED ACRES	180.00

TABLE H-2

TOWN OF SAFFORD, ARIZONA
GLOBE EQUITY NO. 59 DECREED ACREAGE

LEGAL LOCATION	DECREED TO	PRIORITY	CANAL	ACRES
T.7S., R.26E., SECTION 7, NE¼, SE¼	TOWN OF SAFFORD	DOAN	UNION	38.00
T.7S., R.26E., SECTION 7, SE¼, SE¼	TOWN OF SAFFORD	DOAN	UNION	21.30
T.7S., R.26E., SECTION 8, NE¼, SW¼	TOWN OF SAFFORD	DOAN	UNION	8.00
T.7S., R.26E., SECTION 8, NW¼, SW¼	TOWN OF SAFFORD	DOAN	UNION	13.50
T.7S., R.26E., SECTION 8, SW¼, SW¼	TOWN OF SAFFORD	DOAN	UNION	23.30
T.7S., R.26E., SECTION 8, SE¼, SW¼	TOWN OF SAFFORD	DOAN	UNION	22.00
T.7S., R.26E., SECTION 8, SW¼, SE¼	TOWN OF SAFFORD	DOAN	UNION	5.76
T.7S., R.26E., SECTION 17, NW¼, NE¼	TOWN OF SAFFORD	DOAN	UNION	4.63
T.7S., R.26E., SECTION 17, NE¼, NW¼	TOWN OF SAFFORD	DOAN	UNION	10.00
T.7S., R.26E., SECTION 17, NE¼, NW¼	TOWN OF SAFFORD	DOAN	MONTEZUMA	7.90

TABLE H-2
(Continued)

LEGAL LOCATION	DECREED TO	PRIORITY	CANAL	ACRES
T.7S., R.26E., SECTION 17, NW¼, NW¼	TOWN OF SAFFORD	1904	MONTEZUMA	0.00
T.7S., R.26E., SECTION 17, NW¼, NW¼	TOWN OF SAFFORD	DOAN	MONTEZUMA	0.00
T.7S., R.26E., SECTION 17, NW¼, NW¼	TOWN OF SAFFORD	DOAN	UNION	5.00
T.7S., R.26E., SECTION 17, SW¼, NW¼	TOWN OF SAFFORD	DOAN	MONTEZUMA	10.00
T.7S., R.26E., SECTION 17, SE¼, NW¼	TOWN OF SAFFORD	DOAN	MONTEZUMA	10.00
T.7S., R.26E., SECTION 18, NE¼, NE¼	TOWN OF SAFFORD	DOAN	MONTEZUMA	13.00
T.7S., R.26E., SECTION 18, NE¼, NE¼	TOWN OF SAFFORD	1904	MONTEZUMA	15.00
T.7S., R.26E., SECTION 18, SE¼, NE¼	TOWN OF SAFFORD	DOAN	MONTEZUMA	10.00
			TOTAL DECREED ACRES	217.39

TABLE H-3

TOWN OF THATCHER, ARIZONA
GLOBE EQUITY NO. 59 DECREED ACREAGE

LEGAL LOCATION	DECREED TO	PRIORITY	CANAL	ACRES
T.7S., R.25E., SECTION 1, SW¼, NW¼	TOWN OF THATCHER	DOAN	UNION	9.00
T.7S., R.25E., SECTION 1, NW¼, SW¼	TOWN OF THATCHER	DOAN	UNION	18.00
T.7S., R.25E., SECTION 1, SW¼, SW¼	TOWN OF THATCHER	DOAN	UNION	18.00
T.7S., R.25E., SECTION 2, SW¼, NE¼	TOWN OF THATCHER	DOAN	UNION	19.50
T.7S., R.25E., SECTION 2, SE¼, NE¼	TOWN OF THATCHER	DOAN	UNION	19.50
T.7S., R.25E., SECTION 2, SW¼, NW¼	TOWN OF THATCHER	DOAN	UNION	19.50

TABLE H-3
(Continued)

LEGAL LOCATION	DECREED TO	PRIORITY	CANAL	ACRES
T.7S., R.25E., SECTION 2, SE¼, NW¼	TOWN OF THATCHER	DOAN	UNION	19.50
T.7S., R.25E., SECTION 2, NE¼, SW¼	TOWN OF THATCHER	DOAN	UNION	10.00
T.7S., R.25E., SECTION 2, NW¼, SW¼	TOWN OF THATCHER	DOAN	UNION	10.00
T.7S., R.25E., SECTION 2, SW¼, SW¼	TOWN OF THATCHER	DOAN	UNION	6.00
T.7S., R.25E., SECTION 2, SW¼, SW¼	TOWN OF THATCHER	1904	MONTEZUMA	4.00
T.7S., R.25E., SECTION 2, SE¼, SW¼	TOWN OF THATCHER	DOAN	UNION	5.00
T.7S., R.25E., SECTION 2, SE¼, SW¼	TOWN OF THATCHER	1904	MONTEZUMA	5.00
T.7S., R.25E., SECTION 2, NE¼, SE¼	TOWN OF THATCHER	DOAN	UNION	10.00
T.7S., R.25E., SECTION 2, NW¼, SE¼	TOWN OF THATCHER	DOAN	UNION	10.00
T.7S., R.25E., SECTION 2, SW¼, SE¼	TOWN OF THATCHER	DOAN	UNION	10.00
T.7S., R.25E., SECTION 2, SE¼, SE¼	TOWN OF THATCHER	DOAN	UNION	10.00
T.7S., R.25E., SECTION 3, SE¼, NE¼	TOWN OF THATCHER	DOAN	UNION	9.00
T.7S., R.25E., SECTION 3, NE¼, SE¼	TOWN OF THATCHER	DOAN	UNION	18.00
T.7S., R.25E., SECTION 3, SE¼, SE¼	TOWN OF THATCHER	DOAN	UNION	16.00
T.7S., R.25E., SECTION 10, NE¼, NE¼	TOWN OF THATCHER	DOAN	MONTEZUMA	8.70
T.7S., R.25E., SECTION 10, NE¼, NE¼	TOWN OF THATCHER	1904	MONTEZUMA	9.30
T.7S., R.25E., SECTION 10, SE¼, NE¼	TOWN OF THATCHER	DOAN	MONTEZUMA	16.00
T.7S., R.25E., SECTION 11, NE¼, NE¼	TOWN OF THATCHER	DOAN	UNION	12.00
T.7S., R.25E., SECTION 11, NE¼, NE¼	TOWN OF THATCHER	1904	MONTEZUMA	26.00
T.7S., R.25E., SECTION 11, NW¼, NE¼	TOWN OF THATCHER	1904	MONTEZUMA	30.00
T.7S., R.25E., SECTION 11, SW¼, NE¼	TOWN OF THATCHER	DOAN	MONTEZUMA	30.00
T.7S., R.25E., SECTION 11, SE¼, NE¼	TOWN OF THATCHER	DOAN	MONTEZUMA	39.00
T.7S., R.25E., SECTION 11, NE¼, NW¼	TOWN OF THATCHER	1904	MONTEZUMA	20.00

TABLE H-3
(Continued)

LEGAL LOCATION	DECREED TO	PRIORITY	CANAL	ACRES
T.7S., R.25E., SECTION 11, NW¼, NW¼	TOWN OF THATCHER	DOAN	MONTEZUMA	20.00
T.7S., R.25E., SECTION 11, SW¼, NW¼	TOWN OF THATCHER	1904	MONTEZUMA	36.00
T.7S., R.25E., SECTION 11, SE¼, NW¼	TOWN OF THATCHER	DOAN	MONTEZUMA	30.00
T.7S., R.25E., SECTION 11, NE¼, SW¼	TOWN OF THATCHER	1904	MONTEZUMA	19.50
T.7S., R.25E., SECTION 11, NW¼, SW¼	TOWN OF THATCHER	DOAN	MONTEZUMA	5.00
T.7S., R.25E., SECTION 11, NE¼, SE¼	TOWN OF THATCHER	1904	MONTEZUMA	15.50
T.7S., R.25E., SECTION 11, NW¼, SE¼	TOWN OF THATCHER	DOAN	MONTEZUMA	16.00
T.7S., R.25E., SECTION 12, NW¼, NW¼	TOWN OF THATCHER	DOAN	UNION	9.50
T.7S., R.25E., SECTION 12, NW¼, NW¼	TOWN OF THATCHER	DOAN	MONTEZUMA	9.50
T.7S., R.25E., SECTION 12, SW¼, NW¼	TOWN OF THATCHER	DOAN	MONTEZUMA	19.00
T.7S., R.25E., SECTION 12, NW¼, SW¼	TOWN OF THATCHER	DOAN	MONTEZUMA	9.80
			TOTAL DECREED ACRES	626.80

TABLE H-4

PIMA, SAFFORD, AND THATCHER
TOTAL GLOBE EQUITY NO. 59 DECREED ACREAGE

TOWN	ACRES
PIMA	180.00
SAFFORD	217.39
THATCHER	626.80
TOTAL DECREE ACREAGE	1,024.19

APPENDIX I: LIST OF OBJECTIONS TO THE DRAFT REPORT OF URBANIZED AND PERMANENTLY RETIRED GLOBE EQUITY NO. 59 AGRICULTURAL LANDS IN THE UPPER GILA RIVER VALLEYS

This appendix lists the 232 objections filed to the draft report prepared by the Arizona Department of Water Resources (DWR) entitled "Urbanized and Permanently Retired Lands in the Upper Gila River Valleys. Sixteen of these objections pertained to non Globe Equity No. 59 decreed lands. The Gila Valley Irrigation District and the Gila River Indian Community filed objections to the methodologies and results described in the draft report.

TABLE I-1

OBJECTIONS TO THE DRAFT REPORT OF URBANIZED AND PERMANENTLY RETIRED GLOBE EQUITY NO. 59 AGRICULTURAL LANDS IN THE UPPER GILA RIVER VALLEYS

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-001	HARRIS, VELDIE H.	104-45-056	T.6S., R.25E., SECTION 33, NW¼, NW¼	.80	.50	.30	63	38
94-002	BRYCE, ALMA E.	105-36-012	T.6S., R.25E., SECTION 30, SE¼, SE¼	1.66	1.66	0	100	0
94-003	BRYCE, ROSS & FAWN	NA	T.6S., R.25E., SECTION 8, NW¼, SW¼	1.12	.99	.13	88	12
94-004	CHALMERS, JOHN R. & PATRICIA	104-31-001	T.7S., R.25E., SECTION 12, SW¼, NE¼	3.40	2.62	.78	77	23
94-005	HORNBECK, WALTER C.	104-40-062	T.7S., R.25E., SECTION 14, NW¼, NW¼	NDL	NDL	NDL	NDL	NDL
94-006	PEARSON, REVA JUNE	103-13-019	T.7S., R.26E., SECTION 21, NW¼, NE¼	1.00	.95	.05	95	5
94-007	PEARSON, IVAN B.	102-43-037	T.7S., R.26E., SECTION 16, SE¼, SE¼	2.00	1.95	.05	98	3
94-008	JONES, JOHN Z.	105-56-056	T.6S., R.25E., SECTION 30, NW¼, NE¼	3.57	3.24	.33	90	10
94-009	PENNINGTON, AUTRY & MARJORIE	104-11-019	T.7S., R.25E., SECTION 3, NW¼, NW¼	2.30	1.90	.40	83	17
94-010	BURNETT, SYLVIA S.	105-46-002	T.6S., R.25E., SECTION 33, SW¼, NE¼	1.00	.75	.25	75	25
94-011	ALLEN, LEE	104-13-005	T.7S., R.25E., SECTION 3, SE¼, NW¼	.40	.40	0	100	0
94-012	ZAPPIA, EDMUND R.	NA	T.7S., R.25E., SECTION 13, SE¼, SE¼	2.00	2.00	0	100	0
94-013	POLLOCK, LAMELL A.	105-36-028	T.6S., R.25E., SECTION 30, SW¼, NE¼	.23	.16	.07	70	30
94-014	FERGUSON, JOHN M.	105-47-025	T.6S., R.25E., SECTION 33, SE¼, SW¼	3.90	3.40	.50	87	13
94-015	WENHAM, LINDA	104-29-112	T.7S., R.25E., SECTION 11, SE¼, SE¼	1.50	.90	.60	60	40
94-016	HUMPHREY, LARRY H.	105-36-065	T.6S., R.25E., SECTION 30, NW¼, SE¼	1.76	1.65	.11	94	6
94-017	HETMER, RAYMOND G.	104-11-020	T.7S., R.25E., SECTION 3, NW¼, SW¼	1.80	1.61	.19	89	11
94-018	GALE, DWAIN A.	104-35-054	T.7S., R.25E., SECTION 13, SE¼, SE¼	3.20	2.98	.22	93	7
94-019	BERTOLDO, PAUL R.	104-35-133	T.7S., R.25E., SECTION 13, NE¼, SW¼	1.00	.73	.27	73	27

TABLE I-1
(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-020	GOODNER, BRUCE J.	103-08-062	T.7S., R.26E., SECTION 20, NW¼, NE¼	.32	.04	.28	13	88
94-021	AGUILAR, MANUEL	109-43-002	T.5S., R.24E., SECTION 33, NW¼, SW¼	1.64	1.64	0	100	0
94-022	AGUILAR, MANUEL	109-43-022	T.5S., R.24E., SECTION 33, NW¼, NW¼	.48	.48	0	100	0
94-023	PLATT, RODNEY	104-04-048	T.7S., R.25E., SECTION 2, NW¼, SW¼	1.00	.78	.22	78	22
94-024	WILSON, DALE O.	105-35-30A 105-35-30B	T.6S., R.25E., SECTION 29, SW¼, NW¼	1.90	1.66	.24	87	13
94-025	GREINER, GEORGE E.	101-26-078	T.7S., R.26E., SECTION 18, SE¼, SE¼	.34	.28	.06	82	18
94-026	HOLYOAK, LYMAN D.	108-15-012	T.4S., R.23E., SECTION 20, SW¼, NW¼	20.00	20.00	0	100	0
94-027	McBRIDE, THOMAS E.	NA	T.6S., R.25E., SECTION 20, SW¼, NE¼	1.49	1.39	.10	93	7
94-028	CHESLEY, DERAH & MARIE	105-31-067	T.6S., R.25E., SECTION 26, NW¼, SE¼	1.60	1.51	.09	94	6
94-029	BENNETT, RAY M.	500-74-110	T8S., R.32E., SECTION 34, SW¼, SW¼	1.09	1.05	.04	96	4
94-030	TANDYK, BARBARA A.	107-51-004	T.7S., R.27E., SECTION 19, NE¼, NW¼	3.41	3.00	.41	88	12
94-031	AMADOR, RICHARD	107-45-009	T.7S., R26E., SECTION 16, SW¼, NE¼	1.50	1.43	.07	95	5
94-032	HOISINGTON, CHARLES A.	104-38-11A	T.7S., R.25E., SECTION 13, SE¼, NW¼	1.10	1.10	0	100	0
94-033	HOISINGTON, CHARLES A.	105-30-034 105-30-038	T.6S., R.25E., SECTION 25, SW¼, NW¼	.44	.44	0	100	0
94-034	COLVIN, VERNA R.	109-39-009	T.5S., R.24E., SECTION 29, NE¼, SE¼	.48	.48	0	100	0
94-035	WEECH, ALENA	105-26-027	T.6S., R.25E., SECTION 20, SW¼, SE¼	.67	.58	.09	87	13
94-036	KESKE, FRANK E.	109-75-033	T.6S., R.24E., SECTION 24, NE¼, NE¼	5.00	.32	4.68	6	94
94-037	PEARCE, LAVERL	104-35-122	T.7S., R.25E., SECTION 13, NE¼, NW¼	1.20	.70	.50	58	42
94-038	BALLARD, JAMES D.	104-11-012	T.7S., R.25E., SECTION 3, NW¼, SW¼	1.30	1.05	.25	81	19
94-039	LUNT, WILBUR H.	NA	T.8S., R.32E., SECTION 28, SE¼, SE¼	NDL	NDL	NDL	NDL	NDL
94-040	PETERSON, DWAIN B.	109-75-39A 109-75-39B	T.6S., R.24E., SECTION 24, NE¼, NE¼	1.20	1.12	.08	93	7

TABLE I-1
(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-041	JONES, ROBERT I.	105-44-050 105-44-082	T.6S., R.25E., SECTION 33, NE¼, NW¼	1.88	1.88	0	100	0
94-042	ROWLEY, HAROLD V.	104-29-080 104-29-081	T.7S., R.25E., SECTION 11, SE¼, SE¼	2.25	2.09	.16	92	8
94-043	MAXWELL, CHARLES E.	105-26-059	T.6S., R.25E., SECTION 20, SW¼, SW¼	1.90	1.87	.03	98	2
94-044	BLACK, GERALD	108-15-022	T.4S., R.23E., SECTION 20, NW¼, NW¼	1.51	1.51	0	100	0
94-045	HOLLY, EDGAR L.	109-75-027	T.6S., R.24E., SECTION 24, NE¼, SE¼	.80	.67	.13	84	16
94-046	CLARIDGE, KENNETH	103-19-101	T.7S., R.26E., SECTION 24, NE¼, NE¼	4.41	3.18	1.23	72	28
94-047	WEBB, CHESTER A.	109-75-022	T.6S., R.24E., SECTION24, NE¼, NE¼	.50	.30	.20	60	40
94-048	THYGERSON, RANDALL I.	NA	T.19S., R.21W., SECTION 5, NE¼, NW¼	NDL	NDL	NDL	NDL	NDL
94-049	THYGERSON, RANDALL I.	NA	T.18S., R.24E., SECTON 32, SE¼, SW¼	NDL	NDL	NDL	NDL	NDL
94-050	TYLER, CRAIG R.	105-34-010	T.6S., R.25E., SECTION 28, SE¼, SW¼	.84	.61	.23	73	27
94-051	GASCA, JOSE L.	105-03-002	T.6S., R.25E., SECTION 7, NW¼, SE¼	1.40	1.38	.02	99	1
94-052	CHESLEY, ROBIN K.	105-31-068	T.6S., R.25E., SECTION 26, NW¼, SE¼	1.00	.79	.21	79	21
94-053	RHODES, JOHN D.	101-20-005	T.7S., R.26E., SECTION 18, NW¼, SE¼	.50	.38	.12	76	24
94-054	FOOTE, JON	105-02-038	T.6S., R.25E., SECTION 7, SE¼, NW¼	.25	.25	0	100	0
94-055	JOHNSON, MELVIN G.	105-02-037	T.6S., R.25E., SECTION 7, SE¼, NW¼	.80	.80	0	100	0
94-056	MARTIN, JAMES G.	108-26-020	T.4S., R.23E., SECTION 35, SW¼, NW¼	.59	.54	.05	92	8
94-057	FOX, MILDRED	109-75-007	T.6S., R.24E., SECTION 24, NE¼, SE¼	7.60	7.51	.09	98	2
94-058	CLUFF, RONALD E.	NA	T.7S., R.25E., SECTION 2, NW¼, SE¼	1.18	.98	.20	83	17
94-059	GARCIA, MACEDONIO	600-32-021	T.9S., R.32E., SECTION 4, SE¼, NW¼	2.00	2.00	0	100	0
94-060	GRAHAM, BARRY L.	103-09-008	T.7S., R.26E., SECTION 20, SW¼, NE¼	1.18	.88	.30	75	25
94-061	BRUBAKER, PATRICIA	104-29-037	T.7S., R.25E., SECTION 11, SE¼, SE¼	3.00	2.93	.07	97	3

TABLE I-1
(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-062	BINGHAM, STEPHEN B.	104-35-041	T.7S., R.25E., SECTION 13, SE¼, SE¼	1.02	.84	.18	82	18
94-063	LUCAS, RICHARD C.	105-28-013	T.6S., R.25E., SECTION 22, SW¼, NE¼	10.45	9.99	.46	96	4
94-064	PEARSON, ARMON I.	105-02-031	T.6S., R.25E., SECTION 6, SE¼, SW¼	7.00	6.98	.02	98	2
94-065	MORTENSON, DELBERT J.	105-39-039	T.6S., R.25E., SECTION 29, SW¼, NW¼	1.00	.88	.12	88	12
94-066	McBRIDE, TOM	NA	T.6S., R.25E., SECTION 20, SW¼, SE¼	.41	.38	.03	93	7
94-067	BIGLER, JOSEPH A.	105-46-088	T.6S., R.25E., SECTION 33, SW¼, NE¼	.38	.27	.11	71	29
94-068	TEMPLIN, CLAY	105-44-088	T.6S., R.25E., SECTION 34, NW¼, SW¼	1.18	1.10	.08	93	7
94-069	PACHECO, ROBERT J.	104-44-030	T.6S., R.25E., SECTION 33, NE¼, SE¼	4.96	4.88	.08	98	2
94-070	NELSON, PHILLIP N.	104-29-016	T.7S., R.25E., SECTION 11, SE¼, NE¼	.62	.53	.09	85	15
94-071	BACK, CLARENCE A.	105-30-018	T.6S., R.25E., SECTION 25, SW¼, SW¼	5.00	4.96	.04	99	1
94-072	MILBRANDT, HAROLD A.	105-37-015	T.6S., R.25E., SECTION 30, NE¼, SW¼	.47	.47	0	100	0
94-073	KNISLEY, VERA	NA	T.19S., R.21E., SECTION 3, NE¼, SW¼	4.20	4.19	.01	99	1
94-074	KNIGHT, MARY E.	101-24-083	T.7S., R.26E., SECTION 18, SW¼, NW¼	1.31	1.10	.21	84	16
94-075	CROCKETT, KEITH	109-73-006	T.6S., R.24E., SECTION 23, NE¼, SE¼	1.12	.62	.50	55	45
94-076	PECK, MARION M.	104-12-014 104-12-015	T.7S., R.25E., SECTION 3, SW¼, NE¼	5.02	4.90	.12	97	3
94-077	LEE, BLANCH T.	109-52-003	T.6S., R.24E., SECTION 1, SE¼, NE¼	.48	.48	0	100	0
94-078	LEE, BLANCH T.	109-52-003	T.6S., R.24E., SECTION 1, SE¼, SE¼	.77	.77	0	100	0
94-079	HERBERT, MELVIN	109-12-009	T.5S., R.23E., SECTION 2, NE¼, SW¼	NDL	NDL	NDL	NDL	NDL
94-080	COONS, JOY A.	109-62-008	T.6S., R.24E., SECTION 14, NW¼, NE¼	1.83	1.83	0	100	0
94-081	COONS, JOY A.	109-62-008	T.6S., R.24E., SECTION 14, NE¼, NW¼	3.95	3.95	0	100	0
94-082	COONS, NILE W.	109-64-002	T.6S., R.24E., SECTION 13, NW¼, SW¼	2.00	2.00	0	100	0
94-083	WOLFE, GERRY	103-09-005	T.7S., R.26E., SECTION 20, SW¼, NE¼	8.00	8.00	0	100	0

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(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-084	GASCA, GRACE	105-03-010	T.6S., R.25E., SECTION 7, NW¼, SW¼	1.20	1.06	.14	88	12
94-085	JOHNS, SAM L.	NA	T.19S., R.20W., SECTION 18, NW¼, NE¼	1.47	1.01	.46	69	31
94-086	ALEXANDER, DAVID	105-30-019	T.6S., R.25E., SECTION 25, SW¼, SE¼	2.22	1.33	.89	59	41
94-087	SMITH, CARMEN R.	NA	T.6S., R.25E., SECTION 32, SE¼, NE¼	11.60	11.60	0	100	0
94-088	CLONTS, TOMMY	NA	T.6S., R.27E., SECTION 36, SE¼, NE¼	NDL	NDL	NDL	NDL	NDL
94-089	CLONTS, TOMMY	NA	T.6S., R.27E., SECTION 36, SE¼, NW¼	NDL	NDL	NDL	NDL	NDL
94-090	CLARIDGE, VIRGINIA	104-12-022	T.7S., R.25E., SECTION 3, SW¼, SW¼	1.0	.85	.15	85	15
94-091	WATSON, CHARLES W.	104-04-059	T.7S., R.25E., SECTION 2, NW¼, SW¼	1.80	1.80	0	100	0
94-092	McKINLEY, JOHNNY	500-10-023	T.8S., R.32E., SECTION 17, SW¼, NW¼	15.40	15.40	0	100	0
94-093	CLARIDGE, VIRGINIA	104-12-022	T.7S., R.25E., SECTION 3, SW¼, SE¼	NDL	NDL	NDL	NDL	NDL
94-094	JENSEN, REX	NA	T.18S., R.21W., SECTION 32, SW¼, SW¼	1.55	1.55	0	100	0
94-095	BROWN, MIKE	104-04-034	T.7S., R.25E., SECTION 2, NW¼, SW¼	1.00	.92	.08	92	8
94-096	STRAIN, MICHAEL	NA	T.19S., R.21W., SECTION 3, NW¼, NW¼	1.10	.78	.32	71	29
94-097	MOORE, LORYN D.	104-13-043	T.7S., R.25E., SECTION 3, SE¼, NW¼	.96	.86	.10	90	10
94-098	REED, HAROLD G.	104-13-064	T.7S., R.25E., SECTION 3, SE¼, NW¼	.57	.49	.08	86	14
94-099	MATTICE, LEN W.	102-35-003	T.7S., R.26E., SECTION 15, NW¼, SE¼	.18	.18	0	100	0
94-100	MATTICE, LEN W.	105-10-008	T.6S., R25E., SECTION 19, NW¼, NE¼	1.04	1.00	.04	96	4
94-101	MATTICE, WARNER L.	109-62-012	T.6S., R.24E., SECTION 14, NE¼, NE¼	1.37	1.37	0	100	0
94-102	MATTICE, WARNER L.	109-10-009	T.6S., R.25E., SECTION 18, SE¼, NW¼	.54	.54	0	100	0
94-103	MATTICE, WARNER L.	105-11-018	T.6S., R.25E., SECTION 19, NE¼, NW¼	7.25	7.25	0	100	0
94-104	ALVILLAR, ANTONIO	107-44-003	T.7S., R.27E., SECTION 16	34.81	34.81	0	100	0
94-105	ALVILLAR, ANTONIO	107-44-002	T.7S., R.27E., SECTION 16	31.20	31.20	0	100	0

TABLE I-1
(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-106	JOHNSON, LAMAR	NA	T.7S., R.26E., SECTION 19, NE¼, NE¼	1.75	1.50	.25	86	14
94-107	WARD, MONTEE H.	NA	T.4S., R.23E., SECTION 35, SW¼, SW¼	.62	.57	.05	92	8
94-108	BARNARD, SHIRLEY	105-35-047	T.6S., R.25E., SECTION 29, SW¼, NW¼	.31	.19	.12	61	39
94-109	SNEDIGAR, THELMA G.	105-31-034	T.6S., R.25E., SECTION 26, NW¼, SE¼	3.70	3.30	.40	89	11
94-110	FORT THOMAS UNIFIED SCHOOL DISTRICT	NA	T.4S., R.23E., SECTION 35, SW¼, SE¼	.88	.88	0	100	0
94-111	PENNINGTON, EZEKIEL	105-34-009	T.6S., R.25E., SECTION 28, SE¼, SE¼	.26	.24	.02	92	8
94-112	MONTOYA, ALBERT O.	105-50-013	T.6S., R.25E., SECTION 35, SW¼, SE¼	1.30	1.20	.10	92	8
94-113	LUSTER, RAY C.	105-35-013	T.6S., R.25E., SECTION 29, NW¼, NW¼	5.00	4.55	.45	91	9
94-114	CAMPBELL, GRANT	NA	T.7S., R.31E., SECTION 21, NW¼, NW¼	.89	.89	0	100	0
94-115	LEAVITT, BERT R.	105-45-054	T.6S., R.25E., SECTION 33, NW¼, SW¼	1.00	.63	.37	63	37
94-116	ALPINE OIL AND GAS CORPORATION	3-125-108-297-264	T.18S., R.21W., SECTION 32, NW¼, SE¼	.69	.35	.34	51	49
94-117	ALLEN, JAMES C.	104-35-141	T.7S., R.25E., SECTION 13, NE¼, SE¼	.93	.65	.28	70	30
94-118	SAFFORD UNIFIED SCHOOL DISTRICT	NA	T.7S., R.26E., SECTION 18, NE¼, SW¼	2.60	2.36	.24	90	10
94-119	SAFFORD UNIFIED SCHOOL DISTRICT	NA	T.7S., R.26E., SECTION 18, NE¼, SE¼	.43	.43	0	100	0
94-120	PRENTICE, TRUMAN	NA	T.7S., R.26E., SECTION 18, NW¼, SW¼	.81	.81	0	100	0
94-121	ELMER, HEAROLD	104-29-067	T.7S., R.25E., SECTION 11, SE¼, SE¼	2.83	2.83	0	100	0
94-122	NYE, FRANKLYN D.	105-47-040	T.6S., R.25E., SECTION 33, SE¼, NW¼	12.50	11.90	.60	95	5
94-123	GREEN, MAX	104-35-098	T.7S., R.25E., SECTION 13, NE¼, SE¼	5.26	4.70	.56	89	11
94-124	GREEN, MAX	104-35-136	T.7S., R.25E., SECTION 13, NE¼, SE¼	9.83	9.83	0	100	0
94-125	LUNT, IRL	NA	T.19S., R.20W., SECTION 18, NW¼, NE¼	3.02	3.02	0	100	0
94-126	LUNT, IRL	500-75-005	T.8S., R.32E., SECTION 34, SE¼, SW¼	.82	.82	0	100	0

TABLE I-1
(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-127	LUNT, IRL	500-75-014	T.8S., R.32E., SECTION 34, NE¼, SE¼	4.08	4.08	0	100	0
94-128	ALVA, MIKE	104-29-018	T.7S.,R.25E., SECTION 11, SE¼, NE¼	1.70	1.68	.02	99	1
94-129	ROMERO, GERSON J.	107-54-012	T.7S., R 27E., SECTION 20, NE¼, SW¼	1.50	1.46	.04	97	3
94-130	WILLIAMS, CLIFFORD J.	104-31-024	T.7S., R.25E., SECTION 12, SW¼, SW¼	1.75	1.75	0	100	0
94-131	WILLIAMS, CLIFFORD J.	104-31-003	T.7S., R.25E., SECTION 12, SW¼, SW¼	1.75	1.0	.75	57	43
94-132	MARTIN, PHIL	105-44-018	T.6S., R.25E., SECTION 33, NE¼, SW¼	2.39	2.38	.01	100	0
94-133	GONZALES, JOE L.	104-40-026	T.7S., R.25E., SECTION 14, NE¼, NE¼	1.00	.75	.25	75	25
94-134	HALL, L.R.	101-20-031	T.7S., R.26E., SECTION 18, NW¼, SW¼	.64	.58	.06	91	9
94-137	ROBERTS, DONALD D.	104-35-005	T.7S., R.25E., SECTION 13, NE¼, SW¼	8.00	7.91	.09	99	1
94-136	STACEY, KAY F.	105-46-014	T.6S., R.25E., SECTION 33, SW¼, NE¼	1.30	1.06	.24	82	18
94-137	WALLS, ELMER R.	500-48-004	T.8S., R.32E., SECTION 29, SW¼, NW¼	13.50	13.47	.03	99	1
94-138	CARTER, JAMES I.	105-44-089	T.6S., R.25E., SECTION 34, NW¼, SW¼	1.20	.90	.30	75	25
94-139	YOUNG, DEAN H.	500-48-006	T.8S., R.32E., SECTION 29, SW¼, SE¼	.17	.17	0	100	0
94-140	WILKINS, LARK	500-65-002	T.8S., R.32E., SECTION 32, NW¼, NW¼	1.01	.92	.09	91	9
94-141	NORTON, RILEY	105-45-004	T.6S., R.25E., SECTION 33, NW¼, NE¼	1.00	.88	.12	88	12
94-142	DRYDEN, NEWELL	104-04-010	T.7S., R.25E., SECTION 2, NE¼, SW¼	1.20	1.10	.10	92	8
94-143	LUNT, ANTHONY W.	104-40-059	T.7S., R.25E., SECTION 14, NE¼, NE¼	.80	.68	.12	85	15
94-144	TOWN OF PIMA	105-10-010	T.6S., R.25E., SECTION 18, SE¼, SE¼	6.74	6.74	0	100	0
94-145	TOWN OF PIMA	105-09-008	T.6S., R.25E., SECTION 17, SW¼, SW¼	2.56	2.56	0	100	0
94-146	NEGRETTE, RAOUL	105-36-023	T.6S., R.25E., SECTION 30, SW¼, NW¼	1.50	1.30	.20	87	13
94-147	VOELCKEL, KITTY	NA	T.7S., R.25E., SECTION 13, NE¼, NE¼	1.42	1.39	.03	98	2
94-148	BARNEY, JERALD A.	103-17-002	T.7S., R.26E., SECTION 23, NW¼, NE¼	.85	.85	0	100	0

TABLE I-1
(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-149	BARNEY, NEWELL A.	NA	T.7S., R.26E., SECTION 27, NE¼, NE¼	3.05	3.05	0	100	0
94-150	PAYNE, MERLIN A.	NA	T.19S., R.21W., SECTION 2, SE¼, SE¼	NDL	NDL	NDL	NDL	NDL
94-151	BEALS, ROZIEL	105-36-14A	T.6S., R.25E., SECTION 30, SE¼, NE¼	.37	.37	0	100	0
94-152	BEALS, ROZIEL	105-37-17A	T.6S., R.25E., SECTION 30, NE¼, SE¼	.26	.26	0	100	0
94-153	BEALS, ROZIEL	105-37-056	T.6S., R.25E., SECTION 30, NE¼, SW¼	3.54	3.54	0	100	0
94-154	BEALS, ROZIEL	105-36-14C	T.6S.,R.25E., SECTION 30, SE¼, NW¼	.85	.85	0	100	0
94-155	BEALS, JOHN G.	105-39-084	T.6S., R.25E., SECTION 30, NE¼, NW¼	2.00	2.00	0	100	0
94-156	SMITH, KEITH E.	104-12-017	T.7S., R.25E., SECTION 3, SE¼, SE¼	3.50	3.50	0	100	0
94-157	CLONTS, DALE	107-38-007	T.7S., R.27E., SECTION 9, NW¼, NE¼	NDL	NDL	NDL	NDL	NDL
94-158	CLONTS, DALE	107-38-007	T.7S., R.27E., SECTION 9, NW¼, NE¼	NDL	NDL	NDL	NDL	NDL
94-159	CLONTS, DALE	107-38-007	T.7S., R.27E., SECTION 9, NE¼, NW¼	NDL	NDL	NDL	NDL	NDL
94-160	CLONTS, DALE	107-38-047	T.7S., R.27E., SECTION 4, SE¼, SW¼	NDL	NDL	NDL	NDL	NDL
94-161	SALINE, VERNON L.	105-26-051	T.6S., R.25E., SECTION 20, SW¼, SW¼	.70	.70	0	100	0
94-162	SALINE, VERNON L.	105-26-050	T.6S., R.25E., SECTION 20, SW¼, SW¼	1.50	1.50	0	100	0
94-163	BEDOLLA, MARCOS	105-26-006	T.6S., R.25E., SECTION 20, SW¼, SW¼	.70	.70	0	100	0
94-164	SCHLAUTMAN, FLORIN T.	NA	T.7S., R.26E., SECTION 18, NW¼, SW¼	1.00	.82	.18	82	18
94-165	HOFSTETTER, JEWELL	106-25-052	T.6S., R.25E., SECTION 20, SW¼, SW¼	.50	.50	0	100	0
94-166	MARSHALL, CHARLES E.	109-43-046	T.5S., R.24E., SECTION 33, NW¼, NW¼	.80	.80	0	100	0
94-167	LURMAN, BARBARA J.	109-75-028	T.6S., R.24E., SECTION 24, NE¼, NE¼	.55	.40	.15	73	27
94-168	KNIGHT, JASON	NA	T.6S., R.25E., SECTION 34, NW¼, SW¼	3.80	3.19	.61	84	16
94-169	JOHN, ROBIN	NA	T.19S., R.21W., SECTION 13, NW¼, SW¼	NDL	NDL	NDL	NDL	NDL
94-170	PALMER, DENNIS V.	104-13-039	T.7S., R.25E., SECTION 3, SE¼, NE¼	2.00	1.80	.20	90	10

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(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-171	BROWN, CYNTHIA	NA	T.7S., R.26E., SECTION 20, SW¼, NE¼	1.75	1.00	.75	57	43
94-172	MOTES, NATHEN	108-26-001	T.4S., R.23E., SECTION 35, SW¼, NW¼	7.60	7.60	0	100	0
94-173	MOTES, NATHEN	109-20-013	T.5S.,R.23E., SECTION 12, SW¼, NW¼	1.00	1.00	0	100	0
94-174	LUNT, DEAN	500-45-012 500-45-013 500-45-014	T.8S., R.32E., SECTION 28, NE¼, SE¼	NDL	NDL	NDL	NDL	NDL
94-175	LUNT, DEAN	500-45-010	T.8S., R.32E., SECTION 28, NE¼, NE¼	NDL	NDL	NDL	NDL	NDL
94-176	HILL, HARRY	500-28-104	T.8S., R.32E., SECTION 19	.78	.76	.02	97	3
94-177	ERONS, CECIL	NA	T.6S., R.24E., SECTION 24, NW¼, NE¼	1.42	1.26	.16	89	11
94-178	LAYTON, DENNIS F.	104-04-066	T.7S., R.25E., SECTION 2, SW¼, NW¼	5.84	5.44	.40	93	7
94-179	LAYTON FAMILY LTD. PARTNERSHIP	104-11-001	T.7S., R.25E., SECTION 3, SE¼, NE¼	1.06	1.06	0	100	0
94-180	LAYTON FAMILY LTD. PARTNERSHIP	104-11-001	T.7S., R.25E., SECTION 3, NE¼, NE¼	1.13	1.13	0	100	0
94-181	LAYTON FAMILY LTD. PARTNERSHIP	104-11-001	T.7S., R.25E., SECTION 3, NW¼, SE¼	7.50	7.50	0	100	0
94-182	LAYTON FAMILY LTD. PARTNERSHIP	105-48-008	T.6S., R.25E., SECTION 34, NE¼, NE¼	1.06	1.06	0	100	0
94-188	LAYTON, DENNIS F.	104-04-070	T.7S., R.25E., SECTION 2, NW¼, NW¼	4.71	4.71	0	100	0
94-184	AUKERMAN, BETTY L.	101-20-041	T.7S., R.26E., SECTION 18, NW¼, SW¼	1.07	1.07	0	100	0
94-185	ZIMBELMANN, SUSAN	104-29-017	T.7S., R.25E., SECTION 11, SE¼, NE¼	1.40	1.36	.04	97	3
94-186	LINES, BOYCE H.	101-21-009	T.7S., R.26E., SECTION 16, SW¼, NW¼	5.00	4.70	.30	94	6
94-187	LINES, RICHARD	101-21-069	T.7S., R.26E., SECTION 18, SW¼, NW¼	1.06	.96	.10	91	9
94-188	SOKOL, JOHN	104-10-251	T.7S., R.25E., SECTION 2, SW¼, NW¼	.44	.44	0	100	0
94-189	GRADY, DONALD R.	300-55-044	T.6S., R.31E., SECTION 17, SW¼, SW¼	.85	.85	0	100	0
94-190	TUEY, WILLIAM D.	600-32-024	T.9S., R.32E., SECTION 4, SE¼, NW¼	.60	.60	0	100	0
94-191	KELLEY, PAULINE	400-37-001	T.7S., R.31E., SECTION 21, SE¼, SE¼	2.78	2.71	.07	97	3

TABLE I-1
(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-192	CURTIS, JERI M.	104-35-045 104-35-061 104-35-046	T.7S., R.25E., SECTION 13, SE¼, SE¼	5.60	4.39	1.21	78	22
94-193	WELKER, DALLAS	NA	T.7S., R.25E., SECTION 2, SW¼, NW¼	.12	.12	0	100	0
94-194	McEUEN, RONOLD C.	103-04-45B	SECTION 19, NE¼, NE¼	.60	.60	0	100	0
94-195	McEUEN, RONOLD C.	103-04-45A	T.7S., R.26E., SECTION 19, NE¼, NE¼	1.10	1.10	0	100	0
94-196	McEUEN, RONOLD C.	103-04-54	T.7S., R.26E., SECTION 19, NE¼, NE¼	.59	.59	0	100	0
94-197	BROWN, MITCHELL R.	105-36-058	T.6S., R.25E., SECTION 30, NW¼, NW¼	.40	.40	0	100	0
94-198	FOX, FRANK W.	105-48-019	T.6S., R.25E., SECTION 34, SW¼, NW¼	6.79	6.61	.18	97	3
94-199	H. LUKE LAYTON ESTATE	105-46-026	T.6S., R.25E., SECTION 33, SW¼, NE¼	2.70	2.51	.19	93	7
94-200	DOMINGUEZ, JUANITA	104-03-06A	T.7S., R.25E., SECTION 1, SW¼, SW¼	1.93	1.43	.50	74	26
94-201	RHOADS, JOHN E.	103-08-058	T.7S., R.26E., SECTION 20, NW¼, SE¼	5.16	5.01	.15	97	3
94-202	JONES, DALLAS E.	108-132-264	T.18S., R.21W., SECTION 32, SE¼, NE¼	.25	.25	0	100	0
94-203	JONES, DALLAS E.	108-132-264	T.18S., R.21W., SECTION 32, SE¼, NW¼	.75	.75	0	100	0
94-204	LUNT, JOHN B.	500-76-004 500-76-007 500-76-008	T.8S., R.32E., SECTION 34, SE¼, NE¼	1.00	1.00	0	100	0
94-205	LUNT, JOHN B.	500-76-007	T.8S., R.32E., SECTION 34, SE¼, NW¼	.50	.50	0	100	0
94-206	LUNT, JOHN B.	500-76-002	T.8S., R.32E., SECTION 34, SE¼, SW¼	.82	.82	0	100	0
94-207	LUNT, JOHN B.	500-74-003	T.8S., R.32E., SECTION 34, SW¼, SE¼	.14	.14	0	100	0
94-208	WEECH, DARWIN J.	105-36-068	T.6S., R.25E., SECTION 30, NW¼, NW¼	.69	.50	.19	72	28
94-209	WEECH, ALLEN B.	105-56-056	T.6S., R.25E., SECTION 30, NW¼, NE¼	.62	.45	.17	73	27
94-210	BERMUDEZ, MARY ANN	103-08-065	T.7S., R.26E., SECTION 20, NW¼, NE¼	.36	.35	.01	97	3
94-211	JOHNSON, REBECCA R.	NA	T.4S., R.23E., SECTION 35, SW¼, SW¼	1.20	.98	.22	82	18

TABLE I-1
(Continued)

OBJECTION NO.	OBJECTOR'S NAME	PARCEL NO.	LEGAL LOCATION	TOTAL PARCEL ACREAGE	TOTAL IRRIGATED ACREAGE	TOTAL URBANIZED ACREAGE	TOTAL PERCENT IRRIGATED	TOTAL PERCENT URBANIZED
94-212	HOLLADAY, DALE	105-29-116	T.7S., R.25E., SECTION 11, SE¼, NE¼	1.75	1.69	.06	97	3
94-213	GORDON, LARON	103-17-001	T.7S., R.26E., SECTION 23, NE¼, NW¼	2.39	2.39	0	100	0
94-214	CLARIDGE, JOHN	109-64-009	T.6S., R.24E., SECTION 13, SE¼, SE¼	1.57	1.57	0	100	0
94-215	PETERSON, MARY SUE	105-45-063	T.6S., R.25E., SECTION 33, NW¼, SW¼	1.16	1.16	0	100	0
94-216	OTHON, ORLANDO D.	105-37-024	T.6S., R.25E., SECTION 30, NE¼, SW¼	.49	.41	.08	84	16
94-217	RAMSEY, RAYMOND	105-37-022	T.6S., R.25E., SECTION 30, NE¼, SW¼	1.93	1.93	0	100	0
94-218	RAMSEY, RAYMOND	105-37-010	T.6S., R.25E., SECTION 30, NE¼, SW¼	1.75	1.60	.15	91	9
94-219	WINGFIELD, DONALD	105-26-044	T.6S., R.25E., SECTION 20, SW¼, SE¼	4.00	3.94	.06	96	4
94-220	FERRIN, RUSS	105-44-074	T.6S., R.25E., SECTION 33, NE¼, SW¼	.95	.54	.41	57	43
94-221	BRYCE, BOYCE D.	105-02-044	T.6S., R.25E., SECTION 7, NE¼, SW¼	4.20	4.20	0	100	0
94-222	BRYCE, BOYCE D.	105-02-042 105-02-043	T.6S., R.25E., SECTION 7, NE¼, SW¼	.52	.42	.10	81	19
94-223	BRYCE, MARK	105-48-016	T.6S., R.25E., SECTION 34, SW¼, NW¼	2.61	2.50	.11	95	5
94-224	QUINONES, ROSALIO	600-32-011	T.9S., R.32E., SECTION 4, SE¼, NW¼	4.74	3.74	1.00	79	21
94-225	PAWLOWSKI, MICHAEL R.	104-04-099	T.7S., R.25E., SECTION 2, SE¼, NW¼	1.25	.89	.36	71	29
94-226	KUPCHANKO, MARGARET	105-30-008	T.6S., R.25E., SECTION 25, SW¼, NW¼	2.00	2.00	0	100	0
94-228	BOURGEOUS, EDSIL L.	600-29-068	T.9S., R.32E., SECTION 4, NW¼, SE¼	4.94	4.39	.55	89	11
94-229	BOURGEOUS, EDSIL L.	600-25-008	T.9S., R.32E., SECTION 3, NW¼, SW¼	.25	.15	.10	60	40
94-230	GILA VALLEY IRRIGATION DISTRICT	SEE REPORT	SEE REPORT	NA	NA	NA	NA	NA
94-231	GILA RIVER INDIAN COMMUNITY	SEE REPORT	SEE REPORT	NA	NA	NA	NA	NA
94-232	DONALDSON, KENYON	NA	T.19S., R.21W., SECTION 12, NE¼, SE¼	.51	.34	.17	67	33
TOTAL ACREAGE FOR PARCELS WITH URBANIZED ACREAGE				283.59	249.30	33.89	88	12

NA = Not available.
NDL = Non-decreed land.
NOTE: Parcel numbers notated as NA and NDL are not included in overall percentage.

LIST OF PLATES

PLATE 1 INDEX MAP

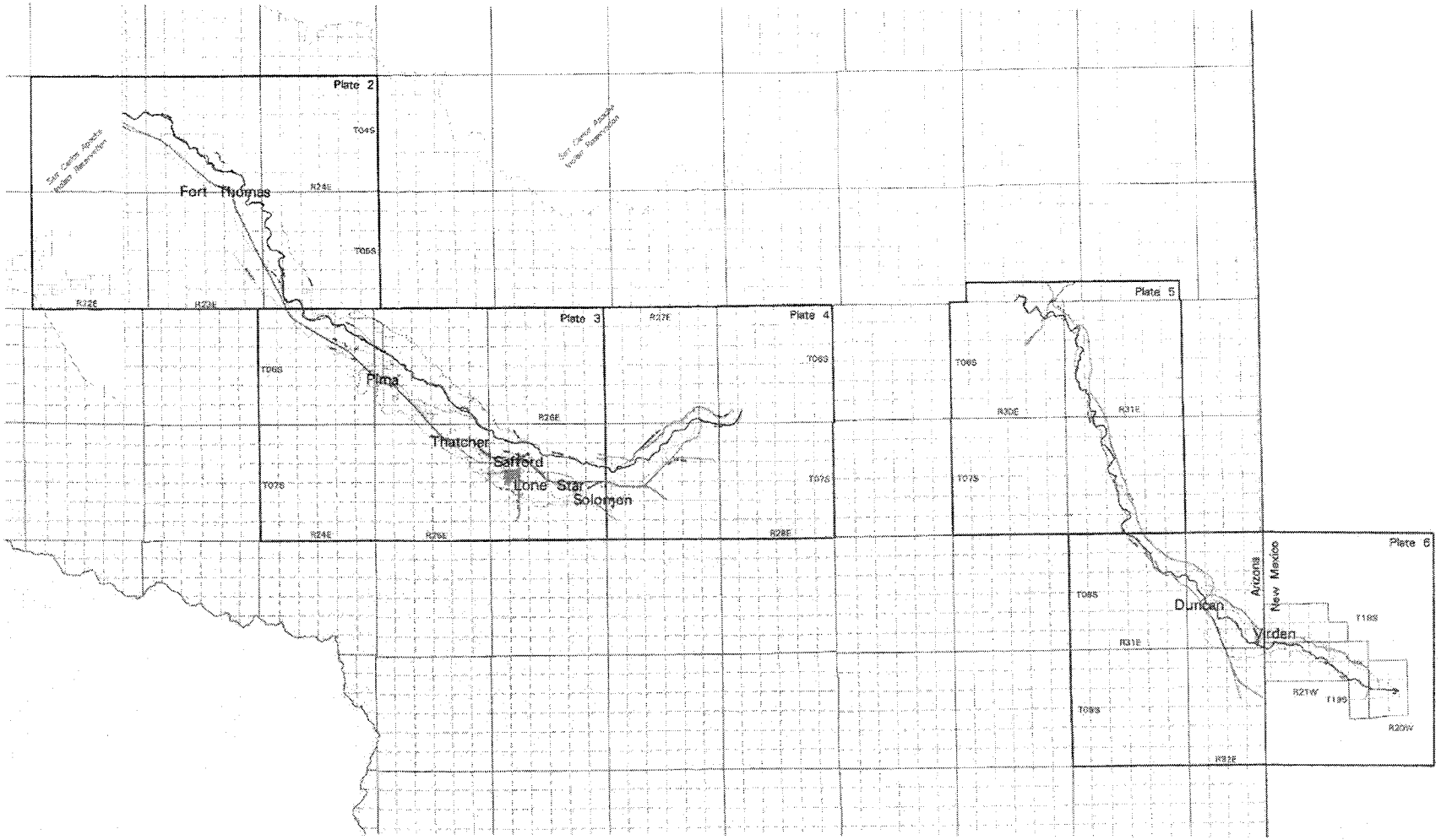
PLATE 2 FORT THOMAS AREA

PLATE 3 PIMA, SAFFORD, AND THATCHER AREAS

PLATE 4 UPPER SAFFORD VALLEY AREA

PLATE 5 DUNCAN-VIRDEN AREAS

PLATE 6 DUNCAN-VIRDEN AREAS



Gaging station

Diversion and canal works

Southern Pacific Railroad

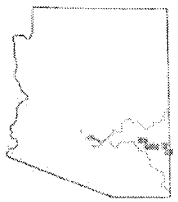
Roads and highways

SOURCES:
Arizona State Water Commissioner - Gila River Determination Maps, 1920.
New Mexico State Engineer - Lower Gila River Valley Maps, 1920.
US Department of Agriculture - Soil Conservation Service, Aerial Photography, 1935.
Gila County No. 68 Consent Decree, June 28, 1935.
US Geological Survey - 7.5 Minute Series Topographic Quadrangle Map Sheets.
Arizona Department of Water Resources - Aerial Photography, 1991-1992.

Arizona Department of Water Resources

Urbanization of Agricultural Lands in the Upper Gila River Valley

Denotes change from agricultural to urban land use - 1935 through 1991-1992
Decreed lots outside of Safford town limits (1935)



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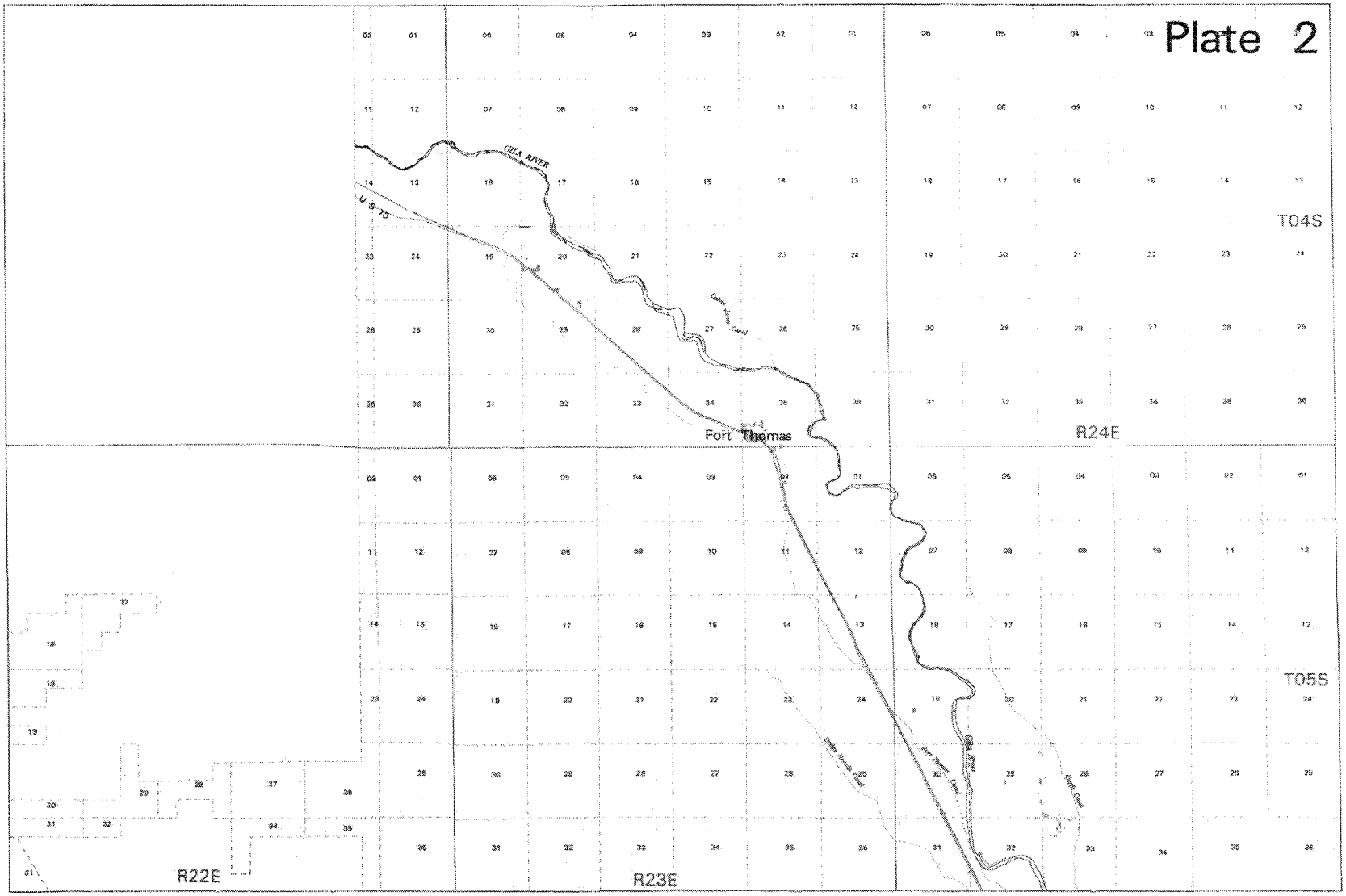

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Diversion and canal works
Southern Pacific Railroad
Roads and highways

SOURCES:
Arizona State Water Commissioner - Gila River Determination Maps, 1905.
New Mexico State Engineer - Lower Gila River Valley Maps, 1926.
US Department of Agriculture - Soil Conservation Service, Aerial Photography, 1935.
Globe Equity No. 59 Consent Decree, June 28, 1936.
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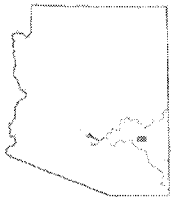

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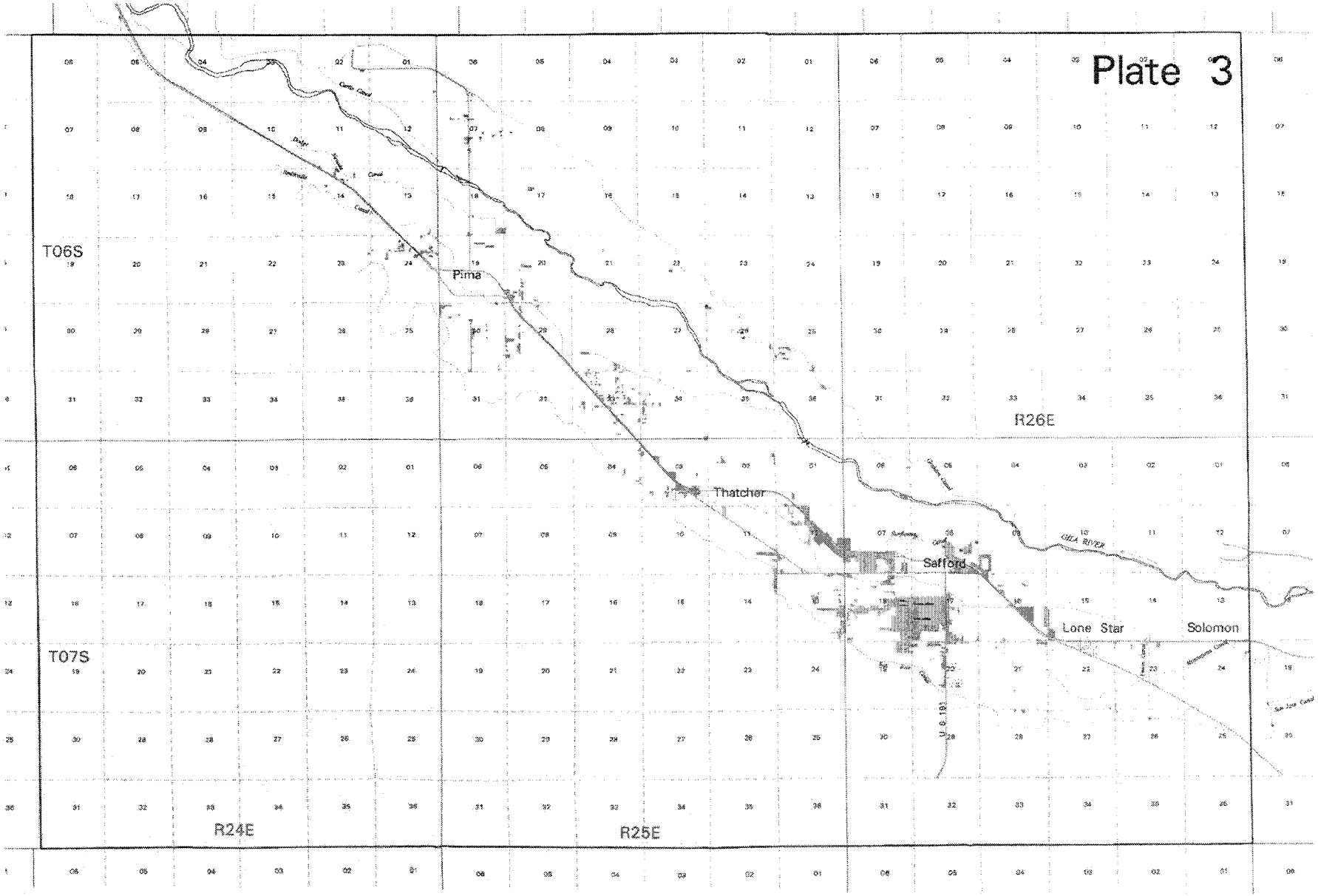

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Southern Pacific Railroad
Roads and highways

SOURCES:
Arizona State Water Commissioner - Gila River Determination Maps, 1920.
New Mexico State Engineer - Lower Gila River Valley Maps, 1934.
US Department of Agriculture - Soil Conservation Service, Aerial Photography, 1935.
Globe Equity No. 59 Consent Decree, June 26, 1935.
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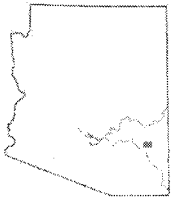

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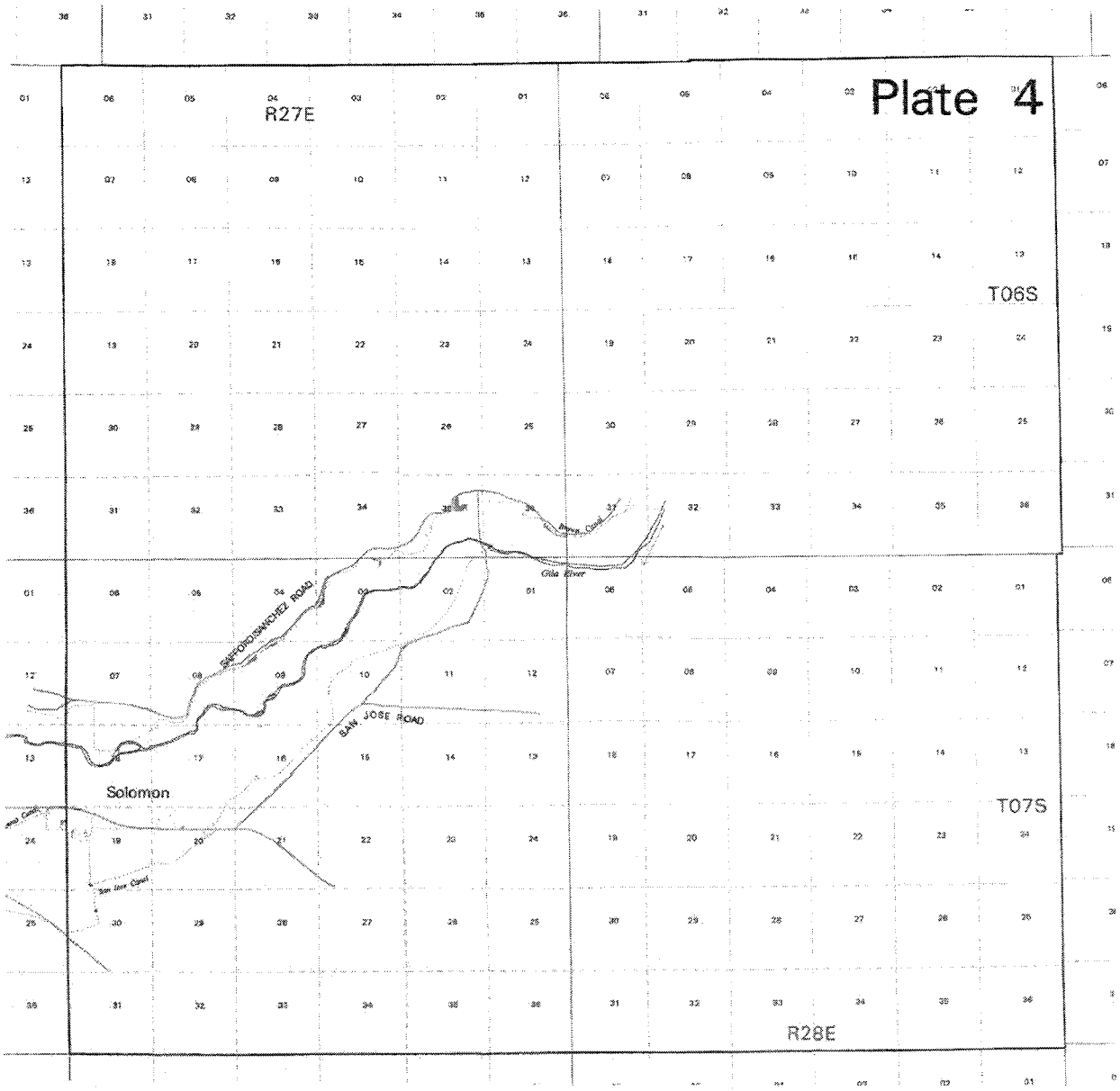

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Roads and highways

SOURCES:
Arizona State Water Commissioner - Gila River Determination Maps, 1920.
New Mexico State Engineer - Lower Gila River Valley Maps, 1926.
US Department of Agriculture - Soil Conservation Service, Aerial Photography, 1935.
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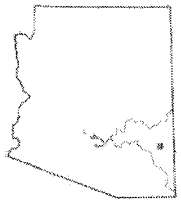

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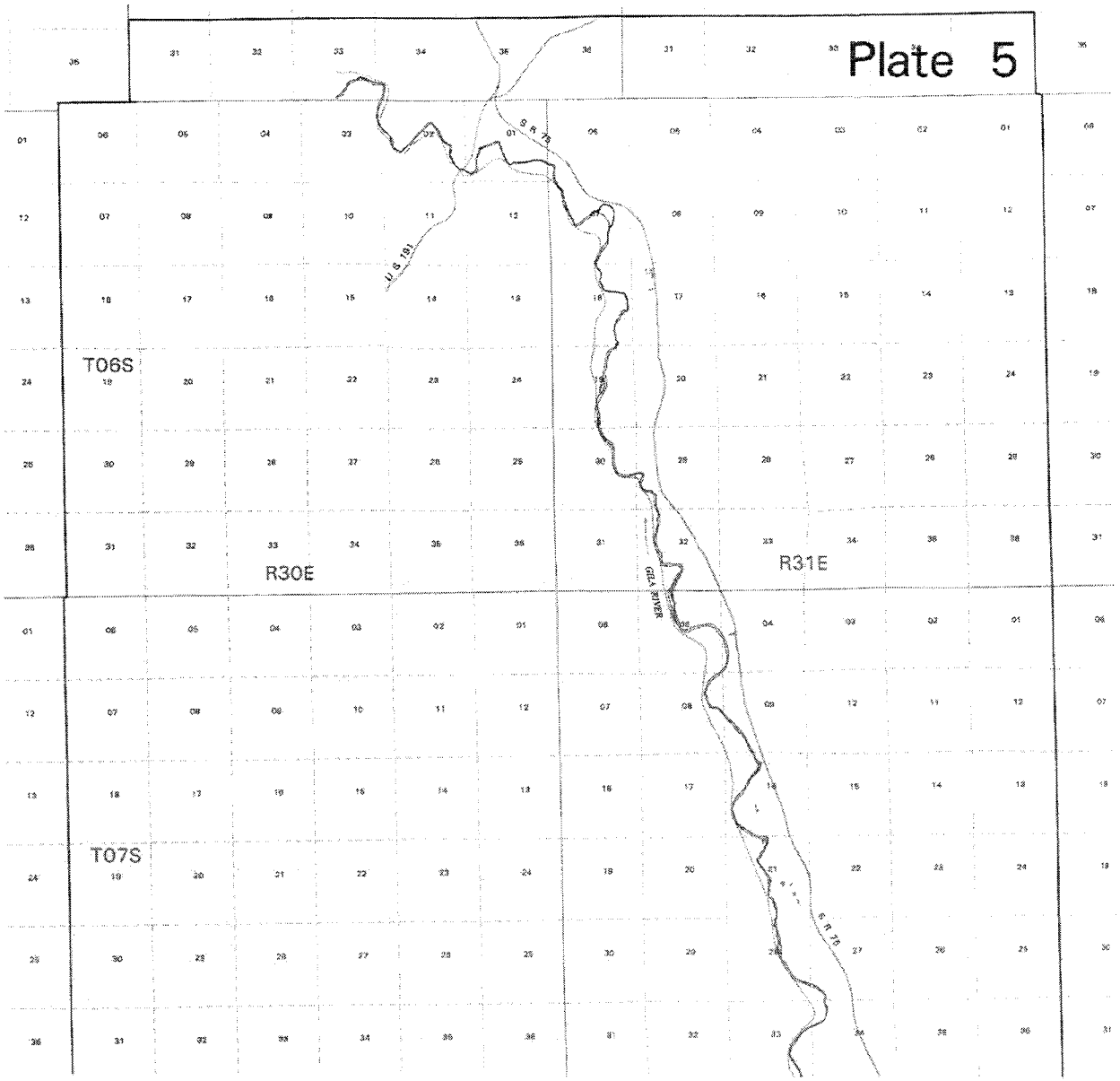

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Roads and highways

SOURCES:
Arizona State Water Commissioner - Gila River Determination Maps, 1920.
New Mexico State Engineer - Lower Gila River Valley Maps, 1926.
US Department of Agriculture - Soil Conservation Service, Aerial Photography, 1935.
Globe Gazette No. 89 Consent Decree, June 29, 1936.
US Geological Survey - 7.5 Minute Series Topographic Quadrangle Map Sheets
Arizona Department of Water Resources - Aerial Photography, 1991-1992.

Arizona Department of Water Resources

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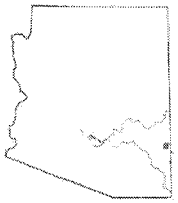

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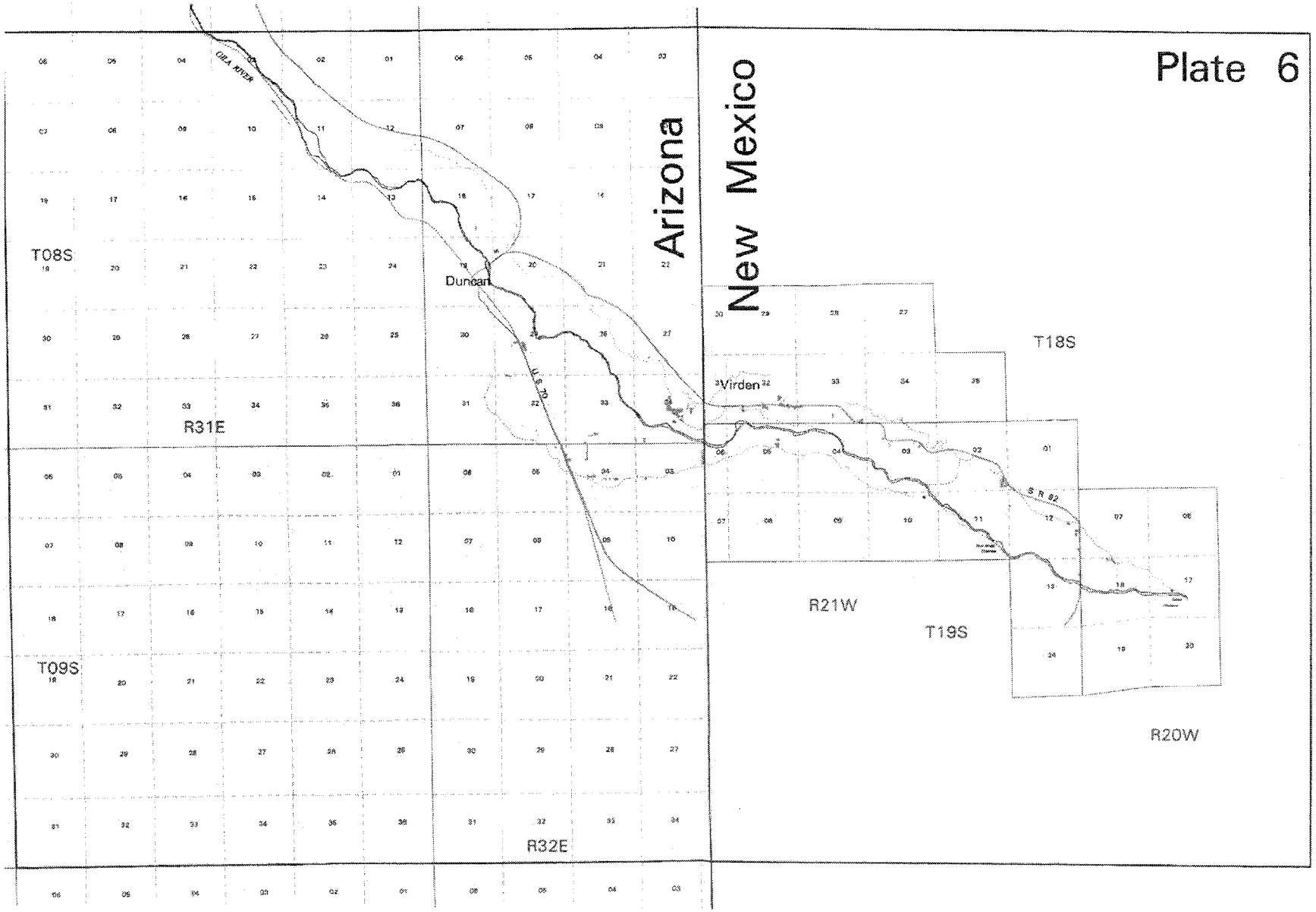

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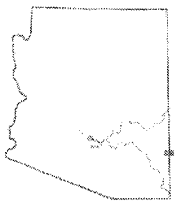

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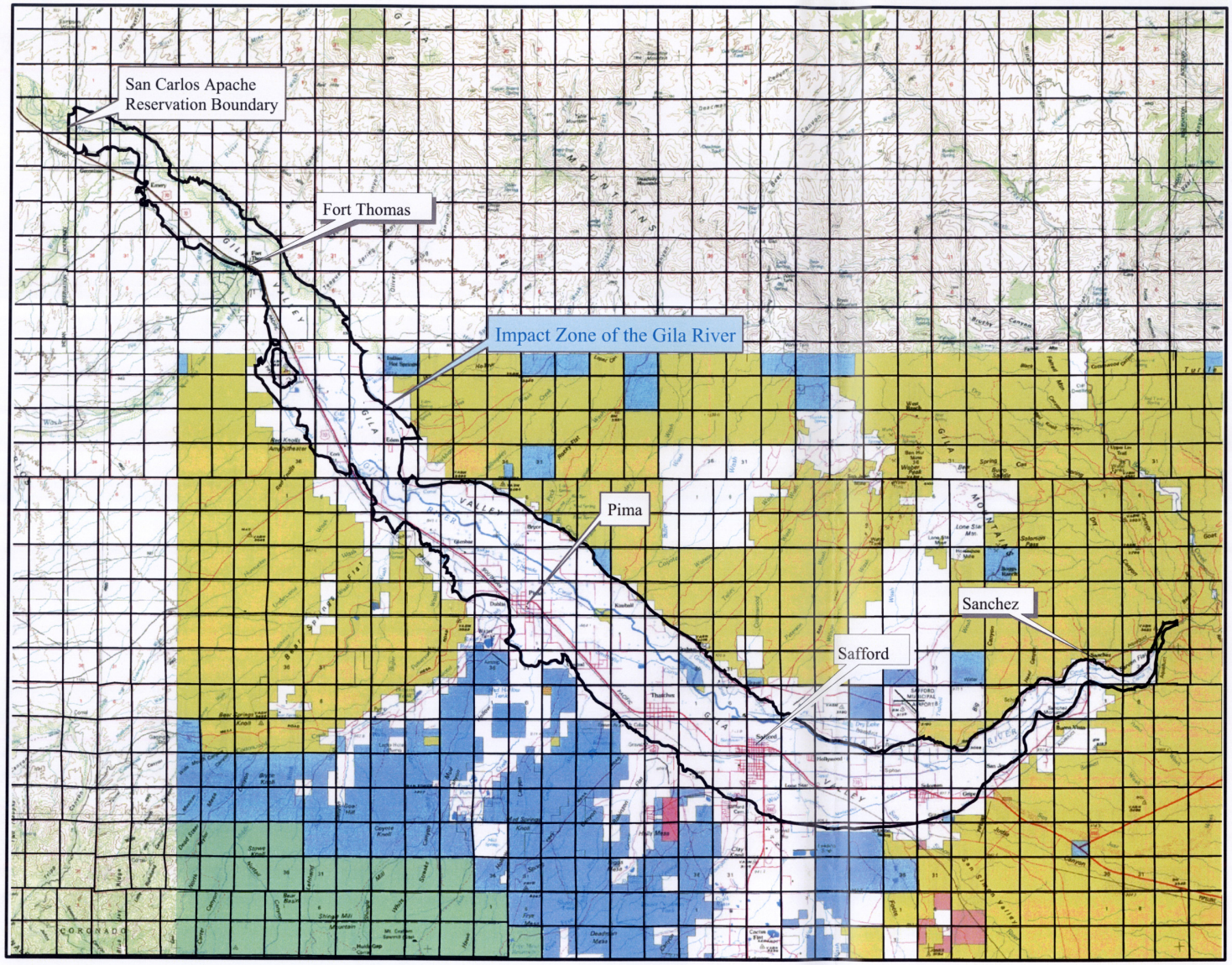
ATTACHMENT G
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

MAP OF UV IMPACT ZONE

(see attached)



0 2 4 6 8 10 20 30 Miles

N
W E
S

Notice to Viewer of this Exhibit:

This map is for illustrative purposes only and is not to be relied upon for any decision involving land or other transactions. The boundaries on this map have not been verified by ground observations and are subject to adjustment for accuracy.

More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment G
Map of Upper Valley Impact Zone in Vicinity of Safford, Arizona

ATTACHMENT H
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

CITY LITTER CONTROL ORDINANCE (Chapter 8.08)

Chapter 8.08

LITTER

Sections:

8.08.010 Definitions.
8.08.020 Litter on private property.
8.08.030 Owner to maintain premises.
8.08.040 Procedure to compel removal of litter.
8.08.050 Notice to remove.
8.08.060 Service of notice.
8.08.070 Appeal to council.
8.08.080 Removal by city.
8.08.090 Lien for removal.
8.08.100 Placement of debris.
8.08.110 Violation-Penalty.

8.08.010 Definitions.

In this chapter unless the context otherwise requires:

"Litter" means any rubbish, trash, weeds, filth and debris which shall constitute a hazard to public health and safety and shall include all putrescible and nonputrescible solid wastes including garbage, trash, ashes, street cleaning, dead animals, abandoned automobiles, and solid market and industrial waste; any deposit, accumulation, pile or heap of brush, grass, debris, weeds, cans, cloth, paper, wood, rubbish or other unsightly or unsanitary matter of any kind whatsoever; and any growth of weeds, brush or grass, to a height of over six inches.

"Private premises" means any dwelling, house, building or other structure, designed or used either wholly or in part for private residential purposes, whether inhabited or temporarily or continuously uninhabited or vacant, and shall include any yard, grounds, walk, driveway, porch, steps of vestibules belonging or appurtenant to such dwelling, house, building or other structure.

"Public place" means any and all streets, sidewalks, boulevards, alleys or other public ways, and any and all public parks, squares, spaces, grounds and buildings. (Prior code § 9-8-1)

8.08.020 Litter on private property.

No person shall throw or deposit litter on any occupied or unoccupied private property within the city, whether owned by such person or not, except that the owner or person in control of private property may maintain authorized receptacles for collection in such a manner that litter will be prevented from being carried or deposited by the elements upon any public place. (Prior code § 9-8-2)

8.08.030 Owner to maintain premises.

The owner or person in control of any private property shall at all times maintain the premises free of litter; provided, however, that this section shall not prohibit the storage of litter in authorized receptacles for collection in such a manner that litter will be prevented from being carried or deposited by the elements upon any public place. (Prior code § 9- 8-3)

8.08.040 Procedure to compel removal of litter.

The manager shall enforce the provisions of Sections 8.08.020 and 8.08.030, prosecuting violators of said sections in the city magistrate's court pursuant to the criminal provisions of this code. If such prosecution fails to secure compliance with the provisions of said sections, or in the event of inability to prosecute violators by reason of failure to secure jurisdiction over their persons, the manager shall compel the removal of litter by the procedure outlined in Sections 8.08.050 through 8.08.090. (Prior code § 9-8-4)

8.08.050 Notice to remove.

To compel the removal of litter through the provisions of this section, and of Sections 8.08.040 through 8.08.090, if a person owning or controlling any property fails, neglects or refuses to remove or properly dispose of litter located on property owned or controlled by such person, he or she shall be given written notice by the manager to remove all litter from such property within thirty (30) days from the date the notice was received by him or her, and prior to the date of compliance on the notice. Such notice shall be received not less than thirty (30) days before the date set thereon for compliance, and shall contain an estimate of the cost of removal by the city a statement that unless the person owning or controlling such property complies therewith within thirty (30) days from the date such written notice is received, that the city will, at the expense of the person owning or controlling said property, perform the necessary work at a cost not to exceed the estimate given in the notice, and that such person may appeal in writing to the council within thirty (30) days from the date the notice is received by him or her and prior to the date of compliance. (Prior code § 9-8-5)

8.08.060 Service of notice.

Notice shall be personally served on the owner or person controlling such property, by a police officer of the city in the manner provided in Rule 4(d) of the Arizona Rules of Civil Procedure, or mailed to the owner or person controlling such property at his or her last known address by certified or registered mail, or the address to which the tax bill for the property was last mailed. If the owner does not reside on such property. a duplicate notice shall also be sent to him or her by certified or registered mail at his or her last known address. (Prior code § 9-8-6)

8.08.070 Appeal to council.

Prior to the date set for compliance on the notice, the owner or person controlling such property may appeal in writing to the council from the demand of the manager. The council

shall, at its next regular meeting after receiving the appeal, hear and determine the same and the decision of the council shall be final. The council may either affirm or reverse the decision of the manager or modify the scope of the work as required in the notice. (Prior code § 9.8.7)

8.08.080 Removal by city.

When any such person to whom notice, as aforesaid, has been given, and on or before the date of compliance on the notice, or within such further time as may have been granted by the council on appeal, fails, neglects or refuses to move from such property any or all litter, the manager is authorized and directed to cause same to be removed and disposed of at the expense of the owner or person controlling such property. Upon completion of the work, the manager shall prepare a verified statement of account of the actual cost of such removal or abatement, the date the work was completed, and the street address and the legal description of the property on which said work was done, including five percent for additional inspection and other incidental costs in connection therewith, and shall serve a duplicate copy of such verified statement upon the person owning or controlling such property in the manner prescribed in Section 8.08.060 hereof. The owner or person controlling such property shall have thirty (30) days from the date of service upon him or her to appeal in writing to the council from the amount of the assessment as contained in the verified statement. IF an appeal is not filed with the manager within such thirty (30) day period, then the amount of the assessment as determined by the manager shall become final and binding. If an appeal is taken, the council shall, at its next regular meeting, hear and determine the appeal and may affirm the amount of the assessment, modify the amount thereof, or determine that no assessment at all shall be made. The decision of the council shall be final and binding on all persons. (Prior code § 9.8.8)

8.08.090 Lien for removal.

If no appeal is taken from the amount of the assessment, or if an appeal is taken and the council has affirmed or modified the amount of the assessment, the original assessment or the assessment as so modified shall be recorded in the office of the county recorder and from the date of its recording, shall be a lien on said lot or tract of land until paid. Such liens shall be subject and inferior to the lien for general taxes and shall be superior to all other prior recorded mortgages, liens and encumbrances. A sale of the property to satisfy a lien obtained under the provisions of this section shall be made upon judgment of foreclosure or order of sale. The city shall have the right to bring an action to enforce the lien in the superior court at any time after the recording of the assessment, but failure to enforce the lien by such action shall not affect its validity. The recorded assessment shall be prima facie evidence of the truth of all matters recited therein, and of the regularity of all proceedings prior to the recording thereof. A prior assessment for the purposes provided in this section shall not be a bar to a subsequent assessment or assessments for such purposes, and any number of liens on the same lot or tract of land may be enforced in the same action. (Ord. 99-007; prior code § 9-8-9)

8.08-100 Placement of debris.

Any person, firm or corporation who shall place any rubbish, trash, filth, or debris upon any private or public property not owned or under the control of said person, firm or corporation shall be guilty of a misdemeanor and, in addition to any fine which may be imposed for violation of any provision of this section, shall be liable for all costs which may be assessed pursuant to this chapter for the removal of said rubbish, trash, filth or debris. (Editorially amended during 1999 codification; prior code § 9-8-10)

8.08.110 Violation-Penalty.

Any person violating any provisions of this chapter shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be subject to a fine not to exceed three hundred dollars ($300.00) or imprisonment for a period of not more than twenty (20) days in jail, or to both such fine and imprisonment. Each day that the violation continues shall be a separate offense. (Prior code § 9.9.2 (part))

ATTACHMENT I
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY,
THE UNITED STATES OF AMERICA,
THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT,
AND THE CITY OF SAFFORD

SAFFORD FACILITY

Description of Safford Facility.

That certain wastewater treatment facility located on a portion of the Ferguson Farm described as follows:

> Beginning at the Northwest corner of the Northeast Quarter of Section 7, Township 7 South, Range 26 East, Gila and Salt River Meridian, Graham County, Arizona; thence East a distance of 660.00 feet; thence North a distance of 49.50 feet; thence East a distance of 711.15 feet; thence South a distance of 1,407.945 feet; thence West a distance of 679.635 feet; thence South a distance of 1,281.72 feet; thence West a distance of 691.515 feet; thence North a distance of 2,640 feet to the Point of Beginning.

ATTACHMENT P
TO
AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY, THE UNITED STATES OF AMERICA, THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, AND THE CITY OF SAFFORD

SAMPLE ACCOUNTING SPREADSHEET

WATER TREATED AS DIVERTED BY THE CITY

Diversions from within the UV Impact Zone	**Acre-feet**
Diversions from J. Ed Smith well or any replacement or modification (12.1.1.1)	
Portion of Diversion from a well tested pursuant to 9.1 found by model required in 9.1.4.2 to affect the flow of the Upper Gila River (12.1.1.2)	
Diversion from a well subject to the provisions of 9.1 but not tested pursuant to model required in 9.1.4.2 at City's option (12.1.1.3)	
Any water sold, exchanged or transferred by the City to a third party that would have otherwise counted against the Water Budget (12.1.1.4)	
Total water Diverted by City from within the UV Impact Zone	

Diversions from Bonita Creek and Mount Graham System	
Diversions from Bonita Creek (minimum of 3,876 and maximum of 5,310 unless force majeure event occurs pursuant to 8.2.3) (12.1.2)	
Diversions from the Mount Graham System (12.1.3)	
Any water allocated to the Water Budget in the Water Use Plan not otherwise accounted for, whether Diverted or not. (12.1.4)	
Any water, not otherwise accounted for, used to off-set the reduction in Diversions from Bonita Creek pursuant to 8.2.3.3. (12.1.5)	
Total water Diverted By City from Bonita Creek, Mount Graham and Allocation to Water Budget	
Total Water Diverted by the City	

WATER NOT TREATED AS DIVERTED BY THE CITY

Water not allocated to Water Budget	
Water Diverted from wells outside the UV Impact Zone (12.2.1.1)	
Recovery of water recharged outside the UV Impact Zone pursuant to 7.7.2. (12.2.1.2)	
Any Recovered Effluent (12.2.1.3)	
Any use or reuse of Effluent to the extent not allocated to Water Budget (12.2.3)	
Total Water not allocated to Water Budget	

Other Water

That portion of Diversions from new wells tested pursuant to 9.1 determined by the computer simulation required in 9.1.4.2 to not affect the flow of the Upper Gila River to the extent not allocated to Water Budget (12.2.2)

Any water that would otherwise count as a Diversion from Bonita Creek but not Diverted during a force Majeure event pursuant to 8.2.3. (12.2.4)

Any water in storage in the Mt.Graham System including storage pursuant to 5.1.5. (12.2.5)

Use of UV Decreed Water Rights on UV Decreed Acres owned or controlled by the City (12.2.6)

Total Other Water

Total Water not treated as Diverted by the City

EXHIBIT 26.2

AMENDED AND RESTATED FORBEARANCE AGREEMENT AMONG THE GILA RIVER INDIAN COMMUNITY, THE UNITED STATES OF AMERICA, THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, THE FRANKLIN IRRIGATION DISTRICT, THE GILA VALLEY IRRIGATION DISTRICT, AND OTHER PARTIES LOCATED IN THE UPPER VALLEY OF THE GILA RIVER

This Agreement is entered into as of the date executed below, by and among the United States, the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Ft. Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, the Union Canal Company of the Gila Valley Irrigation District, the Fourness Canal Company, the Colvin-Jones Canal Company, the Sunset Ditch Company, Sunset Canal, New Model Canal, the NM New Model Community Ditch Association, the Valley Canal Company, and such other persons or entities who execute this Agreement no later than the Enforceability Date of the Settlement Agreement.

1.0 RECITALS

1.1 Proceedings to determine the nature and extent of the rights to water of the Community, the District, the United States, and other claimants are pending in the Gila River Adjudication Proceedings and actions regarding the interpretation and enforcement of the Globe Equity Decree are pending before the Globe Equity Enforcement Court.

1.2 Recognizing that final resolution of these proceedings may take many years, entail great expense, prolong uncertainty concerning the availability of water supplies, and seriously impair the long-term economic well-being of all parties to the Settlement Agreement, as part of the overall settlement between the parties to the Settlement Agreement, the Parties to this Agreement have agreed to settle the disputes that are among them regarding their respective water rights under the Globe Equity Decree and in the Gila River Adjudication Proceedings.

1.3 In fulfillment of its trust responsibility to Indian tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to settle water rights claims of Indian tribes without lengthy and costly litigation.

1.4 The Act provides for the settlement of water rights claims of the Community and the District, and for agreement among the Community, the District, the United States, and certain other named parties.

1.5 Accordingly, the Community, the District, and the United States have agreed, as provided by this Agreement, to (a) settle their claims regarding Injuries to

Water Rights and other claims by forbearing from bringing or pursuing such claims against the UV Signatories and the UV Non-signatories, provided that and only so long as the UV Signatories and the UV Non-signatories act In Compliance with this Agreement, and (b) waive certain claims for Water Rights.

1.6 Not all persons or entities diverting or using water in the UV are UV Signatories. Nevertheless, such persons or entities diverting or using water in the UV that are not UV Signatories (hereinafter referred to as "UV Non-signatories") shall receive the benefits of the waivers and releases set forth in Paragraph 4.0 hereof. Such benefits (with the exception of waivers of certain claims for Water Rights), however, are expressly conditioned on either: (i) each UV Non-signatory acting in a manner that is In Compliance with this Agreement; or, (ii) the timely and complete provision of mitigation on their behalf pursuant to the terms of this Agreement.

1.7 Recognizing that the State of New Mexico may elect to have constructed or developed facilities to divert and consumptively use water from the Gila River and its tributaries for use in New Mexico pursuant to section 304 of the Colorado River Basin Project Act (Public Law 90-537), the Parties have agreed to permit such diversion and consumptive use in accordance with certain provisions in this Agreement and in the NM Consumptive Use and Forbearance Agreement and that the NM CAP Entity has the right to enforce certain of the provisions herein as a third-party beneficiary.

1.8 The Parties intend to constrain and regulate their own conduct as provided in this Agreement, but they do not intend to modify the Globe Equity Decree.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Community, the District, the UV Signatories and the United States agree as follows:

2.0 DEFINITIONS

Capitalized terms in this Agreement that are not expressly defined herein shall have the same meaning as in the Settlement Agreement or in the Globe Equity Decree; provided, however, that in the event of a conflict, the definition in the Globe Equity Decree shall control. The following terms shall have the following meanings when capitalized in this Agreement:

2.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

2.1A "Additional Arizona Rights" shall mean certain rights to appropriable water in Arizona as further defined in Attachment 2.38, the Terms of New Mexico Diversions

2.2 "Agreement" shall mean this Agreement and the Attachments hereto, which are incorporated herein by this reference.

2.3 "Annual TBI ASE Report" shall mean the report prepared by the Water Commissioner in consultation with the Settlement Technical Committee, setting forth the TBI ASE and Normalized TBI ASE for the previous Year as calculated pursuant to the procedure set forth in Attachment 10.1.

2.4 "Article VI(2) UV Apache Land" shall mean up to one thousand (1,000) acres of land as described in article VI(2) of the Globe Equity Decree that may be

acquired on behalf of the San Carlos Apache Tribe, in furtherance of article VI(2) of the Globe Equity Decree.

2.5 "Attachment" shall mean an Attachment to this Agreement.

2.6 "Baseline TBI ASE" shall mean the Normalized TBI ASE for the first full Year after the Year in which reporting begins pursuant to Subparagraph 6.4, determined in accordance with Subparagraph 10.2.

2.7 "Canal Company" shall mean Sunset, New Model, Valley Canal Company, Brown Canal Company of the Gila Valley Irrigation District (also referred to as the "Consolidated Brown Canal Company"), Fourness, San Jose Canal Company of the Gila Valley Irrigation District, Montezuma Canal Company of the Gila Valley Irrigation District, Union Canal Company of the Gila Valley Irrigation District (also referred to as the "Union –Sunflower Canal Company" and also referred to as the "Union Sunflower"), Graham Canal Company of the Gila Valley Irrigation District, Highline Canal Company of the Gila Valley Irrigation District, Smithville Canal Company of the Gila Valley Irrigation District, Dodge-Nevada Canal Company of the Gila Valley Irrigation District, Curtis Canal Company of the Gila Valley Irrigation District, Ft. Thomas Canal Company of the Gila Valley Irrigation District, Sunset Canal, New Model Canal, and Colvin-Jones Canal Company. The general locations of the Canal Companies' systems are depicted on a map or maps attached as Attachment 2.7; provided, however, that such maps are for illustrative purposes only.

2.8 "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Act of June 18, 1934, 48 Stat. 987 (25 U.S.C.§ 476).

2.8A "Community/District Agreement" shall mean the agreement entered into among the Community, the San Carlos Irrigation and Drainage District and the United States, a copy of which is attached to the Settlement Agreement as exhibit 20.1.

2.9 "District", "SCIDD" or "San Carlos Irrigation and Drainage District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

2.10 "Enforceability Date" shall mean the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

2.11 "Franklin Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and organized under the laws of the State of Arizona. The UV Decreed Acres within such District may be adjusted in accordance with applicable law.

2.11A "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under section 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term “Gila River Indian Reservation” or “Reservation” includes those lands located in sections 16

and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

2.12 "Gila Valley Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and organized under the laws of the State of Arizona. The UV Decreed Acres within such District may be adjusted in accordance with applicable law.

2.13 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

2.14 "Globe Equity Enforcement Court" shall mean the U.S. District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

2.15 "Hot Lands" shall mean any non-UVD Decreed Acres in the UV Impact Zone, but not the NM 381 Acres, that were irrigated during any of the Years 1997-2001, inclusive. The exact identity and location of the Hot Lands is to be established pursuant to the procedures set forth in Attachment 13.1.

2.16 "Impartial Administrator" shall mean the person selected by the Settlement Technical Committee to undertake such activities and duties as provided by this Agreement. In the event that the Settlement Technical Committee is unable to agree upon the selection of an Impartial Administrator, any Party with a representative on the Settlement Technical Committee at that time may submit

the selection of the Impartial Administrator to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1. To the extent permitted and ordered by the Globe Equity Enforcement Court, the Water Commissioner shall perform such activities and duties.

2.16A "In Compliance with this Agreement" shall mean acting in a manner that is consistent with, not in violation of, and not contrary to any of the terms, conditions, limitations, requirements and provisions of this Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is not acting In Compliance with this Agreement shall be deemed to be Not in Compliance with this Agreement.

2.17 "Initial Effective Date" shall mean the date of execution of this Agreement by the Community, the District, the United States, and the UV Irrigation Districts.

2.17A "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, state or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include 'Subsidence Damage' or 'Injury to Water Quality' as those terms are defined in the Act.

2.18 "Major YV Landowner" shall mean any individual or entity that as of the Initial Effective Date owns ten (10) or more acres of York Valley Lands, unless such lands are included within an UV Irrigation District prior to the Enforceability Date.

2.18A "Miscellaneous Flow Lands" shall mean those lands, if any, that are not a part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

2.18A1 "Natural Flow" shall mean all Gila River water that is not Stored Water or Project Pumped Water and that is available for diversion pursuant to article V of the Globe Equity Decree. "Project Natural Flow water" is Natural Flow available to the Community and the District for diversion at Ashurst-Hayden Diversion Dam pursuant to the Globe Equity Decree.

2.18A2 "New Mexico Diversion" shall mean a Diversion, as further defined in and in accordance with Attachment 2.38, the Terms of New Mexico Diversions.

2.18A3 "New Model Canal" shall mean that canal listed in the Globe Equity Decree as the 'Moddle Canal' that Diverts Water in or near Virden, New Mexico and used for the delivery of water to the lands of New Model Community Ditch Association in New Mexico and certain lands in the Franklin Irrigation District in Arizona.

2.18A4 "NM CAP Entity" shall mean the entity or entities to be formed or designated by the State of New Mexico to enter into the NM Unit Agreement with the Secretary. The NM CAP Entity shall be an entity that:

(a) does not have sovereign immunity;

(b) does not have the protection of the 11th Amendment to the U.S. Constitution; and

(c) continues to satisfy both of these conditions throughout its existence.

2.18A5 "NM Unit" shall mean that unit or units of the Central Arizona Project authorized by sections 301(a)(4) and 304 of the Colorado River Basin Project Act (43 U.S.C. 1521(a)(4), 1524) (as amended by section 212 of the Act).

2.18B "NM Consumptive Use and Forbearance Agreement" shall mean that agreement entered into by and among the United States, the Community, the District, and all of the signatories to this Agreement, and approved by the State of New Mexico, and authorized, ratified, and approved by Section 212(b) of the Act. The term "NM Consumptive Use and Forbearance Agreement" includes: (i) all exhibits to that agreement (including the NM Risk Allocation agreement, which is also an Attachment to this Agreement) (the NM Risk Allocation agreement is referred to in this Agreement as the "NM Risk Allocation Terms"); and (ii) any amendment to that agreement made or added pursuant to that agreement.

2.18B1 "NM Diversion Day" shall mean the day, as further defined in the NM Consumptive Use and Forbearance Agreement, during which the Secretary as Authorized Diverter Diverts water for the NM Unit pursuant to and in accordance with Attachment 2.38, the Terms of New Mexico Diversions.

2.18B2 "NM New Model Community Ditch Association" shall mean the ditch association of that name established under the laws of the State of New Mexico, provided that such definition shall only apply as to those lands served by such ditch association that are located in the State of New Mexico.

2.18C "NM Priority and Apportionment Terms" shall mean the adjusted method, described in Attachment 2.18C, of determining the priority year, the regulation

year(s), and apportionment rights under the Globe Equity Decree in connection with the NM Consumptive Use and Forbearance Agreement. Such method shall become effective on January 1 of the first Year during which the Secretary as Authorized Diverter Diverts water for the NM Unit pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement.

2.18D "NM Risk Allocation Terms" or "New Mexico Risk Allocation Terms" shall mean the method described in Attachment 2.18D, of allocating certain risks of increased demands on the waters of the Gila River and the San Francisco River and their respective tributaries resulting from Additional Arizona Rights and Diversions and consumptive use pursuant to the NM Consumptive Use and Forbearance Agreement. Such method shall become effective on January 1 of the first Year during which the Secretary as Authorized Diverter Diverts water for the NM Unit pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement. The NM Risk Allocation Terms are referred to in the Act as the NM Risk Allocation agreement.

2.18E "NM Unit Agreement" shall mean that agreement to be entered into by and between the United States and the NM CAP Entity upon notice to the Secretary from the State of New Mexico that the State of New Mexico intends to have the NM Unit constructed or developed. The term “NM Unit Agreement” includes: (i) all exhibits to that agreement; and (ii) any amendment to that agreement made or added to that agreement pursuant to that agreement. The principal terms of the NM Unit Agreement are set forth in exhibit 2.48 of the NM Consumptive Use and Forbearance Agreement.

2.18F "NM 381 Acres" shall mean the three hundred eighty and eighty-one hundredths (380.81) acres of land located in the Virden Valley, New Mexico, as initially described in paragraph (D)(1) of the decree in *Arizona v. California*, 376 U.S. 340, 349 (1964), and as may be subsequently modified to include substituted lands as allowed by that decree.

2.19 "Normalized TBI ASE" shall mean TBI ASE adjusted pursuant to the procedures described in Attachment 10.1.

2.20 "Not in Compliance with this Agreement" shall mean acting in a manner that is inconsistent with, in violation of or contrary to any of the terms, conditions, limitations, requirements or provisions of this Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is Not in Compliance with this Agreement shall be deemed to be not In Compliance with this Agreement.

2.21 "Other UV-Signatory" shall mean: (a) a UVD that has executed this Agreement on or before the Enforceability Date, (b) an owner of Special Hot Lands, but only in the capacity as owner of such Special Hot Lands, or (c) a UVD that has executed this Agreement in accordance with Subparagraph 4.22. "Other UV-Signatories" shall mean two or more of the above persons and entities.

2.22 "Paragraph" shall mean a paragraph of this Agreement.

2.23 "Party" shall mean a person or entity that has executed this Agreement on or before the Enforceability Date, the owner of Special Hot Lands, or a person or entity that has executed this Agreement in accordance with Subparagraph 4.22. "Parties" shall mean more than one of such persons or entities. The United

States participation as a Party shall be in the capacity as described in Subparagraph 2.40.

2.24 "Phreatophyte" shall mean a deep-rooted plant with a root system that reaches the water table, or the capillary zone immediately above the water table, deriving a perennial and secure supply of water from such source.

2.25 "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" shall mean the San Carlos Irrigation Project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" includes any amendments and supplements to the act described in the preceding sentence.

2.25A "Project Pumped Water" shall mean all water produced by Project Wells, as that term is defined in the Community/District Agreement (exhibit 20.1 to the Settlement Agreement).

2.26 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

2.27 [Intentionally not used].

2.28 "San Carlos Apache Tribe" shall mean the San Carlos Apache Tribe, a tribe of Apache Indians organized under section 16 of the Indian Reorganization Act of June 18, 1934, 48 Stat. 987 (25 U.S.C. 476).

2.29 "San Carlos Apache Reservation" shall mean the reservation of that name established pursuant to federal law.

2.30 "Safford Agreement" shall mean that certain agreement between the Community, the District, the United States and the City of Safford, a copy of which is attached to the Settlement Agreement as exhibit 26.1.

2.30A "Secretary" shall mean the Secretary of the United States Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacities as: (a) owner of the CAP; (b) as the official responsible for the design, construction, operation and maintenance of the NM Unit; (c) the official authorized to divert and responsible for Diversions pursuant to the NM Consumptive Use and Forbearance Agreement for the sole benefit of the NM CAP Entity; (d) as the party responsible for providing funds for the water right reduction as provided by section 211 of the Act; and (e) in no other capacity.

2.30B "Secretary as Authorized Diverter" shall mean the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to the NM Consumptive Use and Forbearance Agreement for the sole benefit of the NM CAP Entity and in no other capacity.

2.30C "Secretary as CAP Owner" shall mean the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative acting solely in the capacity as owner of the Central Arizona Project and in no other capacity.

2.30D "Secretary as NM Unit" shall mean the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative acting solely in the capacity as the official responsible for the design, construction, operation and maintenance of the NM Unit and in no other capacity.

2.30E "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Settlement Agreement, including all Exhibits thereto (as that term is defined therein), authorized and approved by the Act and entered into among the Community, the District, the United States, the State, and certain other named parties. This is the agreement defined in section 2(26) of the Act as the 'Gila River agreement', as amended as necessary to make it consistent with Title II of the Act and as executed by the Secretary on December 21, 2005.

2.31 "Settlement Technical Committee" shall mean the committee composed of technical representatives established pursuant to Subparagraph 14.1.

2.32 "Special Hot Lands" shall mean those Hot Lands that (a) have not become UV Decreed Acres pursuant to the severance and transfer process set forth in Paragraph 11.0; provided that the owner of such Hot Lands has met all of the following conditions with respect to such lands: (1) made a good faith application for severance and transfer of UV Decreed Water Rights to such lands; (2) has used or is using best efforts to pursue such application and accomplish such severance and transfer; (3) acts In Compliance with this Agreement; (4) provides reports to the Impartial Administrator on the same basis as he would have reported to the Water Commissioner if such lands were TBI Acres; and (5) signs this Agreement as a Party (in the capacity as owner of such Special Hot Lands), and attaches to the signature page a description of the size and location of such lands, provided such signature shall not be required until six months after the Enforceability Date.

2.33A "Special Hot Lands Farm" shall mean the Special Hot Lands identified in the attachment to a signature page submitted by an owner of Special Hot Lands as provided in Subparagraph 2.32.

2.33B "Stored Water" shall mean all Gila River water available to the Community and the San Carlos Irrigation and Drainage District that is neither Project Pumped Water nor Project Natural Flow water.

2.34 "Subparagraph" shall mean a subparagraph of this Agreement.

2.34A "Sunset Ditch Company" shall mean the ditch company of that name incorporated under the laws of the State of New Mexico, provided that such definition shall only apply to those lands served by such ditch company that are located in the State of New Mexico.

2.35 "TBI Acres" shall mean the UV Decreed Acres, but not Special Hot Lands, that the UVDs (or their agents or persons or entities in privity with them) report to the Water Commissioner are to be irrigated in any given Year and that are actually irrigated (according to the records of the Water Commissioner); provided, however, that in any given Year after the Enforceability Date, the number of TBI Acres shall not exceed the number of TBI Eligible Acres unless mitigation is provided to the Community and the San Carlos Irrigation and Drainage District as provided herein.

2.36 "TBI ASE" shall mean the cumulative delivery, distribution and on-farm efficiency for the TBI Acres for which water was diverted or Pumped in accordance with this Agreement, calculated as a percentage number on a system-wide basis pursuant to the procedures set forth in Attachment 10.1.

2.37 "TBI Eligible Acres" shall mean the maximum number (but not the identity) of acres within the UV Subjugated Lands that may be irrigated in any given Year, calculated separately by the Settlement Technical Committee pursuant to Subparagraph 13.1 for each of the following: (i) the lands located within the UV Irrigation Districts, (ii) the lands served in New Mexico by the Sunset Ditch Company, (iii) the lands served in New Mexico by the NM New Model Community Ditch Association, (iv) each York Valley Farm, (v) each Special Hot Lands Farm, and (vi) seventy-five (75) acres of Unreported New Model Acres.

2.38 "Terms of New Mexico Diversions" shall mean the terms pursuant to which the Secretary as Authorized Diverter may divert water of the Gila River and its tributaries without objection by the Parties or the UV Non-signatories, a copy of which is attached as Attachment 2.38.

2.39 "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

2.39A "Uniform Appraisal Standards for Federal Land Acquisitions" or "Standards" shall mean the edition of the Uniform Appraisal Standards for Federal Land Acquisitions, as published by the Appraisal Institute in cooperation with the United States Department of Justice (December 20, 2000) in effect as of the time of the appraisals provided by Subparagraph 5.3.1.4.1.

2.40 "United States" or "United States of America" shall mean the United States of America: (i) acting as trustee for the Community, Members and Allottees; (ii) as

the holder of legal title to (but not the beneficial interest in) the Water Rights as described in articles V and VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of the San Carlos Irrigation and Drainage District and Miscellaneous Flow Lands; (iii) as owner and operator of the Project; and (iv) in no other capacity except as expressly provided in Subparagraphs 2.43, 4.1, 4.3, 4.4, 4.5, 4.9, 4.10, 4.11, 4.13.3, 4.26, 5.3.1.3, 5.3.4.2, 5.6, and 5.8, and Attachments 4.2, 4.3, 4.4, and 4.5. The term "United States" or "United States of America" as used in this Agreement (except to the limited extent provided in Subparagraphs 4.13.3, 4.26.2, 5.3.1.3, 5.3.4.2, 5.6, and 5.8) specifically excludes the United States in its capacity as trustee for any other federally recognized Indian tribe, including the San Carlos Apache Tribe and in any other capacity except those indicated in the first sentence of this Subparagraph.

2.41 "Unreported New Model Acres" shall mean those UV Decreed Acres served by the New Model Canal in New Mexico or Arizona that were irrigated by Pumping only during any of the Years 1997-2001, inclusive, but which were not reported to the Water Commissioner as TBI Acres in any Year during this time period. The Settlement Technical Committee shall determine the identity and location of those lands that qualify as Unreported New Model Acres using the procedures set forth in Attachment 13.1.

2.42 "UV" shall mean the valleys and lands upstream and to the east of Coolidge Dam, but not including the San Carlos Apache Reservation, where the UV Decreed Acres and the Hot Lands are located.

2.43 "UVD" shall mean a person or entity, other than the San Carlos Apache Tribe (or the United States acting on behalf of or as trustee for the San Carlos Apache Tribe), that, now or in the future, holds UV Decreed Water Rights with points of diversion upstream and to the east of Coolidge Dam, but only as to such person or entity's capacity as a holder of such UV Decreed Water Rights. "UVDs" shall mean all such persons and entities.

2.44 "UV Decreed Acres" shall mean those lands located upstream and to the east of Coolidge Dam, but not including the San Carlos Apache Reservation and not including Article VI(2) UV Apache Land, for which water may be diverted, now or in the future, pursuant to the Globe Equity Decree.

2.45 "UV Decreed Water Rights" shall mean the rights to divert water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

2.46 [Intentionally not used].

2.47 "UV Impact Zone" shall mean the lands identified as such on the maps set forth in Attachment 2.47.

2.48 "UV Irrigation District" shall mean either the Franklin Irrigation District or the Gila Valley Irrigation District, the boundaries of each of which as of the Initial Effective Date are depicted in Attachment 2.48; provided, however, that such maps are for illustrative purposes only. "UV Irrigation Districts" shall mean both the Franklin Irrigation District and the Gila Valley Irrigation District".

2.49 "UV Non-signatory" shall mean a UVD, diverting or using water in the UV that is not a UV Signatory provided, however, that the term "UV Non-signatory" shall not include any Major YV Landowner that has failed to execute this

Agreement as of the Enforceability Date. The term "UV Non-signatory" shall include a UVD only in its capacity as a UVD.

2.50 "UV Pumped Water" shall mean water Pumped from within the UV Impact Zone for use on lands that qualify as TBI Eligible Acres regardless of whether the water Pumped may constitute appropriable subflow.

2.51 "UV Signatories" shall mean: (i) the UV Irrigation Districts, (ii) the Canal Companies, and (iii) all the Other UV Signatories.

2.52 "UV Subjugated Lands" shall mean the lands calculated separately by the Technical Settlement Committee pursuant to Subparagraph 13.1 for each of the following: (i) lands located within the UV Irrigation Districts, (ii) the lands served in New Mexico by the Sunset Ditch Company, (iii) the lands served in New Mexico by the NM New Model Community Ditch Association, (iv) each York Valley Farm, and (v) each Special Hot Lands Farm.

2.53 "UV Surface Water" shall mean water diverted from the surface of the Gila River pursuant to the Globe Equity Decree by or on behalf of the UVDs (or their agents, or persons or entities in privity with them) with diversion devices identified in the table of priorities (as amended) in article V of the Globe Equity Decree, and/or their replacements, whether or not now existing and whether or not shared by one or more Canal Company. UV Surface Water does not include UV Pumped Water.

2.54 "Water Commissioner" has the meaning provided by article XII of the Globe Equity Decree. In the event that such person is permitted and ordered by the Globe Equity Enforcement Court to perform an activity or duty of the Impartial

Administrator described in a particular provision of this Agreement or Attachments hereto, the term shall mean the Impartial Administrator for purposes of that activity or duty.

2.55 "Water Right" shall mean any and all rights in or to Groundwater, Surface Water, or Effluent under Federal, State or other law.

2.56 "Water Rights Appurtenant to NM 381 Acres" shall mean those Water Rights appurtenant to the NM 381 Acres or as such rights may be changed, transferred or severed as allowed by the decree in *Arizona v. California*, 376 U.S.340 (1964).

2.57 "Water Rights for NM Domestic Purposes" shall mean those Water Rights for domestic purposes of up to two hundred sixty-five (265) acre-feet of water for consumptive use per annum described in paragraph (D)(2) of the decree in *Arizona v. California*, 376 U.S. 340, 350 (1964).

2.58 "York Valley Farm" shall mean those York Valley Lands farmed or operated as a unit as determined by the Settlement Technical Committee pursuant to Subparagraph 13.1.

2.59 "York Valley Lands" shall mean UV Decreed Acres located in Arizona but not within either UV Irrigation District. The Settlement Technical Committee shall determine the identity and location of those lands that qualify as York Valley Lands using the procedures set forth in Attachment 13.1. York Valley Lands that after the Initial Effective Date and prior to the Enforceability Date, in accordance with applicable law, are included in a UV Irrigation District shall no longer be considered York Valley Lands from the date of such inclusion.

2.60 Certain of the Attachments have terms that are specifically defined for purposes of such Attachment only. Such definitions shall apply only to the Attachment in which they appear. In the event of any conflict between the definitions in this Paragraph 2 and the definitions set forth in any Attachment, for purposes of such Attachment, the definitions set forth in such Attachment shall control.

3.0 ATTACHMENTS

Following is a list of the Attachments to this Agreement:

Attachment	Description
2.7	Map(s) depicting locations of Canal Companies' canal systems, including those systems serving the York Valley Lands (for illustrative purposes only)
2.18C	NM Priority and Apportionment Terms
2.18D	New Mexico Risk Allocation Terms
2.37.1	Average TBI Acres as reported to the Water Commissioner 1997-2001
2.38	Terms of New Mexico Diversions
2.47	Map depicting UV Impact Zone
2.48	Map depicting lands of UV Irrigation Districts (for illustrative purposes only)
4.2	Form of stipulation and form of judgment to be filed in the Globe Equity Enforcement Court
4.3	Waiver and release of claims by Community, and the United States
4.4	Waiver and release of claims by United States as trustee for Allottees
4.5	Waiver and release of claims by United States to the extent of its interest in lands identified in articles V or VI of the Globe Equity Decree
4.6	Waiver and release of claims by the District.

4.7	Waiver and release of claims by UV Signatories
5.2.1	Example of fallowing program
10.1	TBI ASE and Normalized TBI ASE Calculation Methodology
13.1	Procedures of Settlement Technical Committee
15.9	Form of stay order

4.0 WAIVER AND RELEASE OF CLAIMS

4.1 With respect to claims by the Community, the United States (in the capacity specified in each of the waivers and releases of claims set forth below) or the San Carlos Irrigation and Drainage District against one or more UV Signatories or UV Non-signatories or claims by any UV Signatory or UV Non-signatory against the Community, the United States or the District, the waivers and releases of claims, and retention of rights set forth in this Paragraph 4.0 shall be in place of and not in addition to those set forth in paragraph 25.0 of the Settlement Agreement. Each waiver and release executed by a Party shall be binding on and inure to the benefit of the Parties to this Agreement and their successors and assigns and shall contain a provision so providing.

4.2 Within thirty (30) days after the Initial Effective Date, Community, the District, the United States, and the UV Irrigation Districts shall file a stipulation and form of judgment in the Globe Equity Enforcement Court substantially in the form of Attachment 4.2. This Attachment is the same as exhibit 25.18B to the Settlement Agreement.

4.3 **Waiver of claims by the Community and the United States**. Except as provided in Subparagraph 4.9, the Community, on behalf of itself and Members (but not Members

in their capacities as Allottees) and the United States on behalf of the Community and Members (but not on behalf of Members in their capacities as Allottees), pursuant to the authorization set forth in section 207(a)(5)(A) of the Act, shall execute a waiver and release of the following claims against the UV Signatories and the UV Non-signatories (and the predecessors in interest of each) under Federal, State or other law for:

4.3.1 Past, present, and future claims for Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial, and thereafter, forever;

4.3.2 Past, present, and future claims for Water Rights arising from time immemorial and, thereafter, forever that are based upon aboriginal occupancy of land by the Community or Members, or predecessors of the Community or Members;

4.3.3 Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial through the Enforceability Date, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of the Agreement;

4.3.4 Past, present, and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based upon aboriginal occupancy of lands by the Community, Members, or predecessors of the Community or Members, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or

contrary to the terms, conditions, requirements, limitations, or other provisions of this Agreement;

4.3.5 Claims for Injury to Water Rights arising after the Enforceability Date for land within the exterior boundaries of the Reservation resulting from the diversion, Pumping, or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of this Agreement;

4.3.6 Claims for Injury to Water Rights arising after the Enforceability Date for Water Rights transferred to the Project pursuant to section 211 of the Act resulting from the diversion, Pumping or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of this Agreement;

4.3.7 Past, present, and future claims for Injury to Water Rights arising out of or relating to the use of Water Rights Appurtenant to the NM 381 Acres, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available upon request a copy of any records prepared pursuant to that decree;

4.3.8 Past, present, and future claims arising out of or relating to the use of Water Rights for NM Domestic Purposes, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State

of New Mexico shall make available on request a copy of any records prepared pursuant to that decree; and

4.3.9 Past, present, and future claims arising out of or relating to the negotiation or execution of this Agreement, or the negotiation or enactment of Titles I or II of the Act.

4.4 **Waiver of claims by the United States as trustee for Allottees**. Except as provided in Subparagraph 4.10, the United States as trustee for the Allottees, pursuant to the authorization set forth in Section 207(a)(5)(B), shall execute a waiver and release of the following claims against the UV Signatories and the UV Non-signatories (and the predecessors of each) under Federal, State or other law for:

4.4.1 Past, present, and future claims for Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial and, thereafter, forever;

4.4.2 Past, present, and future claims for Water Rights arising from time immemorial and, thereafter, forever, that are based upon aboriginal occupancy of lands by Allottees or their predecessors;

4.4.3 Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial through the Enforceability Date, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of this Agreement;

4.4.4 Past, present, and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based upon aboriginal occupancy of lands by Allottees or their predecessors, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of this Agreement;

4.4.5 Claims for Injury to Water Rights for lands within the exterior boundaries of the Reservation arising after the Enforceability Date resulting from the diversion, Pumping or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of this Agreement;

4.4.6 Past, present, and future claims for Injury to Water Rights arising out of or relating to the use of Water Rights Appurtenant to the NM 381 Acres, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and the State of New Mexico shall make available upon request a copy of any records prepared pursuant to that decree;

4.4.7 Past, present, and future claims arising out of or relating to the use of Water Rights for NM Domestic Purposes, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available on request a copy of any records prepared pursuant to that decree; and

4.4.8 Past, present, and future claims arising out of or relating to the negotiation or execution of this Agreement, or the negotiation or enactment of Titles I and II of the Act.

4.5 **Additional waiver of certain claims by the United States**. Except as provided in Subparagraph 4.11, the United States (to the extent the waiver and the release provided by this Subparagraph 4.5 is not duplicative of the waiver and the release provided by Subparagraph 4.4 and to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands) shall execute a waiver and release of the following claims under Federal, State or other law against the UV Signatories and the UV Non-signatories (and the predecessors of each) for:

4.5.1 Past, present, and future claims for Water Rights for land within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands arising from time immemorial and, thereafter, forever;

4.5.2 Past and present claims for Injury to Water Rights for land within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands arising from time immemorial through the Enforceability Date, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of this Agreement;

4.5.3 Claims for Injury to Water Rights arising after the Enforceability Date for land within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands resulting from the diversion, Pumping, or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of this Agreement;

4.5.4 Past, present and future claims for Injury to Water Rights arising out of or relating to the use of Water Rights Appurtenant to the NM 381 Acres, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and the State of New Mexico shall make available upon request a copy of any records prepared pursuant to that decree;

4.5.5 Past, present, and future claims arising out of or relating to the use of Water Rights for NM Domestic Purposes, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available on request a copy of any records prepared pursuant to that decree; and

4.5.6 Past, present, and future claims arising out of or relating to the negotiation or execution of this Agreement, or the negotiation or enactment of Titles I and II of the Act.

4.6 **Waiver of claims by the San Carlos Irrigation and Drainage District**. Except as provided in Subparagraph 4.11, the San Carlos Irrigation and Drainage District shall execute a waiver and release of the following claims against the UV Signatories and the

UV Non-signatories (and the predecessors in interest of each) under Federal, State or other law for:

4.6.1 Past, present, and future claims for Water Rights encompassed by the Globe Equity Decree for land within the San Carlos Irrigation and Drainage District arising from time immemorial and, thereafter, forever;

4.6.2 Past and present claims for Injury to Water Rights for land within the San Carlos Irrigation and Drainage District arising from time immemorial through the Enforceability Date, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of the Agreement;

4.6.3 Claims for Injury to Water Rights arising after the Enforceability Date for land within the San Carlos Irrigation and Drainage District resulting from the diversion, Pumping, or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of this Agreement;

4.6.4 Claims for Injury to Water Rights arising after the Enforceability Date for Water Rights transferred to the Project pursuant to section 211 of the Act resulting from the diversion, Pumping or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of this Agreement;

4.6.5 Past, present, and future claims for Injury to Water Rights arising out of or relating to the use of Water Rights Appurtenant to the NM 381 Acres, on the

conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available upon request a copy of any records prepared pursuant to that decree;

4.6.6 Past, present, and future claims arising out of or relating to the use of Water Rights for NM Domestic Purposes, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available on request a copy of any records prepared pursuant to that decree; and

4.6.7 Past, present, and future claims arising out of or relating to the negotiation or execution of this Agreement, or the negotiation or enactment of Titles I or II of the Act.

4.7 **Waiver of claims by the UV Signatories**. Except as provided in Subparagraph 4.12, the UV Signatories shall execute a waiver and release of any and all claims under Federal, State or other law against the Community, Members, Allottees, the San Carlos Irrigation and Drainage District and the United States for:

4.7.1 Past, present, and future claims for Water Rights for lands described in article V of the Globe Equity Decree;

4.7.2 Past and present claims for Injury to Water Rights resulting from the diversion, Pumping or use of water on (a) land within the Reservation or the San Carlos Irrigation Project, (b) land within the San Carlos Irrigation and Drainage District to the extent the United States holds legal title to (but not the beneficial interest in)

Water Rights for such land, and (c) the Miscellaneous Flow Lands to the extent the United States holds legal title to (but not the beneficial interest in) Water Rights for such lands, arising from time immemorial through the Enforceability Date;

4.7.3 Injury to Water Rights arising after the Enforceability Date resulting from the diversion, Pumping or use of water on or for the Reservation, the San Carlos Irrigation Project, and, to the extent the United States holds legal title to the Water Rights as described in article V or VI of the Globe Equity Decree on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands in a manner that does not violate the Globe Equity Decree; and

4.7.4 Past, present, and future claims arising out of or relating to the negotiation or execution of this Agreement, or the negotiation or enactment of Titles I and II of the Act.

4.8 **Form of waivers**. The waiver of claims and release described in Subparagraphs 4.3 through 4.7 shall be in the forms set forth in Attachments 4.3 through 4.7, respectively, and shall become effective upon the Enforceability Date.

4.9 **Reservation of rights and retention of claims by the Community and the United States**. Notwithstanding the waiver and release of claims described in Subparagraph 4.3, the Community on behalf of itself and Members (but not Members in their capacities as Allottees) and the United States on behalf of the Community and Members (but not on behalf of Members in their capacity as Allottees) shall retain any right to:

4.9.1 Assert claims for injuries to, and seek enforcement of, the rights under this Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

4.9.2 Except for acts or omissions that are In Compliance with this Agreement, assert claims for injuries to, and seek enforcement of, their respective rights under: (i) the Globe Equity Decree, or, (ii) the judgment entered by the Globe Equity Enforcement Court pursuant to Subparagraph 4.2, the form of which is attached as Attachment 4.2;

4.9.3 Assert any claims for Injury to Water Rights arising after the Enforceability Date not waived herein;

4.9.4 Assert any claims available against all persons or entities acting in a manner Not in Compliance with this Agreement or failing to act in a manner as would have been required if such person or entity had executed this Agreement, regardless of whether such person or entity has actually executed this Agreement;

4.9.5 Assert any claim available against any Major YV Landowner who has not executed this Agreement as of the Enforceability Date other than a claim for Water Rights; and

4.9.6 Assert any claim available against any predecessor in interest to a UV Signatory or UV Non-signatory for any claims for: (i) actions by such predecessor after the Enforceability Date that are Not in Compliance with this Agreement, or (ii) failure to act after the Enforceability Date in a manner as would have been required if such predecessor had executed this Agreement, regardless of whether such predecessor has actually executed this Agreement.

4.10 **Reservation of rights and retention of claims by United States as trustee for Allottees**. Notwithstanding the waiver and release of claims described in Subparagraph 4.4, the United States as trustee for Allottees shall retain any right to:

4.10.1 Assert claims for injuries to, and seek enforcement of, the rights under this Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

4.10.2 Except for acts or omissions that are In Compliance with this Agreement, assert claims for injuries to, and seek enforcement of, their respective rights under: (i) the Globe Equity Decree, or, (ii) the judgment entered by the Globe Equity Enforcement Court pursuant to Subparagraph 4.2, the form of which is attached as Attachment 4.2;

4.10.3 Assert any claims for Injury to Water Rights arising after the Enforceability Date not waived herein;

4.10.4 Assert any claims available against all persons or entities acting in a manner Not in Compliance with this Agreement or failing to act in a manner as would have been required if such person or entity had executed this Agreement, regardless of whether such person or entity has actually executed this Agreement;

4.10.5 Assert any claims available against any Major YV Landowner who has not executed this Agreement as of the Enforceability Date other than a claim for Water Rights; and

4.10.6 Assert any claim available against any predecessor in interest to a UV Signatory or UV Non-signatory for any claims for: (i) actions by such predecessor after the Enforceability Date that are Not in Compliance with this Agreement, or (ii) failure to act after the Enforceability Date in a manner as would have been required if such predecessor had executed this Agreement, regardless of whether such predecessor has actually executed this Agreement.

4.11 **Reservation of rights and retention of certain claims by the San Carlos Irrigation and Drainage District and the United States**. Notwithstanding the waivers and releases of claims described in Subparagraphs 4.5 and 4.6, the San Carlos Irrigation and Drainage District and the United States (to the extent it holds legal title to (but not the beneficial interest in) the Water Rights as described in articles V and VI of the Globe Equity Decree on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands) shall retain any right to:

4.11.1 Assert claims for injuries to, and seek enforcement of, rights on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands under this Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

4.11.2 Except for acts or omissions that are In Compliance with this Agreement, assert claims for injuries to, and seek enforcement of, rights (as described in articles V and VI of the Globe Equity Decree, including the right to use Pumped Water, on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands) under: (i) the Globe Equity Decree, or (ii) the judgment entered by the Globe Equity Enforcement Court pursuant to Subparagraph 4.2, the form of which is attached as Attachment 4.2;

4.11.3 Assert any claims for Injury to Water Rights arising after the Enforceability Date not waived herein;

4.11.4 Assert any claims available against all persons or entities acting in a manner Not in Compliance with this Agreement or failing to act in a manner as would have

been required if such person or entity had executed this Agreement, regardless of whether such person or entity has actually executed this Agreement;

4.11.5 Assert any claims available against any Major YV Landowner who has not executed this Agreement as of the Enforceability Date other than a claim for Water Rights;

4.11.6 Assert any claim available against any predecessor in interest to a UV Signatory or UV Non-signatory for any claims for: (i) actions by such predecessor after the Enforceability Date that are Not in Compliance with this Agreement, or (ii) failure to act after the Enforceability Date in a manner as would have been required if such predecessor had executed this Agreement, regardless of whether such predecessor has actually executed this Agreement; and

4.11.7 Assert claims for Water Rights to Groundwater not encompassed within the Globe Equity Decree for land within the San Carlos Irrigation and Drainage District.

4.12 **Reservation of rights and retention of claims by the UV Signatories**. Notwithstanding the waiver and release of claims described in Subparagraph 4.7, the UV Signatories shall retain any right to:

4.12.1 Assert claims for injuries to, and seek enforcement of, rights under this Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

4.12.2 Subject to the terms of this Agreement, assert claims for injuries to, and seek enforcement of, rights under: (i) the Globe Equity Decree, or, (ii) the judgment

entered by the Globe Equity Enforcement Court pursuant to Subparagraph 4.2, the form of which is attached as Attachment 4.2;

4.12.3 Assert any claims for Injuries to Water Rights arising after the Enforceability Date not specifically waived herein; and

4.12.4 Assert any claim for Water Rights to Groundwater outside the Gila River Impact Zones. Whether and the extent to which pumping from a well located outside the exterior boundary of an Impact Zone results in a cone of depression that extends into an Impact Zone and is considered to be Diverting Water from within such Impact Zone shall be determined in accordance with the cone of depression test standard that is to determined by the Gila River Adjudication Court.

4.13 **Lands outside the scope of the waivers**.

4.13.1 Except as set forth in Subparagraph 4.3.6 as to UV Decreed Water Rights severed and transferred to the San Carlos Irrigation Project pursuant to Paragraph 5.0 and lands within the San Carlos Irrigation Project or Miscellaneous Flow Lands to the extent they are the subjects of the waiver in Subparagraphs 4.5 and 4.6, nothing in this Agreement shall affect: (a) any claims for Water Rights of the Community, or any Member, Allottee or Successor in Interest to an Allottee, or of the United States on behalf of any of the preceding, for any lands located outside the Reservation, or (b) any claims for Injury to Water Rights of the Community, or any Member, Allottee or Successor in Interest to an Allottee, or of the United States on behalf of any of the preceding, for any lands located outside the Reservation.

4.13.2 Except as set forth in Subparagraph 4.3.6 as to UV Decreed Water Rights severed and transferred to the San Carlos Irrigation Project pursuant to Paragraph 5.0 and Subparagraph 4.5 as to certain Water Rights, if any, of the United States, nothing in this Agreement shall affect: (a) any claims for Water Rights of the San Carlos Irrigation and Drainage District or District landowners for lands outside the San Carlos Irrigation Project or Miscellaneous Flow Lands, or (b) any claims for Injuries to Water Rights of the San Carlos Irrigation and Drainage District or District landowners for lands outside the San Carlos Irrigation Project or Miscellaneous Flow Lands.

4.13.3 Nothing in this Agreement shall affect the Water Rights or claims of the San Carlos Apache Tribe or any other federally recognized tribe other than the Community**,** or of the United States on behalf thereof.

4.13.4 Nothing in this Agreement shall affect the Water Rights or any other rights or authorities of the United States in any capacity except to the extent specifically addressed in these waivers.

4.14 **Individual Member rights**. Nothing in this Agreement shall affect any rights of any Member to bring any action available under law for personal injury or personal property damage. For purposes of this Agreement, personal property damage shall not include claims for Water Rights or Injury to Water Rights.

4.15 **Enforcement on UV Subjugated Lands**. An owner (or agent(s) or person(s) or entities acting in privity with them), now or in the future, of UV Subjugated Lands who acts in a manner Not in Compliance with this Agreement or fails to act in a manner as would have been required if such person or entity had executed this Agreement,

regardless of whether such person or entity has actually executed this Agreement, shall be Not in Compliance with this Agreement and, among other things, this Agreement may be terminated as to such person or entity as provided by Subparagraph 4.16 and such person or entity shall no longer be entitled to the benefits of the waivers and releases of claims set forth in Subparagraphs 4.3 through 4.6, except for the waivers set forth in Subparagraphs 4.3.1, 4.3.2, 4.4.1, 4.4.2, 4.5.1 and 4.6.1.

4.16 **Termination**. Provided that the conditions of Subparagraph 4.16.1 are met, this Agreement shall terminate as to any lands with respect to which a court of competent jurisdiction, but not a court of the Community, finds a person or entity to be Not in Compliance with this Agreement.

4.16.1 **Notice and cure**. Without limiting any other remedy a court might consider, a finding by a court of competent jurisdiction, but not a court of the Community, that such person or entity is Not in Compliance with this Agreement shall not result in termination of this Agreement unless prior to the initiation of court proceedings by the Community, the San Carlos Irrigation and Drainage District or the United States (in the capacity as defined in Subparagraph 2.40), such person or entity:

4.16.1.1. is provided with written notice of the act or omission that is Not in Compliance with the Agreement, with a copy of such notice to be provided to the UV Irrigation District in which the lands in question are located, if any (or to the Sunset Ditch Company or the NM New Model Community Ditch Association if the lands in question are served by either such entity);

4.16.1.2. has a period of thirty (30) days after the receipt of such notice in which to: (i) initiate efforts to cure without an agreement with the Community, the San Carlos Irrigation and Drainage District and the United States; (ii) initiate efforts in writing to negotiate an agreement to cure with the Community, the San Carlos Irrigation and Drainage District and the United States; or (iii) object in writing to the written notice provided;

4.16.1.3. has a period of six (6) months in which to complete any efforts undertaken to cure, but only if such efforts are initiated within thirty (30) days after the receipt of notice; and

4.16.1.4. has a period of up to three (3) months to execute an agreement with the Community, the San Carlos Irrigation and Drainage District and the United States to provide any mitigation required pursuant to this Agreement.

4.16.2 The Community, the San Carlos Irrigation and Drainage District and the United States shall not unreasonably withhold their respective agreement to a mitigation agreement offered by such person or entity for purposes of Subparagraph 4.16.1.4.

4.16.3 Any person or entity that has received three (3) cure notices for the same type of violation shall not be entitled to any additional notice and cure opportunity for such type of violation pursuant to this Subparagraph 4.16.

4.16.4 Upon finding that a person or entity is Not in Compliance with this Agreement, a court may provide such person or entity an opportunity to provide mitigation to the Community and the San Carlos Irrigation and Drainage District as an alternative to termination of this Agreement, provided that:

4.16.4.1. The mitigation required is not less than one-hundred and twenty-five percent (125%) of the amount of mitigation that would otherwise have been required pursuant to this Agreement;

4.16.4.2. Such mitigation is provided on an expedited basis, with specific delivery schedules and deadlines; and

4.16.4.3. If such person or entity (or another person or entity on such person or entity's behalf) does not provide such mitigation as required by the court within the deadline established, this Agreement shall automatically terminate as to such lands with no further action required on the part of the Community, the San Carlos Irrigation and Drainage District or the United States.

4.17 This Agreement shall terminate as to any lands regarding which the owner has entered into a mitigation agreement pursuant to Subparagraph 4.16.1.4 and, as determined by a court of competent jurisdiction, but not the courts of the Community, has failed to fulfill the obligations thereof.

4.18 This Agreement shall terminate and be of no force or effect as to any York Valley Lands owned by a Major YV Landowner who has not executed this Agreement as of the Enforceability Date. Notwithstanding any other provision of this Agreement, such termination shall be automatic with no further action required on the part of the Community, the San Carlos Irrigation and Drainage District or the United States. The Parties agree that any stay then in effect as to the "Complaint Re: Pumping" filed on or about March 16, 2001, shall be lifted as to any York Valley Lands owned or controlled by such Major YV Landowner and such lands shall be immediately subject to any enforcement action available to the Community, the San Carlos Irrigation and Drainage

District or the United States (in the capacity as described in Subparagraph 2.40) without reference to or limitation by this Agreement. The form of stay set forth in Attachment 15.9 shall contain provisions to reflect this agreement by the Parties.

4.19 In the event this Agreement is terminated as to either the Gila Valley Irrigation District or the Franklin Irrigation District, it shall also be automatically terminated and of no further force or effect as to any and all lands located within the irrigation district as to which this Agreement has terminated.

4.20 In the event this Agreement is terminated as to any lands, such lands shall, among other things, permanently lose the benefit of the waivers of claims and releases set forth in Subparagraphs 4.3, 4.4, 4.5 and 4.6, except for the waivers set forth in Subparagraphs 4.3.1, 4.3.2, 4.4.1, 4.4.2, 4.5.1 and 4.6.1.

4.21 Notwithstanding Subparagraph 4.16, the Community, the San Carlos Irrigation and Drainage District, or the United States (in the capacity as described in Subparagraph 2.40) may seek to assert a claim to enforce this Agreement or the Act pursuant to Subparagraphs 4.9, 4.10, or 4.11 without giving prior notice or an opportunity to cure, provided, however, that such claim shall not result in a termination of this Agreement or a loss of the waivers provided by Subparagraphs 4.3 through 4.6 unless the conditions of Subparagraph 4.16 have been met.

4.22 No UV Non-signatory may assert or avail itself in any way of the benefits of the waivers and releases of claims set forth in Subparagraphs 4.3 through 4.6 as to any lands located outside the UV Irrigation Districts or the service areas of the NM New Model Community Ditch Association or the Sunset Ditch Company without first executing this Agreement. A Party may not institute an action against a UV Non-

signatory for the sole purpose of obtaining the execution of this Agreement by such UV Non-signatory.

4.23 Any Major YV Landowner who has not executed this Agreement as of the Enforceability Date may not, with respect to York Valley Lands, assert or avail itself in any way of the waivers and releases set forth in this Paragraph 4.0, except for the waivers set forth in Subparagraphs 4.3.1, 4.3.2, 4.4.1, 4.4.2, 4.5.1 and 4.6.1.

4.24 With respect to an act or omission for which mitigation has been fully and timely provided in compliance with Paragraph 8.0, the person or entity who is responsible for such act or omission (or the mitigating person or entity) shall not be considered or determined to be Not in Compliance with this Agreement. Except as provided by Subparagraphs 8.7 and 8.9, such person shall not be subject to suit or other claim as a result of such act or omission.

4.25 Except for rights and claims retained pursuant to Subparagraph 4.12, no UV Non-signatory may assert any claim otherwise waived by a UV Signatory pursuant to Subparagraph 4.7. Assertion of such a claim by a UV Non-signatory shall be an act Not in Compliance with this Agreement.

4.26 Nothing in this Agreement affects any right of the United States:

4.26.1 To take any action in any capacity to enforce environmental laws, including statutes and regulations relating to human health and safety; and

4.26.2 To take any action on behalf of the San Carlos Apache Tribe or its members or on behalf of any other federally recognized tribe or its members, other than the Community.

5.0 PROGRAMS FOR REDUCTION OF IRRIGABLE ACRES

5.1 The total water demand in the UV for irrigation shall be reduced by reducing the number of TBI Eligible Acres in accordance with this Paragraph 5.0.

5.2 **Reduction of TBI Eligible Acres by UV Signatories**. By the beginning of the second Year following the Year in which the Enforceability Date occurs (but not later than fifteen (15) months after the Enforceability Date), the UV Signatories shall cause the reduction of the total number of TBI Eligible Acres in the UV, in perpetuity, by one thousand (1,000) acres. The UV Signatories shall have the sole financial responsibility for such reduction, which shall be in addition to any other reductions in the total number of TBI Eligible Acres in the UV that occur pursuant to this Agreement or for any other reason. The UV Signatories shall provide timely written notice to the Community, the District, the United States and the Globe Equity Enforcement Court of the manner in which they have effectuated such reduction and the reporting and administration mechanism by which effective enforcement of such reduction will occur in perpetuity.

5.2.1 This requirement may be fulfilled in whole or in part by an arrangement whereby the total number of TBI Eligible Acres in the UV is reduced by the required amount, but the owners of such lands periodically irrigate such lands as part of a fallowing program; provided that (i) no such arrangement shall be permitted unless the arrangement includes a satisfactory reporting mechanism to ensure that the total number of TBI Eligible Acres in the UV are in fact reduced as required by this Agreement, (ii) the Community, the San Carlos Irrigation and Drainage District and the United States are first given notice of such arrangement and the opportunity to seek a judicial determination in which the owners of such

lands must demonstrate that such arrangement complies with the terms of this Agreement, (iii) such arrangement shall in no event result in the retention of rights for such lands to divert Natural Flow in accordance with article V of the Globe Equity Decree or any entitlement to divert in disregard of senior rights pursuant to article VIII of the Globe Equity Decree except to the extent and only to the extent necessary to permit the fallowing program; (iv) in no event shall the rights for such lands necessary for the fallowing program be transferred or otherwise converted to any other use; and (v) any water used to irrigate such lands pursuant to such fallowing program shall count against the total limits on Pumping and diversions in Subparagraphs 6.2 and 6.3. An example of a method by which a fallowing program might be implemented, among other possible methods, is set forth in Attachment 5.2.1.

5.2.2 As a result of any reduction in the total number of TBI Eligible Acres in the UV pursuant to this Subparagraph 5.2, the UVDs shall forego, waive and otherwise relinquish all UV Decreed Water Rights associated with the TBI Eligible Acres reduction undertaken pursuant to this Subparagraph 5.2, including all rights to divert UV Surface Water in accordance with article V of the Globe Equity Decree, any entitlement to divert in disregard of senior rights pursuant to article VIII of the Globe Equity Decree and any right to divert Underground Water for use on such land. Such UV Decreed Water Rights shall be permanently extinguished and no longer be available for any purpose, except to the extent and only to the extent necessary to implement a fallowing program pursuant to Subparagraph 5.2.1; provided this Subparagraph 5.2.2 shall not be construed to prohibit the delivery of

water to such lands by a municipal provider for Domestic Purposes or the Pumping of water on such lands for Domestic Purposes in accordance with subparagraph 26.8.2.5 of the Settlement Agreement as if the person using, Pumping, diverting, and/or delivering such water were a Non-GE 59 Water User.

5.2.3 The reduction of TBI Eligible Acres located in New Mexico shall be no more than the ratio of the total number of TBI Eligible Acres located in New Mexico divided by the total number of TBI Eligible Acres. In addition, any reduction of TBI Eligible Acres located in New Mexico pursuant to Subparagraph 5.2 shall be by extinguishment only.

5.3 **Additional reduction of TBI Eligible Acres**. Pursuant to section 211 of the Act, to assist in reducing the total water demand for irrigation use in the UV, the Secretary shall provide funds to the UV Irrigation Districts for the acquisition of UV Decreed Water Rights and the extinguishment of those rights to decrease demands on the Gila River, or severance and transfer of those rights to the San Carlos Irrigation Project for the benefit of the Community and the San Carlos Irrigation and Drainage District in accordance with applicable law. Such reduction in the total number of TBI Eligible Acres in the UV shall occur in three phases as set forth below.

5.3.1 **Acquisitions**.

5.3.1.1. **Required phase I acquisition**. Pursuant to section 211(a)(2)(A) of the Act, not later than December 31 of the third calendar year that begins after the Enforceability Date (or December 31 of the first calendar year that begins after the payment provided by section 211(a)(2)(D)(iii) of the Act, if later), the UV Irrigation Districts shall acquire the UV Decreed Water Rights

appurtenant to one thousand (1,000) acres of land (other than Special Hot Lands) that would have been included in the calculation of TBI Eligible Acres if the calculation of TBI Eligible Acres had been undertaken at the time of the acquisition, at which time the total number of TBI Eligible Acres in the UV, but not the number of UV Subjugated Lands, shall be reduced by one thousand (1,000) acres.

5.3.1.2. **Required phase II acquisition**. Pursuant to section 211(a)(2)(B) of the Act, not later than December 31 of the sixth (6th) calendar year that begins after the Enforceability Date (or December 31 of the first calendar year that begins after the payment provided by section 211(a)(2)(D)(iii) of the Act, if later), the UV Irrigation Districts shall acquire the UV Decreed Water Rights appurtenant to one thousand (1,000) acres of land (other than Special Hot Lands) that would have been included in the calculation of TBI Eligible Acres if the calculation of TBI Eligible Acres had been undertaken at the time of acquisition, at which time the total number of TBI Eligible Acres in the UV, but not the number of UV Subjugated Lands, shall be reduced by one thousand (1,000) acres.

5.3.1.3. **Additional acquisition in event of settlement**. Pursuant to section 211(a)(2)(C) of the Act, if the San Carlos Apache Tribe reaches a comprehensive settlement that is approved by Congress and finally approved by all courts the approval of which is required, the Secretary shall offer to acquire for fair market value the UV Decreed Water Rights associated with

not less than five hundred (500) nor more than three thousand (3,000) TBI Eligible Acres of land (other than Special Hot Lands).

5.3.1.4. <u>Methods of acquisition for Water Rights acquired pursuant to Subparagraphs 5.3.1.1 and 5.3.1.2</u>.

5.3.1.4.1. <u>Determination of value</u>.

5.3.1.4.1.1. Not later than December 31 of the first calendar year that begins after the Enforceability Date in the case of the phase I acquisition described in Subparagraph 5.3.1.1, and not later than December 31 of the fourth calendar year that begins after the Enforceability Date in the case of the phase II acquisition described in Subparagraph 5.3.1.2, the UV Irrigation Districts shall submit to the Secretary an appraisal of the average value of Water Rights appurtenant to one thousand (1,000) TBI Eligible Acres.

5.3.1.4.1.2. The Secretary shall review the appraisal submitted to ensure its consistency with the Uniform Appraisal Standards for Federal Land Acquisition and notify the UV Irrigation Districts of the results of the review within thirty (30) days of submission of the appraisal. In the event the Secretary finds that the appraisal is not consistent with such Standards, the Secretary shall so notify the UV Irrigation Districts with a full explanation of the reasons for that finding. Within sixty (60) days of being notified by the Secretary that the appraisal is not consistent with such Standards, the UV Irrigation Districts shall resubmit an appraisal to the

Secretary that is consistent with such Standards. The Secretary shall review the resubmitted appraisal to ensure its consistency with such Standards and notify the UV Irrigation Districts of the results of the review within thirty (30) days of the resubmission.

5.3.1.4.1.3. In the event that the Secretary finds that such re-submitted appraisal is not consistent with the Standards, either the UV Irrigation Districts or the Secretary may petition the U.S. District Court for the District of Arizona for a determination of whether the appraisal is consistent with the Standards. If such court finds the appraisal is consistent with the Standards, then the value stated in the resubmitted appraisal shall be final for all purposes. If such court finds that the appraisal is not consistent with the Standards, then the court shall determine the average value of Water Rights appurtenant to one thousand (1,000) acres of TBI Eligible Acres.

5.3.1.4.1.4. If the Secretary does not object to an appraisal within the time periods provided in this Subparagraph 5.3.1.4.1, the value determined in the appraisal shall be final for all purposes.

5.3.1.4.2. **<u>Appraisal</u>**. In determining the value of Water Rights for purposes of Subparagraph 5.3.1.4, any court, the UV Irrigation Districts, the Secretary, and any appraiser shall take into account the obligations the owner of the land (to which the Water Rights are appurtenant) will have after the Secretary's acquisition of the Water Rights in question to

control phreatophytes on such land as provided in this Agreement and to comply with environmental laws because of the acquisition and severance and transfer or extinguishment of the Water Rights.

5.3.1.4.3. **Payment**. No more than thirty (30) days after the average value of Water Rights appurtenant to one thousand (1,000) acres of TBI Eligible Acres has been determined in accordance with Subparagraphs 5.3.1.4.1 and 5.3.1.4.2, the Secretary shall pay one hundred twenty-five (125%) of such values to the UV Irrigation Districts.

5.3.1.4.4. **Acquisition of acreage**. No later than December 31 of the first calendar year that begins after each such payment provided by Subparagraph 5.3.1.4.3, the UV Irrigation Districts shall acquire the UV Decreed Water Rights appurtenant to one thousand (1,000) acres of lands that would have been included in the calculation of TBI Eligible Acres (other than Special Hot Lands) if the calculation of TBI Eligible Acres had been undertaken at the time of acquisition. To the extent possible, the UV Irrigation Districts shall select the Water Rights to be acquired in compliance with Subparagraph 5.3.7.

5.3.2 **Reduction of TBI Eligible Acres**. Simultaneously with the acquisition of UV Decreed Water Rights pursuant to Subparagraph 5.3.1.4.4, the number of TBI Eligible Acres, but not the number of acres of UV Subjugated Lands, shall be reduced by the number of acres associated with the acquired UV Decreed Water Rights.

5.3.3 <u>Alternatives to acquisition</u>.

5.3.3.1. <u>Special Hot Lands</u>. After the Secretary has made the payments provided by Subparagraph 5.3.1.4.3, the UV Irrigation Districts may fulfill the requirements of Subparagraph 5.3.1.4.4, in full or in part, by entering into an agreement with an owner of Special Hot Lands to prohibit permanently future irrigation of the Special Hot Lands if the UV Irrigation Districts simultaneously: (i) acquire UV Decreed Water Rights associated with a like number of UV Decreed Acres that are not TBI Eligible Acres; and (ii) sever and transfer those rights to the San Carlos Irrigation Project for the benefit of the Community and the San Carlos Irrigation and Drainage District.

5.3.3.2. <u>Fallowing agreement</u>. After the Secretary has made the payments provided by Subparagraph 5.3.1.4.3, the UV Irrigation Districts may fulfill the requirements of Subparagraph 5.3.1.4.4, in full or in part, by entering into an agreement with one (1) or more owners of UV Decreed Acres and the UV Irrigation District in which the acres in question are located, if any, under which: (i) the number of TBI Eligible Acres is reduced by the number of acres associated with the UV Decreed Water Rights in question, but (ii) the owner of the UV Decreed Acres subject to the reduction is permitted to periodically irrigate the UV Decreed Acres pursuant to a fallowing agreement consistent with the provisions of Subparagraph 5.3.6.

5.3.4 <u>Disposition of Water Rights</u>.

5.3.4.1. With respect to UV Decreed Water Rights acquired by the UV Irrigation Districts pursuant to Subparagraph 5.3.1.4.4, the UV Irrigation Districts shall, in accordance with all applicable law and this Agreement: (i) sever, and transfer to the San Carlos Irrigation Project for the benefit of the Community and the San Carlos Irrigation and Drainage District, pursuant to the provisions of Subparagraph 5.3.4.3, the UV Decreed Water Rights associated with up to nine hundred (900) UV Decreed Acres; and (ii) extinguish the balance of the UV Decreed Water Rights so acquired (except and only to the extent that such Water Rights are associated with a fallowing agreement consistent with the provisions of Subparagraph 5.3.6).

5.3.4.2. **San Carlos Apache settlement**. With respect to Water Rights that the Secretary acquires pursuant to Subparagraph 5.3.1.3 (additional acquisition in the event of settlement), the Secretary shall, in accordance with applicable law: (i) cause to be severed and transferred to the San Carlos Irrigation Project, for the benefit of the Community and the San Carlos Irrigation and Drainage District, pursuant to the provisions of Subparagraph 5.3.4.3, the UV Decreed Water Rights associated with two hundred (200) UV Decreed Acres; (ii) cause to be extinguished the UV Decreed Water Rights associated with three hundred (300) UV Decreed Acres; and (iii) cause to be transferred the balance of those acquired Water Rights to the San Carlos Apache Tribe pursuant to the terms of the settlement described in Subparagraph 5.3.1.3.

5.3.4.3. **Severance and transfer procedures**. Severances and transfers to the San Carlos Irrigation Project for the benefit of the Community and the San

Carlos Irrigation and Drainage District provided for in this Subparagraph 5.3 shall be accomplished in accordance with the following provisions and conditions:

5.3.4.3.1. Such transfer shall be done in compliance with the Globe Equity Decree and in particular section IV of the order of the Globe Equity Enforcement Court filed on or about September 30, 1993;

5.3.4.3.2. If the UV Decreed Water Rights to be severed and transferred are appurtenant to lands that are located within one of the UV Irrigation Districts, the UV Irrigation District in which such lands are located must approve such transfer, provided, however that such approval may not be unreasonably withheld;

5.3.4.3.3. The UV Signatories, the United States, the Community, the San Carlos Irrigation and Drainage District, and the UV Irrigation Districts shall cooperate regarding the terms of such severance and transfer and shall adjust such terms to the extent and when necessary to meet the requirements of section IV of the order of the Globe Equity Enforcement Court filed on or about September 30, 1993;

5.3.4.3.4. The UV Signatories and UV Non-signatories may object to such severance and transfer only on the grounds permitted by and in accordance with the procedures established in section IV of the order of the Globe Equity Enforcement Court filed on or about September 30, 1993;

5.3.4.3.5. The transfer shall be to the gage at Calva;

5.3.4.3.6. For Globe Equity Decree accounting purposes, any water arriving at the gage at Calva pursuant to the transfer shall be considered Project Natural Flow water at Calva;

5.3.4.3.7. The UV Irrigation Districts shall consult with the Community and the San Carlos Irrigation and Drainage District as to which of the UV Decreed Water Rights acquired by the UV Irrigation Districts should be severed and transferred to the San Carlos Irrigation Project for the benefit of the Community and the San Carlos Irrigation and Drainage District;

5.3.4.3.8. Except for UV Decreed Water Rights transferred by the UV Signatories to the San Carlos Irrigation Project for the benefit of the Community and the San Carlos Irrigation and Drainage District in connection with the UV Irrigation Districts' acquisition of Water Rights associated with Special Hot Lands, the weighted average of the priority dates under the Globe Equity Decree of the UV Decreed Water Rights severed and transferred pursuant to this Subparagraph shall be no later than the weighted average of the priority dates of the UV Decreed Water Rights in Arizona; and

5.3.4.3.9. The amount of UV Decreed Water Rights required to be severed and transferred to the San Carlos Irrigation Project for the benefit of the Community and the San Carlos Irrigation and Drainage District

pursuant to Subparagraph 5.3.4.1 shall be reduced by the amount of UV Decreed Water Rights severed and transferred to the San Carlos Irrigation Project pursuant to Subparagraph 5.3.3.1.

5.3.5 **Extinguishment of rights**. As a result of the reductions undertaken pursuant to this Subparagraph 5.3, the UVDs shall forego, waive and otherwise relinquish all UV Decreed Water Rights associated with the reduction of TBI Eligible Acres undertaken pursuant to this Subparagraph 5.3, including all rights to divert Natural Flow in accordance with article V of the Globe Equity Decree and any entitlement to divert in disregard of senior rights pursuant to article VIII of the Globe Equity Decree, and such rights shall no longer be available to any person or entity except to the extent and only to the extent necessary to: (i) implement a fallowing program pursuant to Subparagraph 5.3.6; (ii) transfer the UV Decreed Water Rights associated with up to nine hundred (900) acres to the San Carlos Irrigation Project as provided by Subparagraph 5.3.4.1; and (iii) transfer the UV Decreed Water Rights associated with up to two hundred (200) acres to the San Carlos Irrigation Project as provided by Subparagraph 5.3.4.2.

5.3.6 **Fallowing program**. All lands associated with the UV Decreed Water Rights acquired by the UV Irrigation Districts pursuant to this Subparagraph 5.3 shall be subject to conditions that prohibit in perpetuity future application of Underground Water or UV Surface Water for irrigation, unless such application of water is approved by the Globe Equity Enforcement Court pursuant to a subsequent sever and transfer process; provided, however, that notwithstanding any other provision of this Subparagraph 5.3 the requirement to reduce TBI Eligible Acres pursuant to

Subparagraphs 5.3.1.1 and 5.3.1.2 (and Subparagraph 5.3.1.3 subject to the terms of a future comprehensive Indian Water Rights settlement for the San Carlos Apache Tribe) may be fulfilled in whole or in part by an arrangement between the owner(s) of UVD Decreed Acres or Special Hot Lands, and the UV Irrigation Districts, whereby the TBI Eligible Acres are reduced by the required amount, but such owners periodically irrigate such Special Hot Land or UVD Decreed Acres as part of a fallowing program; provided that (i) no such arrangement shall be permitted unless the arrangement includes a satisfactory reporting mechanism to ensure that the TBI Eligible Acres are in fact reduced as required by this Agreement; (ii) the Community and the San Carlos Irrigation and Drainage District are first given notice of such arrangement and the opportunity to seek a judicial determination in which the owners of such lands must demonstrate that such arrangement complies with the terms of this Agreement; (iii) such arrangement shall in no event result in the retention of rights for such lands to divert Natural Flow in accordance with article V of the Globe Equity Decree or any entitlement to divert in disregard of senior rights pursuant to article VIII of the Globe Equity Decree except to the extent and only to the extent necessary to permit the fallowing program; (iv) in no event shall the rights for such lands necessary for the fallowing program be transferred or otherwise converted to any other use; and (v) any water used to irrigate such lands pursuant to such fallowing program shall count against the total limits set forth in Subparagraphs 6.2 and 6.3. Except as provided by Subparagraph 5.3.4.1, all such UV Decreed Water Rights shall be permanently extinguished. An example of a method by which such a

fallowing program might be implemented, among other possible methods, is set forth in Attachment 5.2.1. Nothing in this Subparagraph 5.3 shall be construed to prohibit the delivery of water to such lands by a municipal provider for Domestic Purposes or the Pumping of water on such lands for Domestic Purposes in accordance with subparagraph 26.8.2.5 of the Settlement Agreement as if the person using, Pumping, diverting, and/or delivering such water were a Non-GE 59 Water User.

5.3.7 **New Mexico participation in Secretarial reduction program**. The reduction pursuant to Subparagraph 5.3 of TBI Eligible Acres located in New Mexico shall be by extinguishment only and in no event shall such participation exceed the ratio of the total TBI Eligible Acres located in New Mexico divided by the total number of TBI Eligible Acres in the UV.

5.3.8 **Inadequacy of payments**.

5.3.8.1. To the extent, with respect to the phase I acquisition, the UV Irrigation Districts are paid less than the amount required to be paid to them pursuant to section 211(a)(2)(D)(iii) of the Act, the number of TBI Eligible Acres to be reduced as required by Subparagraph 5.3.2 shall be one thousand (1,000) multiplied by the amount actually received by the UV Irrigation Districts and divided by the amount required to be paid to the UV Irrigation Districts pursuant to section 211(a)(2)(D)(iii) of the Act. If the UV Irrigation Districts are subsequently paid the remainder of the amount required to be paid to the UV Irrigation Districts pursuant to section 211(a)(2)(D)(iii) of the Act (using

appraisal values as of the time of payment), the UV Irrigation Districts shall acquire by December 31 of the first calendar year that begins after such subsequent payment sufficient UV Decreed Water Rights such that the total number of TBI Eligible Acres reduced pursuant to phase I equals one thousand (1,000) acres.

5.3.8.2. To the extent, with respect to the phase II acquisition, the UV Irrigation Districts are paid less than the amount required to be paid to them pursuant to section 211(a)(2)(D)(iii) of the Act, the number of TBI Eligible Acres to be reduced as required by Subparagraph 5.3.2 shall be one thousand (1,000) multiplied by the amount actually received by the UV Irrigation Districts and divided by the amount required to be paid to the UV Irrigation Districts pursuant to section 211(a)(2)(D)(iii) of the Act. If the UV Irrigation Districts are subsequently paid the remainder of the amount required to be paid to the UV Irrigation Districts pursuant to section 211(a)(2)(D)(iii) of the Act (using appraisal values as of the time of payment), the UV Irrigation Districts shall acquire by December 31 of the first calendar year that begins after such subsequent payment sufficient UV Decreed Water Rights such that the total number of TBI Eligible Acres reduced pursuant to phase II equals one thousand (1,000) acres.

5.3.8.3. To the extent the UV Irrigation Districts are paid less than the amounts provided by section 211(a)(2)(D)(iii) of the Act, the UV Decreed Water Rights to be transferred as provided by Subparagraph 5.3.4.1 shall be nine hundred (900) multiplied by the amounts actually received by the UV

Irrigation Districts and divided by the total amounts required to be paid to them pursuant to section 211(a)(2)(D)(iii) of the Act. If the UV Irrigation Districts are subsequently paid the remainder of the amount required to be paid to the UV Irrigation Districts pursuant to section 211(a)(2)(D)(iii) of the Act (using appraisal values as of the time of payment), the UV Irrigation Districts shall transfer sufficient UV Decreed Water Rights such that the total number of UV Decreed Water Rights transferred is sufficient to satisfy the requirements of Subparagraph 5.3.4.1.

5.3.9 **Mitigation**. To the extent the UV Irrigation Districts, after the payments provided by Subparagraph 5.3.1.4.3, do not comply with the acquisition requirements of Subparagraph 5.3.1.4.4 or otherwise comply with the alternatives to acquisition provided by Subparagraph 5.3.3, the UV Irrigation Districts shall provide mitigation to the San Carlos Irrigation Project as provided by Paragraph 8.0.

5.4 **Additional reductions**. Pursuant to section 211(b) of the Act, in addition to the reduction of TBI Eligible Acres to be accomplished pursuant to Subparagraphs 5.2 and 5.3, not later than one (1) year after the Enforceability Date, the Secretary (as defined by the Act) and the UV Signatories shall cooperatively establish a program to purchase and extinguish UV Decreed Water Rights associated with UV Decreed Acres that have not been recently irrigated. The primary focus of the program shall be to prevent any land that contains riparian habitat from being reclaimed for irrigation. Pursuant to 214(b)(2) of the Act, funding for this program shall be from sources other than the

Lower Colorado River Basin Development Fund. The program shall not require any expenditure of funds, or commitment of resources, by the UV Signatories other than such incidental expenditures of funds and commitments of resources as are required to cooperatively participate in the program.

5.5 [Intentionally not used.]

5.6 **<u>San Carlos Apache Tribe acquisition</u>**. Notwithstanding any other provision of this Agreement except Subparagraph 5.8, if the United States, acting on behalf and with the consent of the San Carlos Apache Tribe, acquires Article VI(2) UV Apache Land, the Community, the UV Signatories, the UV Non-signatories, and the San Carlos Irrigation and Drainage District shall not object to such acquisition provided that such acquisition is made in accordance with the following conditions:

5.6.1 To the extent the United States acquires UV Decreed Acres for purposes of creating Article VI(2) UV Apache Land, such acquisition must be from willing sellers and, if such land is within a UV Irrigation District, with the consent of such UV Irrigation District, which consent may not be unreasonably withheld.

5.6.2 The land acquired by the United States for purposes of creating Article VI(2) UV Apache Land shall, if practicable, be land from which UV Decreed Water Rights are being extinguished or severed and transferred for the benefit of the Community and San Carlos Irrigation and Drainage District as provided by Subparagraphs 5.2 and 5.3.

5.6.3 The land acquired by the United States for purposes of creating Article VI(2) UV Apache Land shall, if practicable, be contiguous to the existing San Carlos Apache Reservation. If practicable, the land so acquired shall be situated so that

all the land on which the San Carlos Apache Tribe will be exercising its rights under Article VI(2) of the Globe Equity Decree can be farmed as one unit and irrigated with a single delivery system.

5.6.4 In no event shall the total number acres irrigated or the water diverted exceed the limitations set forth in Article VI(2) of the Globe Equity Decree.

5.6.5 Within one (1) year following the acquisition of Article VI(2) Apache Land pursuant to Subparagraph 5.6.1, an equal number of acres of land within the San Carlos Apache Reservation shall be re-vegetated with vegetation that is native to the San Carlos Apache Reservation. The United States shall maintain such re-vegetated land with vegetation that is native to the San Carlos Apache Reservation.

5.6.6 The Article VI(2) UV Apache Land shall not be considered UV Decreed Acres, TBI Acres, or UV Subjugated Lands. Water may be diverted for or Pumped from Article VI(2) UV Apache Land in accordance with the rights of, and subject to the limitations applicable to, the San Carlos Apache Tribe as set forth in the Globe Equity Decree on the Initial Effective Date, and such diversions and Pumping shall not count against the limitations or be subject to any of the requirements of Paragraph 6.0. The UV Irrigation Districts shall not be responsible for activities or omissions on or with respect to the Article VI(2) UV Apache Land and shall not be required to mitigate as a result of any such activities or omissions. To the extent lands that become Article VI(2) UV Apache Land would be includable in the number of TBI Eligible Acres in accordance with Subparagraph 2.37 before becoming Article VI(2) UV Apache Land, such lands shall continue to be included in the number of TBI Eligible Acres after becoming Article VI(2) UV Apache

Land, unless and to the extent the UV Decreed Water Rights appurtenant to such lands are extinguished and/or severed and transferred pursuant to the provisions of Subparagraphs 5.2 or 5.3, and/or a future comprehensive Indian water rights settlement for the San Carlos Apache Tribe. If and to the extent such UV Decreed Water Rights are not so extinguished and/or severed and transferred, they may be severed and transferred to other lands in the UV in accordance with section IV of the order of the Globe Equity Enforcement Court filed on or about September 30, 1993; provided, however, that if such rights are severed and transferred, the rights shall not be considered to have fulfilled the obligations of the UV Signatories or the United States to reduce TBI Eligible Acres as required by Subparagraphs 5.2 and 5.3.

5.6.7 The San Carlos Apache Tribe and the United States on behalf thereof shall be solely responsible for complying with the terms, conditions, limitations, requirements and provisions of the Globe Equity Decree with respect to the Article VI(2) UV Apache Land.

5.7 If pursuant to section 213(g) of the Act or otherwise, a pipeline, or equivalent mechanism, is constructed from or upstream from the Ft. Thomas diversion dam to deliver the San Carlos Apache Tribe water for the irrigation of Article VI(2) UV Apache Land and any other land farmed by the San Carlos Apache Tribe in fulfillment of the San Carlos Apache Tribe's rights under article VI(2) of the Globe Equity Decree or if water or Pumped Water is placed in the riverbed as described in 5.7.1, notwithstanding any other provision of this Agreement, the following shall apply:

5.7.1 The Article VI(2) UV Apache Land and any land farmed by the San Carlos Apache Tribe in fulfillment of the San Carlos Apache Tribe's rights under article VI(2) of the Globe Equity Decree may be served by such a pipeline, or equivalent mechanism (including canals); provided that any water delivered through such pipeline, or equivalent mechanism, shall be counted toward any entitlement to water pursuant to article VI(2) of the Globe Equity Decree. Except as otherwise provided by the Globe Equity Decree, water delivered by the Gila Valley Irrigation District pursuant to Subparagraph 5.7, whether diverted Surface Water from the Gila River or Pumped water, shall be measured and accounted for at the boundary of the San Carlos Apache Reservation or such other point as may be agreed between the Gila Valley Irrigation District and the San Carlos Apache Tribe. The canal systems in the Gila Valley Irrigation District may be modified and connected as reasonably necessary so that sufficient water may be diverted from the Gila River and delivered in the pipeline (or equivalent mechanism) to fulfill the San Carlos Apache Tribe's rights under article VI(2) of the Globe Equity Decree. At any time the San Carlos Apache Tribe is calling for water, regardless of whether Gila River water is then (legally or actually) available to be directly diverted by the San Carlos Apache Tribe, the Gila Valley Irrigation District and any Canal Companies within the Gila Valley Irrigation District may, but are not required to, place water Pumped from within the UV Impact Zone into such pipeline (or otherwise cause such Pumped water to be delivered, by other equivalent mechanism or in the riverbed, to the San Carlos Apache Tribe); provided that at any time the San Carlos Apache Tribe is legally entitled to water under article

VI(2) of the Globe Equity Decree and the San Carlos Apache Tribe is willing to accept such water through the pipeline or an equivalent mechanism (or is ordered to accept such water through the pipeline or equivalent mechanism by the Globe Equity Enforcement Court), the Gila Valley Irrigation District shall cause water to be placed into the pipeline (or equivalent mechanism) to the extent necessary to fulfill such legal entitlement. If the San Carlos Apache Tribe is not willing to accept water through a pipeline (or equivalent mechanism) and is not ordered to do so by the Globe Equity Enforcement Court, the Gila Valley Irrigation District and any Canal Companies within the Gila Valley Irrigation District may cause sufficient Pumped water to be placed into the Gila riverbed as may be reasonably appropriate to fulfill the requirements of term 5 of Attachment 2.18(D) (NM Risk Allocation Terms). Such Pumped water (whether placed into the riverbed, a pipeline, or an equivalent mechanism as provided by this Subparagraph 5.7.1) may supplement or replace, in whole or in part, the water, if any, that might otherwise be available to the San Carlos Apache Tribe for such lands through direct diversion from the Gila River. If and only to the extent that such Pumped water delivered to such lands through a pipeline (or equivalent mechanism) and the water diverted directly from the Gila River for such lands do not together exceed six (6) acre-feet for each acre of such lands then being irrigated by the San Carlos Apache Tribe, such Pumped water shall not count against any of the limitations or be subject to any of the requirements of Paragraph 6.0. If water is Pumped into the riverbed as provided by this Subparagraph 5.7.1, the limitations of Paragraph 6.0 shall not apply to such Pumped water if, and only to the extent that water is being

Pumped for the sole purpose of satisfying the rights of the San Carlos Apache Tribe under the Globe Equity Decree or satisfying Additional Arizona Rights.

5.7.2 As provided in the NM Risk Allocation Terms, the Gila Valley Irrigation District and any Canal Companies within the Gila Valley Irrigation District may be required to cause Pumped water to be placed into such a pipeline (or equivalent mechanism) sufficient in quantity and quality so that the San Carlos Apache Tribe's rights under article VI(2) of the Globe Equity Decree will be satisfied.

5.8 Subparagraphs 5.3, 5.6 and 5.7 are not binding on or intended to characterize the rights of the San Carlos Apache Tribe, or any other federally recognized Indian tribe (except the Community), or on the United States on behalf of the San Carlos Apache Tribe or any other federally recognized Indian tribe (except the Community). This Subparahraph 5.8 shall not be construed to limit the general application of Subparagraphs 4.13.3 and 4.26.2.

6.0 UV DIVERSIONS AND PUMPING

6.1 Subject to Subparagraph 6.1.1, water diverted and Pumped by the UVDs and the owners of Special Hot Lands from the UV Impact Zone shall be applied only on TBI Acres and Special Hot Lands; provided however, that the UVDs and the owners of Special Hot Lands may Pump and use water for Non-Irrigation Uses as if they were Non-GE 59 Water Users subject to the limitations and provisions of subparagraph 26.8 of the Settlement Agreement. Except as set forth in the preceding sentence, Pumping from and the use of Pumped water on lands that are not UV Decreed Acres or Special Hot Lands for Non-Irrigation Uses are not governed by this Agreement and such Pumping and use are not subject to either the limitations or the protections of this Agreement.

6.1.1 Nothing in this Agreement shall impair or prohibit the Community and Phelps Dodge from diverting or Pumping water from within the UV Impact Zone in order to effectuate the exchange between the Community and Phelps Dodge pursuant to the Community/Phelps Dodge Agreement; provided, however, that this provision shall not preclude any Party from objecting to such diversion or Pumping on any basis except that the exchange violates this Agreement.

6.2 The total amount of water diverted and/or Pumped for use on TBI Acres located in the UV Irrigation Districts in any given Year shall not exceed six (6) acre-feet times the number of TBI Acres reported to the Water Commissioner in that Year for lands located in the UV Irrigation Districts. The total amount of water diverted and/or Pumped for use on TBI Acres served by the NM New Model Community Ditch Association in any given Year shall not exceed six (6) acre-feet times the number of TBI Acres reported to the Water Commissioner in that Year for lands served by the NM New Model Community Ditch Association. The total amount of water diverted and/or Pumped for use on TBI Acres served by the Sunset Ditch Company in any given Year shall not exceed six (6) acre-feet times the number of TBI Acres reported to the Water Commissioner in that Year for lands served by the Sunset Ditch Company. The total amount of water diverted and/or Pumped for use on each York Valley Farm shall not exceed six (6) acre-feet times the number of TBI Acres reported to the Water Commissioner in that Year for that farm.

6.3 In any given Year, the total amount of water Pumped for use on each Special Hot Lands Farm shall not exceed four and one-half (4.5) acre-feet times the number of TBI acres reported to the Impartial Administrator in that Year for that farm. The water that may be

Pumped for use on Special Hot Lands Farms shall be accounted for separately from the water that may be Pumped pursuant to Subparagraph 6.2.

6.4 For purposes of monitoring compliance with the diversion and Pumping limitations set forth in Subparagraphs 6.1, 6.2 and 6.3, in addition to the information that must be reported to the Water Commissioner pursuant to the Globe Equity Decree, each UV Irrigation District, the Sunset Ditch Company, and the NM New Model Community Ditch Association shall each file with the Impartial Administrator no later than forty-five (45) days after the end of any given Year, with a copy to the District, the Community and the United States, an annual report showing, at a minimum, the following information for each of the UV Irrigation Districts, the Sunset Ditch Company, and the NM New Model Community Ditch Association:

6.4.1 Total UV Subjugated Lands for that Year;

6.4.2 Total TBI Eligible Acres for that Year, including, to the extent applicable to the reporting entity, separate reporting for each of the sub-categories thereof as set forth in Attachment 13.1;

6.4.3 Total diversions of UV Surface Water for that Year according to the records of the Water Commissioner, provided that the report of total diversions shall be subject to revision until such time that the Water Commissioner files with the Globe Equity Enforcement Court his annual report for such Year (including any corrections thereto filed by the Water Commissioner);

6.4.4 Total Pumping of UV Pumped Water for that Year;

6.4.5 Total uses of water for any fallowing programs approved pursuant to Paragraph 5.0 for that Year; and

6.4.6 Such other information as mutually agreed is reasonable for purposes of facilitating the effective enforcement of this Agreement.

6.5 For purposes of monitoring compliance with the diversion and Pumping limitations set forth in Subparagraphs 6.1, 6.2 and 6.3, in addition to the information that must be reported to the Water Commissioner pursuant to the Globe Equity Decree, each owner of a Special Hot Lands Farm and each owner of a York Valley Farm shall each file with the Impartial Administrator no later than forty-five (45) days after the end of any given Year, with a copy to the District, the Community and the United States, an annual report showing, at a minimum, the following information for each Special Hot Lands Farm and of each York Valley Farm:

6.5.1 Total UV Subjugated Lands for that Year for each such farm owned by the owner in question;

6.5.2 Total TBI Eligible Acres for that Year for each such farm owned by the owner in question, including, to the extent applicable to the reporting entity, separate reporting for each of the sub-categories thereof as set forth in Attachment 13.1;

6.5.3 Total diversions of UV Surface Water for that Year according to the records of the Water Commissioner, provided that the report of total diversions shall be subject to revision until such time that the Water Commissioner files with the Globe Equity Enforcement Court his annual report for such Year (including any corrections thereto filed by the Water Commissioner);

6.5.4 Total Pumping of UV Pumped Water for that Year for each such farm owned by the owner in question;

6.5.5 Total uses of water for any fallowing programs approved pursuant to Paragraph 5.0 for that Year for each such farm owned by the owner in question; and,

6.5.6 Such other information as mutually agreed is reasonable for purposes of facilitating the effective enforcement of this Agreement

6.6 The UVDs, UV Signatories and UV Non-signatories shall divert UV Surface Water only in accordance with the rights and limitations described in the Globe Equity Decree, including, but not limited to, the limitation in article V of the Globe Equity Decree prohibiting the diversion from a stream at a rate greater than one-eightieth (1/80) of a CFS for each TBI Acre, which rate of diversion shall not be reduced because the UVDs, UV Signatories and UV Non-signatories are also Pumping water or using Pumped water in accordance with this Agreement.

6.7 Pumping of UV Pumped Water in a manner that is In Compliance with this Agreement shall not be subject to the priority limitations of the Globe Equity Decree and such Pumping may occur at a rate greater than one-eightieth (1/80) of a CFS for each TBI Acre.

6.8 **Measurement of UVD Pumping**. On or before six (6) months after the Initial Effective Date, the Settlement Technical Committee shall establish the most practical method or methods to initially measure the output of wells in the UV (the "Initial Method of Measurement"). Except as provided in subparagraph 6.8.1, beginning no later than twelve (12) months after the Initial Effective Date, in accordance with the allocation of responsibility set forth in Subparagraph 6.15, each UV Irrigation District, the Sunset Ditch Company, the NM New Model Community Ditch Association, the owner of each York Valley Farm, and the owner of each Special Hot Lands Farm shall

cause the output of each well serving such person or entity's respective TBI Eligible Acres to be determined, in accordance with the Initial Method of Measurement, not less than once each quarter and shall include such output in a quarterly report, utilizing electrical usage records for each well and the calibration of the water discharged at each well based on the calibration of indicator wells for representative areas in the UV, or such other methods as may equally or more accurately determine the output of wells as determined by the Settlement Technical Committee. On or before eighteen (18) months after the Initial Effective Date, but no later than June 30, 2007, the Settlement Technical Committee shall establish the permanent method or methods, consistent with industry standards, (the "Permanent Method of Measurement") to measure the output of wells in the UV. Beginning no later than twelve (12) months after the Enforceability Date, water pumped from wells shall be measured pursuant to the Permanent Method of Measurement. To the extent water Pumped by a well is determined by electrical usage for that well and electrical usage is not measured for a calendar month but is instead measured for a period ending sometime before the end of a calendar month, such reports (both before and after six (6) months after the Enforceability Date) shall contain a reasonable estimate of electrical usage for the quarter based on the electrical usage records. To the extent the water Pumped by a well is determined by meter readings, and such readings do not occur at the beginning and end of the quarter (but occur within fifteen (15) days of such beginning and end), such reports (both before and after six (6) months after the Enforceability Date) shall contain a reasonable estimate of the water Pumped by the well for the quarter based on the meter readings and shall include the meter readings of each well. If such report is based on electrical usage, the report shall

include the electrical usage records for each well for which output is reported based on such usage. The quarterly reports shall be provided to the Community, the District, and the United States within thirty (30) calendar days following the end of the quarter for which the report has been prepared. The quarterly reports shall be made available to any Party upon reasonable notice.

6.8.1 If any of the persons or entities referred to in Subparagraph 6.8 above is required to provide mitigation to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District for a violation of the diversion or Pumping limitations set forth in Paragraph 6.0 in any three (3) successive Years after the Enforceability Date, such person or entity shall cause the output of each well serving such person or entity's TBI Eligible Acres to be determined and provide the reports required according to the schedule set forth below and not quarterly as otherwise required by Subparagraph 6.8:

Date Report Due	Period Covered by Report
June 30	January 1 to May 31
July 30	June 1 to June 30
August 31	July 1 to July 31
September 30	August 1 to August 31
October 31	Sept 1 to Sept 30.
January 31	October 1 to December 31

This Subparagraph 6.8.1 only modifies the frequency of usage determinations and reports. All other requirements and provisions for usage

determinations and reports set forth in Subparagraph 6.8 above shall continue to apply to any determination or report required pursuant to the schedule set forth in this Subparagraph 6.8.1. The modified schedule of usage determinations and reporting set forth in this Subparagraph 6.8.1 shall remain in effect until such time as the person or entity subject to this modified schedule has not violated the diversion or Pumping limitations set forth in Paragraph 6.0 for a period of three (3) successive Years after the Year in which the last violation occurred that triggered the provisions of this Subparagraph 6.8.1.

6.8.2 If a reporting entity fails to provide a quarterly report (or a report pursuant to Subparagraph 6.8.1) to the Community, the San Carlos Irrigation and Drainage District and the United States with respect to a well as required by this Subparagraph 6.8, for purposes of reporting Pumping in the annual report required by Subparagraphs 6.4 and 6.5, the reporting person or entity shall report as having been Pumped an amount equal to one hundred fifty percent (150%) of the maximum production capacity for each well for each period for which a report was not provided.

6.8.3 After the Enforceability Date, the Impartial Administrator shall randomly audit the accuracy of the reported output from wells and, to do so, may enter private land to inspect and measure the output from wells; provided, however, that the Impartial Administrator shall audit no more than ten percent (10%) of the wells serving TBI Eligible Acres in any Year. If during the first twelve (12) months following the Enforceability Date, any UVD or owner of Special Hot Lands

refuses for a period of thirty (30) days to grant the Impartial Administrator access to inspect and measure the output of wells for purposes of such random audits, mitigation shall be provided to the Project for the benefit of the San Carlos Irrigation and Drainage District and the Community in accordance with Paragraph 8.0, provided that the amount of mitigation water to be provided shall be one acre-foot for each acre such well could irrigate at its maximum production capacity. Beginning on the first day of the thirteenth month following the Enforceability Date, if any UVD or owner of Special Hot Lands refuses to grant the Impartial Administrator access to inspect and measure the output of wells for purposes of such random audits, mitigation shall be provided to the Project for the benefit of the San Carlos Irrigation and Drainage District and the Community in accordance with Paragraph 8.0, provided that the amount of mitigation water to be provided shall be one acre-foot for each acre such well could irrigate at its maximum production capacity. Any mitigation provided pursuant to Subparagraph 6.8.3 shall be in addition to any mitigation otherwise required pursuant to this Agreement. The methodology by which the Impartial Administrator shall select wells for a random audit shall be established by the Settlement Technical Committee.

6.9 **Reduction of UVD Pumping and diversion limits as a result of improved efficiencies**. The total amount of water allowed to be diverted or Pumped pursuant to Subparagraphs 6.2 and 6.3 shall be reduced proportionately as the Normalized TBI ASE determined pursuant to Paragraph 10.0 improves. The Baseline TBI ASE determined by March 31 of the eleventh (11th) Year following the Year in which the Enforceability Date occurs shall become the basis for determining any improvements in such

efficiencies after the Enforceability Date, unless the Settlement Technical Committee decides to change the baseline calculation date ("Baseline TBI ASE Calculation Date"). Neither the Community, the District, nor the United States shall enforce this Subparagraph 6.9 until such time as the total cumulative change in the Normalized TBI ASE has increased by five (5) absolute percentage points above the Baseline TBI ASE; provided, however, that if the Normalized TBI ASE thereafter decreases by five (5) absolute percentage points or more, the amount of water that may be Pumped or diverted may be increased proportionally up to the initial maximum of six (6) acre-feet per acre for all TBI Eligible Acres other than Hot Lands and Special Hot Lands and up to four and one-half (4.5) acre-feet per acre for Special Hot Lands.

6.10 UV Signatories and those UV Non-signatories acting In Compliance with this Agreement may drill replacement wells in or that withdraw water from within the UV Impact Zone; provided that such persons or entities: (i) as soon as possible but no later than thirty (30) days following the initiation of construction of a replacement well, provide written notice to the Impartial Administrator, the Community, the San Carlos Irrigation and Drainage District and the United States of the replacement well, including a description of its location and a certification of compliance with the terms of this Agreement; (ii) install measuring devices on such replacement well as required by Paragraph 6.0; and (iii) thereafter do not act in a manner Not in Compliance with this Agreement.

6.11 UV Signatories and those UV Non-signatories acting In Compliance with this Agreement may drill new wells in or that withdraw water from within the UV Impact Zone; provided that such persons or entities: (i) at least thirty (30) days prior to the

initiation of construction of a new well, provide written notice to the Impartial Administrator, the Community, the San Carlos Irrigation and Drainage District and the United States of the new well, including a description of its location and a certification of compliance with the terms of this Agreement; (ii) install measuring devices on such new well as required by Paragraph 6.0; and (iii) thereafter do not act in a manner Not in Compliance with this Agreement.

6.12 No later than January 1 of the first Year after the Year in which the Enforceability Date occurs, the owner of each York Valley Farm shall report to the Impartial Administrator the lands he intends to irrigate in that Year using, to the extent applicable, the same procedures used for reporting by the owners of other UV Decreed Acres. Upon such reporting of such York Valley Farm, such lands shall be considered TBI Acres; provided, however, that such TBI Acres shall not be counted twice (both as TBI Acres and as York Valley Lands) when calculating TBI Eligible Acres; provided further that the York Valley Lands of Major YV Landowners who have not executed this Agreement as of the Enforceability Date shall not be considered TBI Acres for purposes of this Agreement, regardless whether such Major YV Landowner reports to the Water Commissioner the York Valley Lands he intends to irrigate in any given Year.

6.13 No later than January 1 of the first Year after the Year in which the Enforceability Date occurs, the New Model Community Ditch Association on behalf of those lands located in New Mexico served by the New Model Canal and the Franklin Irrigation District on behalf of those lands in Arizona served by the New Model Canal shall allocate between themselves the seventy-five (75) Unreported New Model Acres

described in Subparagraph 2.37(vi) and shall report to the Water Commissioner the lands they intend to irrigate using, to the extent applicable, the same procedures used for reporting by the owners of other UV Decreed Acres. Upon such reporting of such Unreported New Model Acres, such lands shall be considered TBI Acres; provided, however, that such TBI Acres shall not be counted twice (both as TBI Acres and as Unreported New Model Acres) when calculating TBI Eligible Acres. The NM New Model Community Ditch Association shall receive no less of the seventy-five (75) Unreported New Model Acres than the ratio of the TBI Eligible Acres as established by the Settlement Technical Committee served by the New Model Canal in New Mexico and the TBI Eligible Acres served by the New Model Canal in Arizona.

6.14 No later than January 1 of the first Year after the Year in which the Enforceability Date occurs, the owner of each Special Hot Lands Farm shall report to the Impartial Administrator the lands he intends to irrigate in that Year using, to the extent applicable, the same procedures used for reporting by the owners of other UV Decreed Acres. Upon such reporting of such Special Hot Lands Farm, such lands shall be considered as if they are TBI Acres; provided, however, that such TBI Acres shall not be counted twice (both as TBI Acres and as Special Hot Lands) when calculating TBI Eligible Acres.

6.15 The responsibility for diversion and Pumping limitations, and for measurement and reporting set forth in this Paragraph 6.0, shall be as follows:

6.15.1 for lands within the UV Irrigation Districts, the UV Irrigation Districts shall be jointly and severally responsible;

6.15.2 for lands served by the Sunset Ditch Company, the Sunset Ditch Company shall be responsible;

6.15.3 for lands served by the NM New Model Community Ditch Association, the NM New Model Community Ditch Association shall be responsible; and

6.15.4 for each York Valley Farm and for each Special Hot Lands Farm the owner of such farm shall be responsible for such farm.

6.16 In addition to other rights that are the subject of this Agreement, water users in the State of New Mexico may make use of Water Rights Appurtenant to the NM 381 Acres and may make use of Water Rights for NM Domestic Purposes up to the full respective quantities described in paragraph (D) of the decree in *Arizona v. California*, 376 U.S. 340 (1964). Such use shall not be deemed, interpreted or construed to be inconsistent with, in violation of or contrary to the terms, conditions, requirements, limitations or provisions of this Agreement for purposes of Subparagraphs 4.3, 4.4 and 4.7.2. Both such Water Rights shall remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964). The State of New Mexico shall make available upon request a copy of any reports prepared pursuant to the decree in *Arizona v. California*, 376 U.S. 340 (1964).

6.16.1 Nothing in this Agreement shall affect or impair the rights of water users in the Virden Valley, New Mexico, to increase their use of water in accordance with the terms and conditions of section 304 of the Colorado River Basin Project Act.

6.17 This Agreement does not limit or otherwise govern the Pumping of water from outside the UV Impact Zone or the use of such water; such water may be used for

mitigation subject to the applicable requirements of Paragraph 8.0 and in connection with term 5 of the NM Risk Allocation Terms.

7.0 PHREATOPHYTE CONTROL

7.1 Beginning eight (8) months after the Enforceability Date, in accordance with the allocation of responsibility set forth in Subparagraph 7.4, the UV Irrigation Districts, the Sunset Ditch Company, the NM New Model Community Ditch Association, the owner of each York Valley Farm, and the owner of each Special Hot Lands Farm shall be responsible for ensuring that UV Subjugated Lands are kept reasonably free of Phreatophytes in a manner consistent with the conditions set forth in Subparagraph 7.2; provided, however, that the requirement to keep such lands reasonably free of Phreatophytes shall not apply to Phreatophytes existing as of the Initial Effective Date as determined by the Settlement Technical Committee. If the Settlement Technical Committee is unable to agree upon whether certain Phreatophytes existed as of the Initial Effective Date, any Party with a technical representative on the Settlement Technical Committee at that time or the person or entity responsible for removing the Phreatophytes pursuant to Subparagraph 7.4 may submit the unresolved issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1.

7.2 In accordance with the allocation of responsibility set forth in Subparagraph 7.4, each UV Irrigation District, the Sunset Ditch Company, the NM New Model Community Ditch Association, the owner of each York Valley Farm, and the owner of each Special Hot Lands Farm shall be responsible for ensuring that the UV Subjugated Lands are kept reasonably free of Phreatophytes in a manner consistent with the conditions below. This requirement to keep UV Subjugated Lands free of Phreatophytes shall not apply

to: (i) Phreatophytes existing as of the Initial Effective Date as determined by the Settlement Technical Committee; (ii) ornamental trees or plants used for urban landscaping; (iii) such Phreatophytes as the Settlement Technical Committee determines are bona fide crops of value, provided that any acreage on which any such crop is grown shall count as TBI Eligible Acres; (iv) urbanized lands located now or in the future within the city limits of the City of Safford, which lands are required to be kept reasonably free of Phreatophytes pursuant to subparagraph 13 of the Safford Agreement, or (v) river bottom lands as determined by the Settlement Technical Committee. If the Settlement Technical Committee is unable to agree upon whether (1) certain lands are river bottom lands for purposes of this Subparagraph 7.2, or (2) any Phreatophyte is a crop of value, any Party with a representative on the Settlement Technical Committee at that time or the person or entity responsible for removing the Phreatophytes pursuant to Subparagraph 7.4 may submit the unresolved issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1.

7.3 Notwithstanding any other provision or limitation of this Agreement, UV Subjugated Land that is not part of a fallowing program may be irrigated for a period not exceeding one (1) year with the minimum amount of water necessary to establish native vegetation (other than Phreatophytes) such as native grasses; provided, however, that the water used for such irrigation shall be counted against the total limits on Pumping and diversion set forth in Subparagraphs 6.2 and 6.3.

7.4 The responsibility for Phreatophyte control set forth in this Paragraph 7.0, shall be as follows:

7.4.1 for lands within the UV Irrigation Districts, the UV Irrigation Districts shall be jointly and severally responsible;

7.4.2 for lands served by the Sunset Ditch Company in New Mexico, the Sunset Ditch Company shall be responsible;

7.4.3 for lands served by the New Model Canal in New Mexico, the NM New Model Community Ditch Association shall be responsible; and

7.4.4 for each York Valley Farm and each Special Hot Lands Farm, the owner of such farm shall be responsible for each such farm owned by such owner.

8.0 MITIGATION

8.1 **<u>UV Irrigation Districts' mitigation requirement</u>**. The UV Irrigation Districts shall be jointly and severally responsible for providing mitigation to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District for any of the following events that occur as to the lands within the UV Irrigation Districts:

8.1.1 Beginning in the first full Year after the Year in which reporting begins pursuant to Subparagraph 6.8 and thereafter:

8.1.1.1. Failure to control Phreatophytes in accordance with Paragraph 7.0;

8.1.1.2. Acts inconsistent with, in violation of or contrary to any of the terms, limitations, conditions, requirements and provisions of Paragraph 6.0; or

8.1.1.3. Irrigation of more than the then current calculation of TBI Eligible Acres.

8.1.1.4. After having received payments provided by section 211(a)(2)(D)(iii) of the Act, failure to comply with the acquisition requirements of Subparagraphs 5.3.1 and 5.3.2.

8.2 **<u>Sunset Ditch Company mitigation requirements</u>**. The Sunset Ditch Company shall be responsible for providing mitigation to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District for any of the following events that occur as to the lands served by such ditch company:

8.2.1 Beginning in the first full Year after the Year in which reporting begins pursuant to Subparagraph 6.8 and thereafter:

8.2.1.1. Failure to control Phreatophytes in accordance with Paragraph 7.0;

8.2.1.2. Acts inconsistent with, in violation of or contrary to any of the terms, limitations, conditions, requirements and provisions of Paragraph 6.0; or

8.2.2 Irrigation of more than the then current calculation of TBI Eligible Acres.

8.3 **<u>NM New Model Community Ditch Association mitigation requirements</u>**. The NM New Model Community Ditch Association shall be responsible for providing mitigation to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District for any of the following events that occur as to the lands served by such ditch association;

8.3.1 Beginning in the first full Year after the Year in which reporting begins pursuant to Subparagraph 6.8 and thereafter;

8.3.1.1. Failure to control Phreatophytes in accordance with Paragraph 7.0;

8.3.1.2. Acts inconsistent with, in violation of or contrary to any of the terms, limitations, conditions, requirements and provisions of Paragraph 6.0; or

8.3.2 Irrigation of more than the then current calculation of TBI Eligible Acres.

8.4 **<u>Mitigation requirements with respect to other lands</u>**. Each owner of a York Valley Farm and each owner of a Special Hot Lands Farm shall be responsible for providing

mitigation to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District for any of the following events that occur on each farm owned by such owner:

8.4.1 Beginning in the first full Year after the Year in which reporting begins pursuant to Subparagraph 6.8 and thereafter;

8.4.1.1. Failure to control Phreatophytes in accordance with Paragraph 7.0;

8.4.1.2. Acts inconsistent with, in violation of or contrary to any of the terms, limitations, conditions, requirements and provisions of Paragraph 6.0; or

8.4.1.3. Irrigation of more than the then current calculation of TBI Eligible Acres.

8.4A **Joint and several mitigation requirement for failure to reduce TBI Eligible Acres**. Beginning in the first Year after the Enforceability Date and thereafter, in addition to the events listed in Subparagraphs 8.1, 8.2, 8.3, and 8.4 the UV Irrigation Districts, the Sunset Ditch Company, the NM New Model Community Ditch Association, each owner of a York Valley Farm, and each owner of a Special Hot Lands Farm shall be jointly and severally responsible for providing mitigation to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District for failure to reduce the number of TBI Eligible Acres pursuant to the provisions of Subparagraph 5.2. Any person or entity that provides mitigation pursuant to this Subparagraph 8.4A may seek and obtain contribution against any other person or entity liable for mitigation pursuant to this Subparagraph 8.4A that has not: (a) reduced its TBI Eligible Acres by its proportionate share, (b) provided mitigation in accordance with its proportionate

share, or (c) done either. For purposes of this Subparagraph 8.4A, a person or entity's proportionate share shall be determined by dividing (a) the TBI Eligible Acres owned or served by such person or entity by (b) the total TBI Eligible Acres, computed immediately before any reductions in TBI Eligible Acres made pursuant to Subparagraph 5.2.

8.5 **United States' mitigation requirement**. Beginning in the third Year after the Enforceability Date, the United States shall be responsible for providing mitigation to the San Carlos Irrigation Project for the benefit of the Community and the San Carlos Irrigation and Drainage District for any failures to timely reduce the number of TBI Eligible Acres pursuant to the provisions of Subparagraph 5.3 that result from any non-payment, or partial payment by the United States, for whatever reason, of the payments that are required to be made to the UV Irrigation Districts by section 211(a)(2)(D)(iii) of the Act.

8.6 **Terms and conditions of mitigation**.

8.6.1 During the Year following the Year in which the event requiring mitigation occurred, the mitigating party shall provide to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District not less than one (1) acre-foot of water for each one (1) acre-foot of water consumptively used as a result of the event requiring the mitigation in question. The mitigating party may choose to deliver such mitigation water at either: (i) a CAP turnout or CAP turnouts, or (ii) at or above Ashurst-Hayden Diversion Dam in accordance with the following terms and conditions:

8.6.1.1. If the mitigating party chooses to deliver mitigation water to a CAP turnout or CAP turnouts:

8.6.1.1.1. the mitigating party shall deliver one (1) acre foot of water for each one (1) acre foot of water consumptively used as a result of the event requiring the mitigation in question;

8.6.1.1.2. the mitigating party shall deliver such mitigation water to the Pima Lateral unless the District and the Community, in a writing signed by authorized representatives of both, timely advise the mitigating party of a different CAP turnout or CAP turnouts to which mitigation water may be delivered; and

8.6.1.1.3. the mitigating party, the San Carlos Irrigation and Drainage District and the Community shall cooperate with each other regarding the necessary arrangements for delivery of mitigation water to a CAP turnout or CAP turnouts.

8.6.1.1.4. If CAP water cannot timely be ordered, on terms generally available to other purchasers of CAP Water, to fully satisfy mitigation obligation during the Year following the Year in which the event requiring mitigation occurred, such water shall be delivered as soon as it may be ordered on such terms; provided that the amount of water due in such event shall be equal to the amount otherwise due in the preceding Year plus an additional ten per cent (10%).

8.6.1.2. If the mitigating party chooses to deliver such mitigation water at or above Ashurst-Hayden diversion dam:

8.6.1.2.1. the mitigating party shall discharge into the Gila River for the benefit of the Community and the San Carlos Irrigation and Drainage District not less than: (i) one and one tenths (1.1) acre-feet of water for each acre-foot consumptively used as a result of the event requiring the mitigation in question or for each acre foot of water otherwise required pursuant to Subparagraph 6.8, if such discharge occurs between Ashurst-Hayden and Coolidge Dam; or, (ii) one and five tenths (1.5) acre-feet of water for each acre-foot consumptively used as a result of the event requiring the mitigation in question or for each acre foot of water otherwise required pursuant to Subparagraph 8.6.1, if the discharge occurs above Coolidge Dam;

8.6.1.2.2. once discharged into the Gila River, no UVD shall make a call against or divert such mitigation water;

8.6.1.2.3. once discharged into the Gila River, such mitigation water shall not thereafter be the basis of an apportionment;

8.6.1.2.4. such mitigation water may be effluent, and

8.6.1.2.5. the manner in which such mitigation water shall be discharged to the Gila River shall be subject to the approval of the Community and the District, such approval not to be unreasonably withheld.

8.6.2 In no event shall the Community, the San Carlos Irrigation and Drainage District or the United States on behalf of the Project bear any of the costs associated with the acquisition or delivery of any mitigation water.

8.6.3 Mitigation water provided to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District shall be divided between the Community and the San Carlos Irrigation and Drainage District with fifty-five percent (55%) to be provided to the Community and forty-five percent (45%) to the District.

8.6.4 To the extent that the acquisition or use of a source of water to be used for mitigation pursuant to this Paragraph 8.0 is subject to the approval of other persons or entities, or subject to compliance requirements by third parties, the burden of obtaining such approvals or meeting such compliance requirements is solely and exclusively the burden of the mitigating party and not of any other party.

8.7 If the United States, the San Carlos Irrigation and Drainage District or the Community is not satisfied with the mitigation being provided pursuant to this Agreement, each may seek to enforce its mitigation rights under this Agreement in any court of competent jurisdiction, but not the courts of the Community, pursuant to the procedures set forth in Subparagraph 12.2; provided, however, that if the United States, the San Carlos Irrigation and Drainage District or the Community do not provide notice to the mitigating party about a complaint about the adequacy of mitigation in question within twelve (12) months after the last act constituting the purported mitigation, the mitigation in question shall be considered and deemed for all purposes to be adequate and in compliance with the terms of this Agreement.

8.8 <u>Failure to mitigate</u>.

8.8.1 Any Party or UV Non-signatory that fails to provide mitigation for whatever reason, including but not limited to impossibility of performance, if ordered by a

court as a result of an enforcement action brought pursuant to this Agreement, shall be Not in Compliance with this Agreement unless either: (a) mitigation is fully and timely provided by some other entity or person to the Project for the benefit of the Community and the San Carlos Irrigation and Drainage District pursuant to this Agreement; or, (b) if Subparagraph 8.8.2 is applicable, payment is made to the Community and the San Carlos Irrigation and Drainage District in strict compliance with the requirements of Subparagraph 8.8.2.

8.8.2 Neither the United States, nor any UV Signatory or UV Non-signatory shall assert impossibility of performance as a defense to any mitigation required pursuant to this Agreement. It is acknowledged and agreed that assertion of such a defense by the United States, a UV Signatory or a UV Non-signatory would cause specific damage to the Community and the San Carlos Irrigation and Drainage District. Should a UV Signatory or UV Non-signatory, in violation of the covenant expressed by this Subparagraph 8.8.2, assert impossibility of performance with regard to any mitigation required pursuant to this Agreement, such UV Signatory or UV Non-signatory shall pay to the Community and the San Carlos Irrigation and Drainage District an amount equal to one hundred twenty percent (120%) of the cost of one acre-foot of CAP M&I water at the time that the mitigation was otherwise required times the total number of acre-feet of mitigation water that would have been required. The timely and complete payment of such amount to the Community and the San Carlos Irrigation and Drainage District shall be deemed compliance with the mitigation requirements of this Paragraph 8.0. Should the United States, in violation of the covenant expressed by this

Subparagraph 8.8.2, assert impossibility of performance with regard to any mitigation required pursuant to this Agreement, the United States shall pay to the Community and the San Carlos Irrigation and Drainage District an amount equal to one hundred percent (100%) of the cost of one acre-foot of CAP M&I water at the time that the mitigation was otherwise required times the total number of acre-feet of mitigation water that would have been required. The timely and complete payment of such amount to the Community and the San Carlos Irrigation and Drainage District shall be deemed compliance with the mitigation requirements of this Paragraph 8.0.

8.9 **Recovery of costs of mitigation**. If a person or entity provides mitigation (or pays the sums required by Subparagraph 8.8.2) required as a result of an act or omission by another person or entity, the entity or person providing mitigation may recover the cost of mitigation from the person or entity causing such act or omission.

8.10 A court shall not find a person or entity to be Not in Compliance with this Agreement if the court determines that (a) such person or entity has provided, or is providing, timely and complete mitigation to the Community and the San Carlos Irrigation and Drainage District as required by this Paragraph 8.0, or (b) such person or entity has complied with Subparagraph 8.8.2.

8.11 The obligations and duties of the United States set forth in Paragraph 8.0 are subject to section 4 of the Act.

9.0 ADMINISTRATION AND COST SHARING

9.1 In accordance with the allocation of responsibility set forth in Subparagraph 6.15, each UV Irrigation District, the Sunset Ditch Company, the NM New Model Community Ditch Association, each owner of a York Valley Farm, and each owner of a Special Hot Lands Farm shall be responsible for: (a) the costs associated with the measurement and reporting of UV Pumped Water and the filing of annual water diversion and Pumping reports with the Globe Equity Court, and (b) providing copies of such reports to the District, the Community, and the Impartial Administrator.

9.2 Not later than thirty (30) calendar days after the Enforceability Date, the Settlement Technical Committee shall agree upon and establish: (i) the manner in which the water use limitations set forth in Paragraph 6.0 are to be administered and enforced (including, without limitation, the measurement of the output of wells); and (ii) a cost-sharing mechanism for such administration and enforcement. If the Settlement Technical Committee is unable to agree upon either: (i) the mechanism for administration and enforcement or (ii) the cost-sharing mechanism, any Party with a representative on the Settlement Technical Committee at that time may submit the unresolved issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1. The Settlement Technical Committee shall, as needed, update the mechanism for administration and enforcement and the cost-sharing mechanism by September 30 of each year thereafter and such updated mechanisms shall be effective the following January 1. If the Settlement Technical Committee is unable to agree upon whether such a mechanism should be updated, any Party with a representative on the

Settlement Technical Committee at that time may submit the unresolved issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1.

9.3 Not later than thirty (30) calendar days after the Initial Effective Date, the Parties shall file a request with the Globe Equity Enforcement Court that the Water Commissioner be given the responsibility for administering and enforcing the limitations set forth in Paragraph 6.0 and such other responsibilities of the Impartial Administrator as are set forth in this Agreement. If the Globe Equity Enforcement Court grants such request, the Parties shall provide the Water Commissioner's office with the funding necessary to carry out such responsibility on a basis determined by the Globe Equity Enforcement Court and consistent with this Agreement, including charges to other parties to the Globe Equity Decree as the Globe Equity Enforcement Court may deem appropriate. If the Globe Equity Enforcement Court denies such request, the mechanisms established pursuant to Subparagraph 9.2 shall remain in effect. The Parties shall further request that parties to the Globe Equity Decree, who are not Parties to this Agreement (except the San Carlos Apache Tribe, and the UV Non-signatories), provide a proportionate share of such funding to the Water Commissioner.

9.4 In addition to its existing administrative authorities and responsibilities under applicable law, if New Mexico elects, at no additional cost to water users located in Arizona, in whole or in part, to administer and enforce the applicable provisions of Paragraph 6.0 as they pertain to water uses in the Virden Valley, New Mexico, the State of New Mexico may, with the approval of the Globe Equity Enforcement Court, designate a water master for that purpose.

10.0 TBI ASE CALCULATION

10.1 Beginning in the first Year after the Year in which reporting begins pursuant to Subparagraph 6.4 and each Year thereafter, the Impartial Administrator shall obtain the data set forth in Attachment 10.1 and provide it to the Settlement Technical Committee, which data shall serve as the basis for the TBI ASE Annual Report. The Impartial Administrator shall prepare the TBI ASE Annual report, in consultation with the Settlement Technical Committee, pursuant to the procedures set forth in Attachment 10.1.

10.2 By March 31 of the eleventh (11th) Year following the Year in which the Enforceability Date occurs, pursuant to the procedure set forth in Attachment 10.1, the Settlement Technical Committee shall determine the Baseline TBI ASE. The Baseline TBI ASE shall be normalized so that the Baseline TBI ASE is based on a normal Year as determined by the Impartial Administrator and Settlement Technical Committee, not a Year that is abnormally dry or wet. The Settlement Technical Committee shall use the TBI ASE Annual Reports for the preceding ten (10) years as the basis for this calculation, taking into account any physical changes to the delivery, distribution or on-farm efficiencies that result in any change in the TBI ASE or Normalized TBI ASE, if any. Such physical changes shall be inventoried periodically by the Community and the San Carlos Irrigation and Drainage District pursuant to Attachment 10.1, the cost of which, subject to section 4 of the Act, shall be borne equally by the Community, the San Carlos Irrigation and Drainage District and the United States. The Community shall report the results of the inventories to the UV Irrigation Districts and the Impartial Administrator. Within six (6) months of such report, the UV Irrigation Districts may

comment on the inventory and report the comments to the Community, the District, the Impartial Administrator and the United States. The costs of the comments shall be borne by the UV Irrigation Districts. The change in TBI ASE and Normalized TBI ASE, if any, caused by each such physical change, if any, after considering the comments of the UV Irrigation Districts, if any, shall be calculated by the Settlement Technical Committee and the annual TBI ASE and Normalized TBI ASE shall be adjusted accordingly for any Year in which such change has occurred. In the event the Settlement Technical Committee is unable to agree on the effect of the changes and comments on the calculation of TBI ASE and Normalized TBI ASE, any Party with a representative on the Settlement Technical Committee at that time may submit the issue to binding arbitration pursuant to procedures set forth in Subparagraph 12.1.

10.3 In the event that the Settlement Technical Committee is unable, by the deadline established in Subparagraph 10.2, to agree upon the Baseline TBI ASE, any Party with a technical representative on the Settlement Technical Committee at that time may submit the issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1.

10.4 The Baseline TBI ASE shall serve as the basis on which, pursuant to Subparagraph 6.9, any future change in the Normalized TBI ASE, as determined in the Annual TBI ASE Reports, might cause a change in the diversion and Pumping limits set forth in Subparagraphs 6.2 and 6.3.

10.5 The Settlement Technical Committee shall establish a Special Hot Lands ASE and Baseline Special Hot Lands ASE in the same manner and following the same procedures as for TBI ASE, Normalized TBI ASE and Baseline TBI ASE. The

Baseline Special Hot Lands ASE shall serve as the basis for adjustments to the Pumping limits for Special Hot Lands set forth in Subparagraph 6.3 pursuant to procedures identical to those set forth in Subparagraph 6.9.

11.0 SEVERANCE AND TRANSFER PROCESS FOR HOT LANDS

11.1 No later than six (6) months after the Enforceability Date, the owners of Hot Lands may file an application for severance and transfer of UV Decreed Water Rights to the Hot Lands they own. Such application shall be in compliance with all applicable requirements of section IV of the order of the Globe Equity Enforcement Court filed on or about September 30, 1993. Such owners shall use their best efforts to pursue such application and accomplish such severance and transfer.

11.2 The Community, the San Carlos Irrigation and Drainage District and the United States shall not object to any application filed by an owner of Hot Lands in a manner consistent with the terms of Subparagraph 11.1.

11.3 In the State of New Mexico, UV Decreed Water Rights associated with up to forty (40) UV Decreed Acres that have not been recently irrigated shall be eligible for transfer to lands described in Subparagraph 2.18F pursuant to the procedures set forth in Subparagraphs 11.1 and 11.2. If a severance and transfer of the UV Decreed Water Rights is allowed pursuant to applicable law, such UV Decreed Water Rights, together with any rights to Pump water pursuant to this Agreement, shall be the sole and exclusive water rights (except for water Pumped for Non-Irrigation Purposes within the limitations of Subparagraph 6.1) associated with the lands to which the UV Decreed Water Rights have been transferred and all other previously existing water rights associated with such lands, if any, shall be terminated and extinguished.

12.0 DISPUTE RESOLUTION

12.1 Dispute resolution of certain Paragraphs.

12.1.1 Binding arbitration. A disagreement among the members of the Settlement Technical Committee arising out of Subparagraphs 2.16, 6.8, 7.1, 7.2, 9.2, 10.2, 10.3 or 13.2, or Attachments 2.18C, 13.1, or 10.1 may be submitted to binding arbitration pursuant to the terms of this Subparagraph 12.1 by the Parties who have the right to submit such disagreement to arbitration pursuant to such Subparagraphs and Attachments by providing written notice to each member of the Settlement Technical Committee at the time. Notice shall be deemed to have been received by a member of the Settlement Technical Committee at the earlier of: (a) actual delivery of the notice to such member, or (b) the first business day that is at least four (4) calendar days after the notice has been deposited in the United States mails, certified or registered, return receipt requested, postage prepaid, and properly addressed to the member.

12.1.2 Arbitration notice. The notice for arbitration shall specify with particularity the nature of the dispute, the particular provision of this Agreement at issue and the proposed relief sought by the Party seeking arbitration.

12.1.3 Selection of arbitrators. Within fourteen (14) calendar days after written notice of the arbitration request has been received by each member of the Settlement Technical Committee, the UV Irrigation Districts, after consultation with the UV Signatories, shall select one arbitrator. Within fourteen (14) calendar days after written notice of the arbitration request has been received by each member of the Settlement Technical Committee, the Community, the San Carlos

Irrigation and Drainage District and the United States (if the United States chooses to participate) shall together select one arbitrator. If the Community, the San Carlos Irrigation and Drainage District and the United States (if the United States chooses to participate) are unable to agree on an arbitrator, any of them may request that an arbitrator be selected by the Globe Equity Enforcement Court, or, if that court declines to appoint the arbitrator, by the Gila River Adjudication Court. If the UV Irrigation Districts are unable to agree on an arbitrator, either of them may request that an arbitrator be selected by the Globe Equity Enforcement Court or, if that court declines to appoint the arbitrator, by the Gila River Adjudication Court. Within fourteen (14) calendar days of being selected, the two arbitrators selected by the Parties (or appointed by a court) shall together select a third arbitrator. If either (a) the UV Irrigation Districts or (b) the Community, the San Carlos Irrigation and Drainage District and the United States (if the United States chooses to participate) are unable or unwilling to select an arbitrator within fourteen (14) calendar days after written notice of the arbitration request has been received by each member of the Settlement Technical Committee and an arbitrator has not been appointed for them by a court within such time period, then the issue in question will be decided by the one arbitrator who has been selected. If no arbitrators have been selected or appointed within sixty (60) days after written notice of the arbitration request has been received by each member of the Settlement Technical Committee, the arbitration shall be deemed dismissed with prejudice. The third arbitrator selected by the two arbitrators shall be either a registered agricultural engineer or a registered hydrologist with recognized

specialty in irrigation. If the two arbitrators selected by the parties are unable to select the third arbitrator, the two arbitrators shall request that the third arbitrator be selected by the Globe Equity Enforcement Court or, if that court declines to appoint the third arbitrator, by the Gila River Adjudication Court. All arbitrators shall comply with and follow to the extent possible the canons of judicial ethics as stated in Rule 81 of the Arizona Rules of the Supreme Court or any replacement rule therefor. No person may serve as an arbitrator if, because of employment or other relationship with the Parties, the nature of the matter to be arbitrated, or otherwise, such person could not serve as a judge in such matter if such person were a judge.

12.1.4 <u>Procedures for arbitration</u>. Except as provided in this Subparagraph 12.1, arbitration under this Paragraph shall be conducted in accordance with rules of the American Arbitration Association, to the extent applicable, or such other rules as the Parties involved in the particular arbitration may mutually agree. Agreement by the Community and the United States (if the United States chooses to participate) to employ the rules of the American Arbitration Association for the conduct of the arbitration proceedings hereunder shall in no way be construed as a waiver by the Community or the United States (if the United States chooses to participate) of their respective sovereign immunity. Any waiver of sovereign immunity shall be governed solely and exclusively by the provisions of Subparagraph 12.4.

12.1.5 **Deadlines**. The Parties agree that time is of the essence in the resolution of disputes pursuant to this Subparagraph 12.1. All deadlines shall be strictly enforced against the Parties involved in the particular arbitration.

12.1.6 **Evidence**. Each Party involved in the arbitration may submit evidence in writing to the arbitrators for their consideration within forty-five (45) calendar days after written notice of the arbitration request has been received by each member of the Settlement Technical Committee.

12.1.7 **Hearing**. The arbitrators may, in their sole discretion, determine whether a hearing would assist them in rendering a fair and equitable decision. In any event, such hearing must be held within sixty (60) calendar days after written notice of the arbitration request has been received by each member of the Settlement Technical Committee.

12.1.8 **Arbitrators' decision**. The arbitrators shall render a reasoned decision, by majority vote, no later than ninety (90) calendar days after written notice of the arbitration request has been received by each member of the Settlement Technical Committee.

12.1.9 **Arbitrators' decision final and binding**. The arbitrators' decision shall be final and binding on all Parties (but not the United States, unless the United States chooses to participate in the arbitration) and not subject to appeal. The prevailing Party in an arbitration proceeding may bring an action in any court of competent jurisdiction, but not the courts of the Community, solely and exclusively to enforce the arbitration award and for no other purpose. Notwithstanding the preceding sentence, the Parties agree that they shall first assert claims for injuries to and seek

enforcement of an arbitration decision rendered pursuant to this Subparagraph 12.1 in the Globe Equity Enforcement Court and shall only assert such claims and seek such enforcement in another court of competent jurisdiction (but not the courts of the Community) if, and to the extent that, the Globe Equity Enforcement Court has determined that it does not have jurisdiction to enforce such arbitration decision.

12.1.10 Arbitration costs. The costs of the arbitration shall be shared equally by the parties to the arbitration, but the parties shall bear their own costs and attorneys' fees associated with their participation in the arbitration.

12.1.11 No modification of Agreement. Nothing in this Agreement shall be construed so as to permit the arbitrators to modify this Agreement or decide issues not expressly made arbitrable by this Agreement.

12.1.12 No participation by the United States. Pursuant to section 3(a)(1) of the Act, no arbitration decision rendered pursuant to this Agreement shall be considered invalid solely because the United States failed or refused to participate in such arbitration proceedings that resulted in such arbitration decision, so long as the matters in arbitration under this Agreement concern aspects of the water rights of the Community, the San Carlos Irrigation Project, or the Miscellaneous Flow Lands and not the water rights of the United States in its own right, any other rights of the United States, or the water rights or any othe rights of the Untied States action on behalf of or for the benefit of another tribe.

12.1.13 Effectiveness of arbitration award. Pursuant to section 3(a)(2) of the Act, if an issue otherwise subject to arbitration under this Agreement cannot be arbitrated or if an arbitration decision will not be effective because the United States cannot

or will not participate in the arbitration then the issue shall be submitted for decision in a federal court of competent jurisdiction, but not a court of the Community.

12.1.14 Pursuant to section 3(b) of the Act, notwithstanding any provision to this Agreement or its Attachments, if the Secretary is required to enter into arbitration pursuant to the Act or any document ratified by the Act, the Secretary shall follow the arbitration procedures established by chapter 5 of title 5, United States Code.

12.2 **Dispute resolution of Agreement**. The rights and obligations under this Agreement may be enforced in any court of competent jurisdiction (but not the courts of the Community). The Parties agree that they shall first seek enforcement of their respective rights under this Agreement in the Globe Equity Enforcement Court and shall only assert such claims and seek such enforcement in another court of competent jurisdiction (but not the courts of the Community) if, and to the extent that, the Globe Equity Enforcement Court has determined that it does not have jurisdiction over such claim or to enforce this Agreement.

12.3 **Attorneys' fees**. In the event of litigation between the Parties to enforce this Agreement pursuant to Subparagraph 12.2 or to enforce an arbitration decision pursuant to Subparagraph 12.1.9, the prevailing Party, other than the United States, in any such action shall be entitled to recover reasonable costs and expenses of suit, including, without limitation, court costs, attorneys' fees and other costs, as determined by the court from any other Party, other than the United States, unless otherwise provided by law.

12.4 **Waiver of sovereign immunity**.

12.4.1 The Community hereby provides a strictly limited waiver of its sovereign immunity for the sole and exclusive purposes of: (i) resolving a claim or dispute that may arise with respect to the interpretation or enforcement of this Agreement pursuant to Subparagraph 12.2, (ii) enforcement of an arbitration award rendered pursuant to Subparagraph 12.1.9, and (iii) a petition for and collection of attorneys' fees and costs pursuant to Subparagraph 12.3, and for no other reason.

12.4.2 The sovereign immunity of the United States is waived in accordance with section 213(a) of the Act.

13.0 ESTABLISHMENT OF INITIAL DESIGNATIONS

13.1 **Settlement Technical Committee initial designations, calculations and methodologies**. No later than one hundred fifty (150) days after the Initial Effective Date, the Settlement Technical Committee shall establish: (i) using the methodology set forth in Attachment 13.1, the initial designations of UV Subjugated Lands for each of the UV Irrigation Districts, the NM New Model Community Ditch Association, the Sunset Ditch Company, each York Valley Farm, and each Special Hot Lands Farm; (ii) the initial calculation of TBI Eligible Acres for the UV Irrigation Districts using the methodology set forth in Attachment 13.1, (iii) the initial calculation of TBI Eligible Acres for lands served by NM New Model Community Ditch Association using the methodology set forth in Attachment 13.1, (iv) the initial calculation of TBI Eligible Acres for lands served by Sunset Ditch Company using the methodology set forth in Attachment 13.1, (v) the initial calculation of TBI Eligible Acres for each York Valley Farm using the methodology set forth in Attachment 13.1, (vi) the initial calculation of TBI Eligible Acres for each Special Hot Lands Farm that then exists using the

methodology set forth in Attachment 13.1; (vii) the York Valley Lands owned by Major York Valley Landowners; (viii) the identity, description, location, and size of each York Valley Farm; (ix) the Water Rights for NM Domestic Purposes; (x) the Water Rights Appurtenant to NM 381 Acres; (xi) a methodology for determining the consumptive use of water by Phreatophytes common to the UV; and (xii) a methodology for calculating the crop consumptive use in the UV for purposes of calculating the amount of mitigation required pursuant to Paragraph 8.0. The Settlement Technical Committee shall update and correct the initial designations, calculations and methodologies beginning six (6) months after the Enforceability Date and shall complete such updating and corrections by one (1) year after the Enforceability Date. The Settlement Technical Committee shall update and correct such designations, calculations and methodologies annually thereafter. The designations, calculations, and methodologies of the Settlement Technical Committee shall not be binding on the United States or the Secretary, provided that such designations, calculations, and methodologies shall be applicable and enforceable against all other Parties and shall not be considered invalid with respect to such other Parties solely because they are not binding on the United States or the Secretary. In the event that such a designation, calculation, or methodology nevertheless is not enforceable or ineffective as to such other Parties because it is not binding on the United States or the Secretary, then such matter shall be submitted for decision to a court of competent jurisdiction as provided by Subparagraph 12.2

13.2 **<u>Arbitration of initial designations, calculations and methodologies</u>**. If the Settlement Technical Committee is unable to agree upon a designation, calculation or

methodology required in Subparagraph 13.1 by the deadlines established by Subparagraph 13.1, any Party with a representative on the Technical Committee as of the applicable deadline, may seek binding arbitration of the unresolved issue pursuant to the procedures set forth in Subparagraph 12.1, provided, however, only the Community and SCIDD may seek arbitration if the Settlement Technical Committee is unable to agree upon an initial designation, calculation or methodology required in Subparagraph 13.1 by one hundred fifty (150) days after the Initial Effective Date.

13.3 **Court approval of initial designations**. Within thirty (30) days after approving the updated and corrected initial designations, calculations and methodologies required in Subparagraph 13.1 (whether by agreement of the Settlement Technical Committee or final decision by the arbitrators), the Parties, other than the United States, shall seek the Globe Equity Enforcement Court's approval of such designations, calculations and methodologies; provided, however, that the failure to obtain such approval shall not affect the rights, responsibilities or other obligations described in this Agreement.

14.0 ESTABLISHMENT AND OPERATION OF SETTLEMENT TECHNICAL COMMITTEE

14.1 **Establishment of Settlement Technical Committee**. No later than thirty (30) days after the Initial Effective Date, the Parties shall establish the Settlement Technical Committee. Each of the following entities or groups is entitled to appoint one technical representative each to serve as its technical representative: the Community, the District, the Franklin Irrigation District, the Gila Valley Irrigation District, the York Valley Lands, UV Signatories located in the State of New Mexico, and all other UV Signatories not otherwise specifically represented above. The Water Commissioner and

the Impartial Administrator (if different than the Water Commissioner) may each participate in the Settlement Technical Committee as non-voting members. The Settlement Technical Committee shall be deemed officially established and be authorized to initiate its work as soon as the technical representatives of the Community, the District, the Franklin Irrigation District and the Gila Valley Irrigation District have been named ("Initial Settlement Technical Committee Representatives"). Other authorized technical representatives may join the Settlement Technical Committee at any time. Asarco and Phelps Dodge (so long as they own rights under the Globe Equity Decree) may each appoint a technical representative to the Settlement Technical Committee. Each Party and any non-Party participant in the Settlement Technical Committee shall bear its own costs of participation in such committee.

14.2 **Responsibilities of the Settlement Technical Committee**. The Settlement Technical Committee shall provide technical advice and recommendations to the Impartial Administrator regarding the appropriate administration and enforcement of this Agreement. The Settlement Technical Committee shall also be responsible for the following: (i) the responsibilities specifically enumerated in this Agreement; and (ii) such other tasks or responsibilities as the Initial Settlement Technical Committee Representatives may unanimously agree.

14.3 **Operation of Settlement Technical Committee**. The Settlement Technical Committee shall use all reasonable efforts to reach agreement on the issues that it considers. A decision of the Settlement Technical Committee shall be considered final if all the Initial Settlement Technical Committee Representatives unanimously accept the decision as final in a statement signed by all of them. In the event the Initial

Settlement Technical Committee Representatives are unable to reach unanimous agreement on any given issue, such Parties as are authorized to do so (pursuant to the Subparagraph or Attachment under which the decision at issue arises) may seek binding arbitration of such issue pursuant to the procedures set forth in Subparagraph 12.1.

15.0 GENERAL PROVISIONS

15.1 Effectiveness of provisions.

15.1.1 The following provisions shall be enforceable and effective as of the Initial Effective Date: Paragraph 2.0 (Definitions); Paragraph 3.0 (Attachments); Paragraph 6.0 (UV diversions and Pumping), except that the provisions in Subparagraphs 6.1, 6.2, 6.3, 6.4, and 6.5 shall be enforceable and effective thirty (30) days after measurement and reporting begins pursuant to Subparagraph 6.8[1]; Paragraph 7.0 (Phreatophyte Control); Paragraph 8.0 (Mitigation); Paragraph 9.0 (Administration and Cost Sharing); Paragraph 10.0 (TBI ASE Calculation); Paragraph 11.0 (Severance and Transfer Process for Hot Lands); Paragraph 12.0 (Dispute Resolution); Paragraph 13.0 (Establishment of Initial Designations); Paragraph 14.0 (Establishment and Operation of Settlement Technical Committee); and Paragraph 15.0 (General Provisions) but only to the extent necessary to effectuate the foregoing provisions..

15.1.2 The following provisions shall be enforceable and effective as of the Enforceability Date: Paragraph 4.0 (Waiver and Release of Claims); and Paragraph 5.0 (Programs for Reduction of Irrigable Acres).

[1] For purposes of reports required by Subparagraphs 6.4 and 6.5, in the first Year regarding which reporting is required, such reports shall only cover those months that begin at least sixty (60) days after the initial designations provided by Subparagraph 13.1 have been completed.

15.2 **Waiver**. No waiver of any breach of any of the terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Agreement.

15.3 **Severability**. If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect such other provisions, clauses or applications of this Agreement as can be given effect without the invalid or unenforceable provision, clause or application. To this end, the provisions and clauses of this Agreement are severable; provided, however, that if the severance would deprive any Party to this Agreement of its material benefits under this Agreement, such Party shall be released from this Agreement. Upon the release of any Party from this Agreement, any other Party whose material benefits under this Agreement depend on the obligations of such released Party shall also be released from this Agreement.

15.4 **Construction and effect**. This Agreement and each of its provisions are to be construed fairly and reasonably. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement. By this Agreement the Parties intend to constrain and regulate their own conduct, but they do not intend to modify the Globe Equity Decree. Nothing in this Agreement shall be construed to modify the Globe Equity Decree.

15.5 **Successors and assigns**. Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties to this Agreement and their successors and assigns.

15.6 **M&I conversions**. With respect to any UV Subjugated Lands that have UV Decreed Water Rights, any conversion of such rights to M&I Use shall have a change of use to M&I rate of 2.0 acre-feet of UV Surface Water and UV Pumped Water for each acre for which the use is to be changed. No UV Signatory or UV Non-signatory shall make an application to the Globe Equity Court for a conversion of such rights to M&I Use at a rate higher than 2.0 acre-feet of UV Surface Water and UV Pumped Water for each acre for which the use is to be changed. Upon such conversion, such lands shall no longer be considered TBI Eligible Acres, but they shall be entitled to divert water in accordance with their converted water rights.

15.7 **Benefits of agreement**. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise here from. This shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

15.8 **Third party beneficiaries**. Except for UV Non-signatories acting In Compliance with this Agreement and the NM CAP Entity (to the limited extent provided by the New Mexico Risk Allocation Terms), the Parties do not intend that there be any third party beneficiaries of this Agreement.

15.9 **Request for stay**. Within thirty (30) days of the Initial Effective Date, the UV Irrigation Districts shall file a motion for a stay order in the form set forth in Attachment 15.9 of all issues raised in the "Complaint Re: Pumping," filed on or about March 16, 2001, as to all parties and all issues. The Community and the San Carlos Irrigation and Drainage District shall support such request for stay, including filing motions in support thereof. In the event the Globe Equity Enforcement Court decides

not to grant such motion for stay in its entirety as to all issues and all parties in such action, or after granting such motion later lifts or modifies such stay, then the provisions of Subparagraph 15.1 are no longer effective or enforceable from the date on which the Globe Equity Enforcement Court issues its decision denying such motion or lifting or modifying the stay and all provisions of this Agreement shall be effective and enforceable on the Enforceability Date only, except that (a) the Settlement Technical Committee shall be established as provided by Subparagraph 14.1 and such Committee shall perform the functions described in Subparagraphs 6.8, 9.2 and 13.1 as if the stay were in effect, but the arbitration provisions in the Agreement, except those with respect to the determination of the methods of measurement of the output of wells in Subparagraph 6.8, shall not become effective until the Enforceability Date; (b) Subparagraph 6.8 shall become effective and enforceable in all respects on the Enforceability Date, provided that the method for measuring the output of wells as set forth in Subparagraph 15.9.1 shall be the Initial Method of Measurement. The Permanent Method of Measurement shall not be required until eighteen (18) months after the Enforceability Date; (c) Subparagraphs 6.4 and 6.5 shall become effective thirty (30) days after measurement and reporting begins pursuant to Subparagraph 6.8; (d) Subparagraph 7.1 shall become effective ninety (90) days after the Enforceability Date; and (e) Subparagraphs 2.18C, 2.18D, and 15.10 shall continue to be in effect as if the stay were in effect.

15.9.1.1. No later than three (3) months prior to the Enforceability Date (as estimated by the Settlement Technical Committee), the Settlement Technical Committee shall select no fewer than sixty (60) irrigation wells operated by

the Canal Companies that will be used as "indicator wells" to determine compliance with the diversion and Pumping limitations set forth in Subparagraphs 6.1, 6.2 and 6.3 for the first Year following the Enforceability Date. A portable weir will be calibrated for each well prior to the estimated Enforceability Date and recalibrated if the conditions to which the calibration applies change thereafter. Calibration will only occur when the pumps are running for normal operating purposes.

15.9.1.2. The output of each indicator well shall be determined in accordance with the following procedure, which shall remain in effect until the Permanent Method of Measurement is in place.

15.9.1.2.1. The output of the indicator wells shall be measured using the calibrated portable weirs three times beginning no later than March 1 of the irrigation season immediately following the Enforceability Date, with each successive measurement to occur no less than thirty (30) days apart and no more than forty-five (45) days apart.

15.9.1.2.2. The power consumed by each indicator well will be determined and recorded at the same time the output is measured, and reported as acre-feet per kilowatt-hour.

15.9.1.2.3. The initial determination of output/power consumption will be used as the basis for determining the output of each well serving TBI Eligible Acres and Special Hot Lands until the next measurement is made, after which each successive determination will used. The output for each well will be reported quarterly as required by Subparagraph 6.8.

15.9.1.2.4. The total annual Pumping will be determined at the end on the first Year following the Enforceability Date using the quarterly reports and used with diversion records to determine compliance with the diversion and Pumping limitations set forth in Subparagraphs 6.1, 6.2 and 6.3.

15.9.1.2.5. Prior to the estimated Enforceability Date, the Settlement Technical Committee shall determine the methods of measuring, computing, and reporting well output during the Year following the Enforceability Date.

15.10 **NM Unit provisions**. In the event the Secretary as Authorized Diverter diverts water for the NM Unit pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement, on January 1 of the first Year of such diversion, the NM Priority and Apportionment Terms and the New Mexico Risk Allocation Terms shall become effective and binding on the Parties. Any UV Non-signatory who thereafter acts in a manner that would be contrary to the New Mexico Risk Allocation Terms shall be deemed to be acting Not in Compliance with this Agreement. The NM CAP Entity is a third party beneficiary of this Subparagraph 15.10 and of the New Mexico Risk Allocation Terms, and may enforce this Subparagraph 15.10 and the New Mexico Risk Allocation Terms in such capacity.

15.11 **Good faith negotiations**. This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties to this Agreement agree that no information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party to this Agreement hereto in any legal or administrative proceeding other than a proceeding for the approval of this Agreement.

15.12 **Conflict with Settlement Agreement**. If there is a conflict between the provisions of this Agreement and the provisions of the Settlement Agreement, for purposes of determining the rights and obligations of the UVDs, UV Signatories and UV Non-signatories with respect to UV Decreed Water Rights and the rights provided by this Agreement, the provisions of this Agreement shall control.

15.13 **Entire agreement**. This Agreement is the entire agreement between the Parties. All previous agreements, statements, contracts and representations by or among the Parties and their agents relating to the subject matter of this Agreement are hereby merged into this Agreement and no evidence of any such agreement, contract, representation or statement shall be admissible to interpret this Agreement. The Parties to this Agreement warrant that they are not relying on any such agreement, contract, representation or statement as a reason for entering this Agreement. Any modification of this Agreement shall be void unless it is in writing and signed by all the Parties.

15.14 **No major Federal action**. Pursuant to section 203(c)(2) of the Act, the United States' execution of this Agreement shall not be considered a major Federal action under the National Environmental Policy Act. The Secretary shall carry out all necessary environmental compliance required by federal law in implementing this Agreement.

15.15 [Intentionally not used].

15.16 **No admission by UV Signatories**. By entering this Agreement, the UV Signatories are not admitting and hereby deny that water Pumped in the UV constitutes appropriable subflow or that such Pumping, absent this Agreement, would violate the Globe Equity Decree. Further, the UV Signatories hereby assert that such Pumped water does not constitute appropriable subflow and that such Pumping, absent this

Agreement, would not be subject to objection by the Community, the San Carlos Irrigation and Drainage District or the United States.

15.17 **No admission by the Community, the San Carlos Irrigation and Drainage District or the United States**. By entering this Agreement, the Community, the San Carlos Irrigation and Drainage District and the United States are not admitting and hereby deny that water Pumped in the UV does not constitute appropriable subflow or that such Pumping, absent this Agreement, would not violate the Globe Equity Decree. Further, the Community, the San Carlos Irrigation and Drainage District and the United States on behalf of both hereby assert that such Pumped water does constitute appropriable subflow and that such Pumping, absent this Agreement, would be subject to objection by the Community, the San Carlos Irrigation and Drainage District or the United States.

15.18 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

15.19 **No construction in favor of any Party**. All Parties have been represented by attorneys in connection with the preparation of this Agreement and as such, this Agreement shall not be construed in favor of any Party or against any Party.

15.20 **Right to object**. Except as expressly provided for in this Agreement and to the limited extent provided by subparagraph 26.8.2.10.4 of the Settlement Agreement, nothing in this Agreement or the Settlement Agreement shall be construed to prohibit, or in any way limit, the UVDs, UV Signatories or UV Non-signatories from objecting to, opposing, or placing conditions on any severance, transfer, change of use,

confirmation of rights or exchange of the waters of the Gila River, whether or not such water is stored in the San Carlos Reservoir.

A failure to call pursuant to any provision of the Settlement Agreement or the exhibits thereto by the Community, the San Carlos Irrigation and Drainage District or the United States shall not serve as a defense against any call against any other water user, including but not limited to UV Signatories or UV Non-signatories, at or upstream of Ashurst-Hayden Diversion Dam. Except as provided in subparagraph 26.8.2.10.4 of the Settlement Agreement, no person or entity shall be bound by any agreement contained in any exhibit to the Settlement Agreement unless such person or entity is a party to such agreement. Nothing in this Agreement or in paragraph 10.0 of the Settlement Agreement shall be construed as binding the UVDs, UV Signatories or UV Non-signatories as to any agreement not to call or agreement regarding priority of rights to the waters of the Gila River; provided that nothing in this Subparagraph 15.20 shall be construed as rendering inapplicable any term, condition, limitation, requirement or provision of this Agreement to a UV Signatory or UV Non-signatory.

Notwithstanding the provisions of the preceding paragraph, if the Secretary, in accordance with Subarticle 52.2 of attachment 6.2 to the Community/District Agreement, (exhibit 20.1 of the Settlement Agreement) (and only for the purposes of maintaining the volume of a permanent pool for fish and wildlife purposes), exchanges up to eight thousand (8,000) AFY of Conserved Water (as that term is defined in the Community/District Agreement) to the San Carlos Reservoir, the UVDs, UV Signatories, Other UV Signatories and UV Non-signatories shall not object to such exchange or the carryover of such exchanged water; provided, however, that such

exchange must be from Stored Water or, to the extent, and only to the extent, Stored Water is not available, from Project Natural Flow water (as those terms are defined in the Community/District Agreement). To the extent the water exchanged to the San Carlos Reservoir, after deductions for losses, remains stored in the San Carlos Reservoir in Years after the Year of such exchange, the water exchanged shall not form the basis of an apportionment under article VIII of the Globe Equity Decree in such Years after the Year of such exchange.

15.21 **Effect of dissolution of UV Irrigation Districts**. In the event that either the Franklin Irrigation District or the Gila Valley Irrigation District is legally dissolved, does not and is unable to perform its obligations under this Agreement, or otherwise ceases to operate or function in the capacity in which they have executed this Agreement, this Agreement shall automatically terminate and be of no further force or effect, with no further action required by the Community, the San Carlos Irrigation and Drainage District or the United States on behalf of either, as to any and all lands located within or otherwise served by the irrigation district in question, unless there is a successor in interest to said irrigation district that expressly assumes the obligations, undertakings, duties and responsibilities set forth in this Agreement.

15.22 **Effect of dissolution of Sunset Ditch Company or NM New Model Community Ditch Association**. In the event that either the Sunset Ditch Company or the NM New Model Community Ditch Association is legally dissolved, does not and is unable to perform its obligations under this Agreement, or otherwise ceases to operate or function in the capacity in which they have executed this Agreement, this Agreement shall automatically terminate and be of no further force or effect, with no further action

required by the Community, the San Carlos Irrigation and Drainage District or the United States on behalf of either, as to any and all lands served by the canal company in question, unless there is a successor in interest to said canal company that expressly assumes the obligations, undertakings, duties and responsibilities set forth in this Agreement.

15.23 **Notice of change in UV Irrigation District boundaries**. The UV Irrigation Districts shall provide timely notice to the Community, the San Carlos Irrigation and Drainage District and the United States of any application or other action by either entity that could result in a modification, change or revision of the boundaries or service area of either irrigation district.

15.24 **Notice of change in canal companies' service areas**. The Sunset Ditch Company and the NM New Model Community Ditch Association shall provide timely notice to the Community, the San Carlos Irrigation and Drainage District and the United States of any application or other action by either entity that could result in a modification, change or revision of the boundaries or service area of either canal company.

15.25 **Agreement not to object to the NM Consumptive Use and Forbearance Agreement**. No UV Signatory and no UV Non-signatory shall object to the approval of the NM Consumptive Use and Forbearance Agreement in any judicial or legislative proceeding in which such approval is sought. Filing of an objection in any such proceeding considering the approval of any of these agreements shall be an act Not in Compliance with this Agreement.

15.26 **Agreement not to object to diversions in compliance with Attachment 2.38, the Terms of New Mexico Diversion**. In the event the Secretary as Authorized Diverter begins diversions of water from the Gila River and San Francisco River and their respective tributaries pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement, no UV Signatory and no UV Non-signatory, in their capacities as owners of UV Decreed Water Rights, shall object to diversions made by the Secretary as Authorized Diverter in full compliance with the NM Consumptive Use and Forbearance Exchange Agreement. Filing of such an objection in any court proceeding shall be an act Not in Compliance with this Agreement. The NM CAP Entity is a third party beneficiary of this Subparagraph 15.26 and may enforce this Subparagraph 15.26 in such capacity.

15.27 **No amendment of provisions**. The Parties shall not amend any provision of this Agreement of which the NM CAP Entity is a third-party beneficiary, including without limitation Subparagraphs 15.10, 15.25, 15.26, 15.27, Attachment 2.18D and Attachment 2.38, without consent from the NM CAP Entity.

15.28 **Agreement not to object to Settlement Agreement**. No UV Signatory and no UV Non-signatory shall object to the approval of the Settlement Agreement in any judicial or legislative proceeding in which such approval is sought. Filing of such an objection in any such proceeding considering the approval of the Settlement Agreement shall be an act Not in Compliance with this Agreement.

15.29 In the event the Secretary enters into the NM Unit Agreement and water is diverted for or by the NM Unit pursuant to the NM Consumptive Use and Forbearance

Agreement, then the priority year, regulation year(s), and apportionment rights under the Globe Equity Decree shall be determined in accordance with Attachment 2.18C.

15.30 A failure to call by the Community, the San Carlos Irrigation and Drainage District or the United States pursuant to any provision of this Agreement, or any provision or exhibit of the Settlement Agreement, shall not serve as a defense against any call against any other water user at or upstream of the Ashurst-Hayden Diversion Dam.

15.31 Phelps Dodge is a Party to this Agreement and is bound by the terms hereof solely with respect to its lands and water rights described in the table of priorities (as amended) in article V of the Globe Equity Decree and by the Terms of New Mexico Diversions set forth in Attachment 2.38 insofar as that Attachment sets forth Phelps Dodge's agreement not to object to diversions by the Secretary as Authorized Diverter for the NM Unit on the San Francisco River in New Mexico that are made in accordance with Attachment 2.38. This Agreement shall not affect, alter or diminish Phelps Dodge's rights to Divert water of any character from the Gila River for lands not described in the table of priorities (as amended) in article V of the Globe Equity Decree. Phelps Dodge's execution of this Agreement is solely in its capacity as an owner of lands and water rights described in the table of priorities (as amended) in article V of the Globe Equity Decree and in no other capacity. By executing this Agreement, Phelps Dodge does not submit its water rights or water rights claims in Arizona or New Mexico for lands not described in the table of priorities (as amended) in article V of the Globe Equity Decree to the jurisdiction of the Globe Equity Enforcement Court or

consent to the exercise of the Globe Equity Enforcement Court of any jurisdiction over such rights.

15.31.1 Nothing in this Agreement shall prohibit Phelps Dodge from effecting an exchange of CAP water for water from the Gila River for use in Arizona by Phelps Dodge; provided that any such exchange shall be junior in priority to the rights of the Secretary as Authorized Diverter under the NM Consumptive Use and Forbearance Agreement; provided further that nothing in this Agreement shall preclude any Party or any UV Non-signatory from objecting to such exchange on any ground in any forum in which such objection could be heard except on the grounds the exchanges violate this Agreement.

15.32 **Service of process**. Service of process shall be by Certified U.S. Mail, as provided under Federal Rules of Procedure 4(d), using the addresses specified in Subparagraph 15.33 regarding notices.

15.33 **Notices**. Any notice to be given or payment to be made under this Agreement shall be properly given or made when received or when deposited in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed as follows, or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Subparagraph 15.33. Notice or payment shall be deemed to have been received at the earlier of: (a) actual delivery or (b) the first business day that is at least four (4) calendar days after the notice or payment has been deposited in the United States mails in accordance with this Subparagraph 15.33:

(a) As to the United States:

The Secretary of the Interior
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Regional Director
Southwest Regional Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

(b) As to the Community:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the District:

San Carlos Irrigation and Drainage District
P. O. Box 218
Coolidge, Arizona 85228
Attn: General Manager and General Counsel

(d) As to the Gila Valley Irrigation District:

Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546
Attn: General Manager

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(e) As to the Franklin Irrigation District:

Franklin Irrigation District
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546
Attn: General Manager, Franklin Irrigation District

With a copy to:
David A. Brown
Michael J. Brown
Brown & Brown Law Offices, P.C.
P. O. Box 3128
Pinetop, AZ 85935

(f) As to Phelps Dodge Corporation:

Phelps Dodge Corporation
General Counsel
1 North Central Avenue
Phoenix, Arizona 85004

With a copy to:
Cindy Chandley
Ryley Carlock And Applewhite
One North Central Ave Suite 1200
Phoenix, AZ 85004-4417

(g) As to Brown Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(h) As to Curtis Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(i) As to Dodge-Nevada Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(j) As to Fort Thomas Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(k) As to Graham Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(l) As to Highline Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(m) As to Montezuma Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(n) As to San Jose Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(o) As to Smithville Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(p) As to Union Canal Company:

c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

With a copy to:
L. Anthony Fines
Law Office of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson, AZ 85701

(q) As to Sunset Ditch Company

Sunset Ditch Company
Attn: Kent Clouse
Rt. 1
Box 154
Duncan, Arizona 85534

With a copy to:

Pete V. Domenici, Jr., Esq.
Lorraine Hollingsworth, Esq.
Domenici Law Firm, P.C.

320 Gold SW Suite 1000
Albuquerque, New Mexico 87102

(r) As to NM New Model Community Ditch Association

New Model Community Ditch Association
Attn: Scott Lovett
Rt. 1
Box 378
Duncan, AZ 85534

With a copy to:

Pete V. Domenici, Jr., Esq.
Lorraine Hollingsworth, Esq.
Domenici Law Firm, P.C.
320 Gold SW Suite 1000
Albuquerque, New Mexico 87102

(s) As to Valley Canal Company

Valley Canal Company
Route 1
Box 54
Duncan, AZ 85344

(t) As to Other UV Signatories (not included above) and Non-UV Signatories, the mailing address included in their most recent TBI Form filed with the Water Commissioner, or for owners of Special Hot Lands, the address of ownership for such parcel as shown on either the records maintained by the County Recorder or the transfer application submitted pursuant to Subparagraph 2.32.

16.0 APPROVAL, CONSENT AND RATIFICATION

Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year signed below:

GILA RIVER INDIAN COMMUNITY

By:_____
Its:_____
Dated:_____

Approved as to Form:_____
Its:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By:_____
Its:_____
Dated:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

FRANKLIN IRRIGATION DISTRICT

By:_____
Its:_____
Dated:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the Franklin Irrigation District.

_____
Notary Public

My commission expires:
_____

GILA VALLEY IRRIGATION DISTRICT

By:_____
Its:_____
Dated:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the Gila Valley Irrigation District.

_____
Notary Public

My commission expires:
_____

PHELPS DODGE CORPORATION

By:_____
Its:_____
Dated:_____

Approved as to Form:_____
Counsel for the Phelps Dodge Corporation

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of Phelps Dodge Corporation.

_____
Notary Public

My commission expires:
_____

This Agreement is approved pursuant to the Act, and, to the extent applicable, 25 U.S.C. § 81.

THE UNITED STATES OF AMERICA

By:_____
Secretary of the Interior
Dated:_____

BROWN CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Brown Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

CURTIS CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Curtis Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

DODGE-NEVADA CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Dodge-Nevada Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

FORT THOMAS CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Fort Thomas Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

GRAHAM CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Graham Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

HIGHLINE CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Highline Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

MONTEZUMA CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Montezuma Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

SAN JOSE CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of San Jose Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

SMITHVILLE CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Smithville Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

UNION CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Union Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

FOURNESS CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, landowner of land served by the Fourness Canal Company, in the capacity as owner of such land by not otherwise.

_____
Notary Public

My commission expires:
_____

SUNSET CANAL

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Sunset Canal, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

NEW MODEL CANAL

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of New Model Canal, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

COLVIN-JONES CANAL COMPANY

If an owner of land served by the Colvin-Jones Canal Company has not executed this Agreement and Attachment 4.7 by the Enforceability Date, such owner with respect to such land, for all purposes of the Agreement including all of its Attachments (including specifically paragraph 10 of Attachment 4.2), shall be deemed to be a Major YV Landowner who has not signed the Agreement and such land, for all purposes of the Agreement including all of its Attachments, shall be considered York Valley Lands and not part of the Gila Valley Irrigation District.

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 200_ by _____, landowner of land served by the Colvin-Jones Canal Company, in the capacity as owner of such land by not otherwise.

_____
Notary Public

My commission expires:
_____

SUNSET DITCH COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Sunset Ditch Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

NM NEW MODEL COMMUNITY DITCH ASSOCIATION

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of NM New Model Community Ditch Association, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

VALLEY CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Valley Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

FORM OF SIGNATURE FOR MAJOR YV FARMERS AND OWNERS OF SPECIAL HOT LANDS

Individual

_____
Printed Name:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____.

_____
Notary Public

My commission expires:
_____

Corporate

_____, an Arizona (corporation/partnership/ sole proprietorship/ limited liability company)

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of _____, an Arizona (corporation/partnership/sole proprietorship/limited liability company), on behalf of the (corporation/partnership/sole proprietorship/limited liability company).

_____
Notary Public

My commission expires:
_____

ATTACHMENT 2.7

MAP DEPICTING LOCATIONS OF CANAL COMPANIES' CANAL SYSTEMS, INCLUDING THOSE SYSTEMS SERVING THE YORK VALLEY LANDS

The canals shown on this Attachment 2.7 are for illustrative purposes only.

ATTACHMENT 2.18C

NM PRIORITY AND APPORTIONMENT TERMS

A. <u>Definitions</u>.

Capitalized terms in this Attachment that are not expressly defined herein shall have the same meaning as in the Agreement. The following terms shall have the following meanings when capitalized in this Attachment. In the event of a conflict, the definition in this Attachment shall control for purposes of interpreting this Attachment.

1. "Call System" means that procedure approved by the Globe Equity Enforcement Court in the order issued on March 10, 1999, or any procedure subsequently approved by the Globe Equity Enforcement Court for the same purpose.

2. "Diversion Deficit" has the meaning set forth in sub-term 1.2 of Attachment 2.18D (NM Risk Allocation Terms).

3. "Diversion Point" means a Diversion point identified in the table of priorities in article V (as amended) of the Globe Equity Decree, and or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

4. "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

5. "GX" means the Diversion point or points on the mainstem of the Gila River in New Mexico upstream from all Diversion Points, except the Diversion Points of the unset Ditch Company and the NM New Model Community Ditch Association, at which Diversion point or points the Secretary as Authorized Diverter may Divert surface water from the mainstem of the Gila River in accordance with the NM Consumptive Use and Forbearance Agreement, which Diversion point or points the Secretary as Authorized Diverter must identify before water may be Diverted from the Gila River. Such Diversion point or points must also be upstream from any point of measurement used for computing consumptive use pursuant to Article VIII of the Globe Equity Decree unless the Water Commissioner, when computing such consumptive use, subtracts from such measured flows at the upstream point of measurement the flows Diverted by the Secretary as Authorized Diverter below such point of measurement.

6. "NM Diversion Day" means a calendar day during which the Secretary as Authorized Diverter Diverts water pursuant to the NM Consumptive Use and Forbearance Agreement.

7. "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacity as

the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity."

8. "Normal Apportionment Account" means the account used to account for apportionments calculated pursuant to article VIII of the Globe Equity Decree.

9. "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

10. "Sub-term" means a sub-term of this Attachment.

11. "SY" means the Diversion point located upstream from the Arizona/New Mexico boundary at which the Secretary as Authorized Diverter may Divert surface water from the mainstem of the San Francisco River in accordance with the NM Consumptive Use and Forbearance Agreement, which point the Secretary as Authorized Diverter must identify before water may be Diverted from the San Francisco River.

12. "Term" means a term of this Attachment.

13. "UVD New Mexico Apportionment Account" means the apportionment account used to account for certain additional apportionments as determined pursuant to Sub-term 3.1.

14. "UVD NM Risk Allocation Apportionment Account" means the apportionment account used to account for certain additional apportionments as determined pursuant to Sub-term 3.2.

B. <u>Terms</u>.

1. The following Terms shall govern the calculations of apportionments and the determination of priority diversion rights with reference to the Globe Equity Decree.

2. When the Secretary as Authorized Diverter Diverts water pursuant to this Agreement on NM Diversion Day, the priority year and regulation years under the Call System shall be adjusted as follows:

2.1 The amount Diverted by the Secretary as Authorized Diverter, if any, from the Gila River at GX shall be added on the day following the NM Diversion Day to the measured flow at gage No. USGS 09432000 (or replacement gage) located on the Gila River Below Blue Creek, near Virden.

2.2 The amount Diverted by the Secretary as Authorized Diverter, if any, from the San Francisco River at SY shall be added on the day following the NM Diversion Day to the measured flow at gage No. USGS 09444500 (or replacement gage) located on the San Francisco River at Clifton, Arizona.

2.3 The priority year under the Call System, for a run of water, shall be determined after the additions provided by Sub-terms 2.1 and 2.2 of this Attachment. All parties with Diversion Points upstream from Ashurst-Hayden Diversion Dam shall be entitled to divert water in accordance with such priority year, subject however to Sub-term 2.4 of this Attachment, when apportionment rights are being exercised. The additions provided by Sub-terms 2.1 and 2.2 of this Attachment, however, shall not be considered when determining gains and losses in connection with the Call System.

2.4 When the UVDs (and the Canal Companies) are exercising apportionment rights, the "regulation year(s)" under the Call System, regardless of the locations of their Diversion Points, shall be calculated based on the amount of water actually available for diversion. The regulation year(s) for parties with Diversion Points upstream from the Ashurst-Hayden Diversion Dam shall not be adjusted to a more junior regulation year due to the fact that parties with Diversion Points at or downstream from the Ashurst-Hayden Diversion Dam may have less available water as a result of the water Diverted by the Secretary as Authorized Diverter.

2.5 The time lags in Sub-terms 2.1 and 2.2 of this Attachment assume that GX is located in the vicinity of Red Rock, New Mexico and that SY is located in New Mexico close to the Arizona border. If GX and/or SY are located at other locations or if, as provided by the NM Consumptive Use and Forbearance Agreement, the Secretary as Authorized Diverter Diverts from additional locations, the time lags shall be adjusted by the unanimous decision of the settlement technical committee established pursuant to subparagraph 14.1.of the Agreement to the nearest one-day increment. If such settlement technical committee is unable to agree on the time lags, any Party with a technical representative on such settlement technical committee may submit the unresolved issue to binding arbitration pursuant to the procedures set forth in subparagraph 12.1 of the Agreement. If the time lags are determined by the Water Commissioner and the decisions of the Water Commissioner are not subject to review by arbitration, then time lags as determined by the Water Commissioner shall be subject to review by the Globe Equity Enforcement Court just as all other decisions of the Water Commissioner are subject to such review.

3. The apportionments calculated under article VIII of the Globe Equity Decree shall be supplemented with additional apportionments as set forth below, with such additional apportionments to be accounted for in either the UVD New Mexico Apportionment Account pursuant to Sub-term 3.1 below or the UVD NM Risk Allocation Apportionment Account pursuant to Sub-term 3.2 below.

3.1 **<u>UVD New Mexico Apportionment Account</u>**.

(a) As of 12:01 a.m. on January 1 of each Year, the apportionment rights in the UVD New Mexico Apportionment Account shall be ten thousand (10,000) acre feet, plus those apportionment rights that have accrued in the UVD New Mexico Apportionment Account during the final three months of the previous Year that are still in such account as of 11:59 p.m. on December 31 of the previous Year.

(b) If, during any Year, the Secretary as Authorized Diverter Diverts more than ten thousand (10,000) acre-feet, one (1) acre foot credit for each acre foot of Diversion during such Year in excess of ten thousand (10,000) acre-feet shall be added to the UVD New Mexico Apportionment Account.

(c) The apportionment rights in the UVD New Mexico Apportionment Account are supplemental to and shall be accounted for separately from the apportionment rights of the Normal Apportionment Account and the UVD NM Risk Allocation Apportionment Account. Subject to Sub-terms 3.3 and 3.4, the apportionment rights in the UVD New Mexico Apportionment Account shall be available for use by the UVDs (and the Canal Companies) and distributed in the same manner that the Normal Apportionment Account is distributed and available for use.

3.2 **<u>UVD NM Risk Allocation Apportionment Account</u>**.

(a) As of 12:01 a.m. on January 1 of each Year, the apportionment rights in the UVD NM Risk Allocation Apportionment Account shall be the amount in the UVD NM Risk Allocation Apportionment Account as of 11:59 p.m. on December 31 of the previous Year, but not more than the number of TBI Eligible Acres as of such January 1 multiplied by four (4).

(b) If at any time the UVDs (and the Canal Companies) suffer a Diversion Deficit, the amount of such Diversion Deficit shall be added to the UVD NM Risk Allocation Apportionment Account.

(c) The apportionment rights in the UVD NM Risk Allocation Apportionment Account are supplemental to and shall be accounted for separately from the apportionment rights of the Normal Apportionment Account and the UVD New Mexico Apportionment Account. Subject to Sub-terms 3.3 and 3.4, the apportionment rights in the UVD NM Risk Allocation Apportionment Account shall be available for use by the UVDs (and the Canal Companies) and distributed in the same manner that the Normal Apportionment Account is distributed and available for use.

3.3 When the UVDs (and the Canal Companies) divert on apportionment and have rights in their Normal Apportionment Account, unless they advise the Impartial Administrator otherwise, they shall be deemed to be diverting against their Normal Apportionment Account and such account shall be reduced accordingly. After the Normal Apportionment Account has been exhausted, when the UVDs (and the Canal Companies) divert on apportionment, they shall be deemed to be diverting against their UVD New Mexico Apportionment Account and such account shall be reduced accordingly. After the UVD New Mexico Apportionment Account has been exhausted, when the UVDs (and the Canal Companies) divert on apportionment, they shall be deemed to be diverting against their UVD NM Risk Allocation Apportionment Account and such account shall be reduced accordingly. When the UVDs (and the Canal Companies) divert based the UVD New Mexico Apportionment Account or the UVD NM Risk Allocation Apportionment Account, their diversions shall be "in disregard of the …

prior rights of the plaintiff" to same extent their diversions under article VIII(2) of the Globe Equity Decree are "in disregard of the … prior rights of the plaintiff."

3.4 The apportionment rights in the UVD New Mexico Apportionment Account and the UVD NM Risk Allocation Account shall not be subject to deductions for evaporation, seepage, transit losses, or other losses.

3.5 Other parties to the Globe Equity Decree who have apportionment rights based on the UVDs' apportionment rights shall also have apportionment rights based on apportionment rights in the UVD New Mexico Apportionment Account and the UVD NM Risk Allocation Apportionment Account.

4. To the extent the Water Commissioner does not or will not administer the UVD New Mexico Apportionment Account or the UVD NM Risk Allocation Apportionment Account as provided by this Attachment 2.18C, the Settlement Technical Committee established pursuant to subparagraph 14.1 of the Agreement shall adopt methodologies for implementing this Attachment 2.18C. The Impartial Administrator selected pursuant to Subparagraph 2.16.of the Agreement shall administer such methodologies and the Parties shall adjust their Calls in conformity with such methodologies. If the Settlement Technical Committee is unable to unanimously agree on the methodologies, any Party with a technical representative on the Settlement Technical Committee may submit the unresolved issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1 of the Agreement.

ATTACHMENT 2.18D

NM RISK ALLOCATION TERMS

The Terms of this Attachment 2.18D shall not become effective until Additional Arizona Rights are determined and Calls are made by the holder or holders of such rights to meet any Additional Arizona Daily Demand and shall apply only on those days that there is a New Mexico Diversion.

A. Definitions.

Capitalized terms in this Attachment that are not expressly defined herein shall have the same meaning as in the Agreement. The following terms shall have the following meanings when capitalized in this Attachment. In the event of a conflict, the definition in this Attachment shall control for purposes of interpreting this Attachment.

1. "Additional Arizona Daily Demand" means the daily demand of the Additional Arizona Rights as provided by sub-term 1.3 of Attachment 2.38 (Terms of New Mexico Diversions).

2. "Additional Arizona Rights" means the additional Arizona rights to waters of the Gila River and the San Francisco River that satisfy the conditions stated in sub-term 1.2 of Attachment 2.38 (Terms of New Mexico Diversions).

3. "Call" or "Calls" when used in this Attachment 2.18D means diversions of water made in accordance with a court decree or order pursuant to a decree.

4. "Call System" means that procedure approved by the Globe Equity Enforcement Court in the order issued on March 10, 1999, or any procedure subsequently approved by the Globe Equity Enforcement Court for the same purpose.

5. "Diversion Deficit" means the deficit suffered by the UVDs (and the Canal Companies) determined pursuant to and in accordance with Sub-term 1.2.

6. "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

7. "New Mexico" means the State of New Mexico and its designees.

8. "New Mexico Diversion" means a Diversion by the Secretary as Authorized Diverter on any given NM Diversion Day pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement.

9. "New Mexico Share" means the Secretary as Authorized Diverter's share of the Additional Arizona Daily Demand determined in accordance with sub-term 1.4 of Attachment 2.38 (Terms of New Mexico Diversions).

10. NM Daily Diversion Right" means the amount of water that the Secretary as Authorized Diverter may Divert determined in accordance with Term 1 of Attachment 2.38 (Terms of New Mexico Diversions).

11. "NM Diversion Day" means a calendar day during which the Secretary as Authorized Diverter Diverts water pursuant to the NM Consumptive Use and Forbearance Agreement.

12. "NM Unit" means the unit or units of the Central Arizona Project in New Mexico to be designed, constructed, operated and maintained by or under the authority of the Secretary as NM Unit, or as transferred consistent with the terms of the NM Unit Agreement, pursuant to sections 301(a)(4) and 304 of the Colorado River Basin Project Act, to Consumptively Use water from the Gila River and San Francisco River.

13. "Parties" shall be the entities that execute the NM Consumptive Use and Forbearance Agreement.

14. "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

15. "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity.

16. "Sub-term" shall be a sub-term of this Attachment.

17. "Term" shall be a term of this Attachment.

18. "UVD NM Apportionment Account" means the apportionment account used to account for certain additional apportionments as determined pursuant to term 3 of Attachment 2.18C (NM Priority and Apportionment Terms) that are in addition to the apportionments calculated under article VIII of the Globe Equity Decree.

19. "UVD Surface Diversions" means the Diversions the UVDs (and the Canal Companies) may make in accordance with the Globe Equity Decree with the Diversion devices identified in the table of priorities article V (as amended) of the Globe Equity Decree, and/or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

B. <u>Terms</u>.

1. If, with respect to a run of water under the Call System, as a result of the Additional Arizona Daily Demand on a given NM Diversion Day, the UVD Surface Diversions will be less than they would have been if the New Mexico Diversion had not occurred, the following will apply:

1.1. The Community and the San Carlos Irrigation and Drainage District (and the United States on behalf of each) shall reduce their Calls for SCIP lands with respect to such run of water to the extent possible and necessary so that the UVD Surface Diversions will be the same under the Call System that they would be if there had been no New Mexico Diversion and no obligation to (a) reduce Calls as required by Term 4, (b) limit Calls as required by Sub-term 1.5 and Term 4, and (c) adjust the priority–year as required by Attachment 2.18C, NM Priority and Apportionment Terms).

1.2. If with respect to such run of water, after the reductions in Calls by the Community and the San Carlos Irrigation and Drainage District (and the United States on behalf of each) as provided in Term 1.1 above, the UVD Surface Diversions are less than they would have been under the Call System if the New Mexico Diversion had not occurred, the UVDs (and the Canal Companies) will be deemed to have suffered a Diversion Deficit.

1.3. The amount of the Diversion Deficit shall be calculated as:

(a) the amount the UVD Surface Diversions would have been under the Call System if there had been no New Mexico Diversion and no obligation to (a) reduce Calls as required by Term 4, (b) limit Calls as required by Sub-term 1.5 and Term 4, and (c) adjust the priority year as required by Attachment 2.18C (NM Priority and Apportionment Terms), minus

(b) the actual amount of the UVD Surface Diversions on such NM Diversion Day.

1.4. The UVDs (including the Canal Companies) shall receive one (1) acre foot additional apportionment for each one (1) acre-foot of Diversion Deficit as calculated pursuant to Sub-term 1.3 above. Such additional apportionments shall be added to the UVD NM Apportionment Account for use in accordance with Attachment 2.18C **(**NM Priority and Apportionment Terms).

1.5. The Parties shall not attempt to prevent or limit legal Calls made pursuant to the Additional Arizona Rights or otherwise take any action to the extent preventing or limiting such Calls or taking such action would, directly or indirectly, result in the Secretary as Authorized Diverter not being able to Divert water from the Gila River and/or the San Francisco River in accordance with this Agreement. This Sub-term shall not prohibit the UV Irrigation Districts, the Canal Companies or the UVDs from Pumping water as otherwise

permitted by the UV Agreement, nor shall it prevent any Party from Pumping water in accordance with Arizona law outside the UV Impact Zone.

2. To the extent the Community, the District, or both (or the United States on behalf of both), suffer a reduction of Natural Flow diversions at Ashurst -Hayden Diversion Dam as a result of their reductions in Calls in accordance with Sub-term 1.1 of this Attachment 2.18D, they shall be permitted to buy NM CAP Water pursuant to Subparagraph 5.5 of the NM Consumptive Use and Forbearance Agreement.

3. If Project deliveries of Natural Flow at Ashurst-Hayden Diversion Dam are reduced in accordance with Sub-term 1.1, the reduction of Natural Flow shall be born solely by the Community, and the San Carlos Irrigation and Drainage District's deliveries of Natural Flow shall not be reduced. If the San Carlos Irrigation and Drainage District has purchased, banked and has water available from the NM CAP Risk Allocation Water Bank, up to a maximum of eighteen hundred (1,800) acre-feet per Year of the District's banked water shall be used to maintain the San Carlos Irrigation and Drainage District supply of Natural Flow, with the remainder being the responsibility of the Community. If Natural Flow is available to the Community, Community Natural Flow will be provided to the San Carlos Irrigation and Drainage District to meet the Community's water delivery obligation under this Sub-term. If Community Natural Flow is inadequate, the Community shall provide the San Carlos Irrigation and Drainage District with Project Stored Water, CAP water, or both, to meet the Community's water delivery obligation of this Sub-term. Water provided by the Community pursuant to this Sub-term shall be delivered to the San Carlos Irrigation and Drainage District on a schedule that is comparable to the schedule of water delivery that would have occurred had the provisions of Sub-term 1.1 not existed.

4. Provided the Secretary as Authorized Diverter is Diverting pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement, the UV Non-signatories, the Other UV Signatories, the UVDs (to the extent that they are bound by the Agreement), the UV Irrigation Districts, the Canal Companies, the Community, the District, and the United States, consistent with the requirements of Sub-term 1.1, shall reduce their Calls for water diversions from the surface of the Gila River pursuant to the Globe Equity Decree with the diversion devices identified in the table of priorities in article V (as amended) of the Globe Equity Decree, and/or their replacements, whether or not now existing and whether or not shared by one or more Canal Company, to the extent necessary and possible so that the Calls of the Additional Arizona Rights are satisfied. To the extent any UVD seeks to make a Call that would be inconsistent with the previous sentence, such UVD shall be acting "Not in Compliance with this Agreement and the UV Irrigation Districts and the Canal Companies shall not place such Call on behalf of such UVD.

5. When the following conditions are satisfied, the UV Non-signatories, Other UV Signatories, UVDs to the extent that they are bound by this Agreement, the UV Irrigation Districts and the Canal Companies shall take the actions required by Sub-term 5.2:

5.1.1. The Secretary as Authorized Diverter is complying with the Terms of New Mexico Diversions Attachment 2.38 (Exhibit 2.47 to the NM Consumptive Use and

Forbearance Agreement) and Paragraphs 4 and 9 of the NM Consumptive Use and Forbearance Agreement.

5.1.2. On any day that follows a NM Diversion Day by two days, after the reduction in Calls provided by Sub-term 1.1, the quantity of water in the Gila River will be insufficient to satisfy the Additional Arizona Daily Demand, any Calls made by or on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree (and in compliance with the other provisions of the Globe Equity Decree) (hereinafter referred to in this Term 5 as "SCAT Calls"), or both.

5.2. Provided the conditions in Sub-terms 5.1.1 and 5.1.2 are satisfied, the UV Non-signatories, Other UV Signatories, UVDs to the extent that they are bound by this Agreement or the UV Agreement, the UV Irrigation Districts and the Canal Companies shall:

5.2.1. Take whatever actions using existing irrigation works (including pumping facilities) and such other facilities that may be practicably developed so as to ensure that the quantity of water flowing in the Gila River is sufficient to satisfy the Additional Arizona Daily Demand and to meet the SCAT Calls. With respect to the SCAT Calls, the UV Non-signatories, Other UV Signatories, the UVDs to the extent that they are bound by this Agreement, the UV Irrigation Districts and the Canal Companies may comply with this Term 5, in whole or in part, by delivering water to the San Carlos Apache Tribe in a pipeline, canal, the bed of the Gila River, or other delivery facility.

5.2.2. Bypass all additional amounts of water to the extent required by the Water Quality Injunction entered by the Globe Equity Enforcement Court on or about May 28, 1996 (as amended), except to the extent relieved of such requirement by the Globe Equity Enforcement Court.

5.3. This Term shall not require the UV Non-signatories, Other UV Signatories, UVDs to the extent that they are bound by this Agreement, the UV Irrigation Districts, or the Canal Companies to stop or limit the Pumping of water as otherwise permitted by the UV Agreement, nor shall it prevent any Party from Pumping water in accordance with Arizona law outside the UV Impact Zone; provided, however, that this Sub-term shall not preclude Pumping into a pipeline, canal, the bed of the Gila River, or other delivery facility as is necessary to comply with the obligations of Sub-terms 5.2.1 and 5.2.2. None of the provisions of this Term 5 shall require Phelps Dodge to reduce any of the diversions referred to in sub-terms 1.9.3.1 through 1.9.3.4 of Attachment 2.38.

5.4. To the extent that any UVD seeks to make a Call that would be inconsistent with this Term 5, such UVD shall be acting "Not in Compliance with this Agreement" and UV Irrigation Districts and the Canal Companies shall not place such Call on behalf of such UVD.

5.5. Taking any action to comply with this Term 5, including Pumping, by any UV Non-signatory, Other UV Signatory, any UVD, the UV Irrigation Districts, or the Canal Companies shall not be an act Not in Compliance with this Agreement, provided that such

Pumping or other actions do not cause the limits of Subparagraph 6.2 to be exceeded, except to the extent provided by Subparagraph 5.7.1. To the extent the limits of Subparagraph 6.2 are exceeded due to such Pumping or actions, any and all remedies available, including mitigation, will be available as provided by the Agreement.

ATTACHMENT 2.37.1

AVERAGE TBI ACRES REPORTED TO THE WATER COMMISSIONER

1997-2001

	1997	1998	1999	2000	2001	Monthly Average
January		25,307.23	14,891.34	32,487.41	32,449.90	26,283.97
February		32,626.74	33,382.21	33,061.09	32,709.99	32,945.01
March		33,460.80	33,843.24	33,816.96	32,728.19	33,462.30
April		34,059.58	34,186.79	33,816.96	32,943.29	33,751.66
May	34,291.10	34,169.52	34,186.79	33,813.50	33,484.80	33,989.14
June	34,342.26	34,212.99	34,186.79	33,828.50	33,498.80	34,013.87
July	34,345.72	34,218.74	34,188.99	33,828.50	33,503.70	34,017.13
August	34,345.72	34,159.62	34,188.99	33,753.80	33,486.71	33,986.97
September	34,349.30	34,159.62	34,202.99	33,579.97	33,453.93	33,949.16
October	34,612.60	34,159.62	34,151.34	33,580.22	33,453.93	33,991.54
November	34,612.60	34,159.62	34,202.99	33,586.22	33,453.93	34,003.07
December	34,494.77	34,159.62	34,186.39	33,586.22	33,453.93	33,976.19

Average TBI Acres as reported to the Water Commissioner, 1997-2001, is 33,976.19.

ATTACHMENT 2.38

TERMS OF NEW MEXICO DIVERSIONS

A. Definitions.

Capitalized terms in this Attachment that are not expressly defined herein shall have the same meaning as in the NM Consumptive Use and Forbearance Agreement. The following terms shall have the following meanings when capitalized in this Attachment. In the event of a conflict, the definition in this Attachment shall control for purposes of interpreting this Attachment.

1. "Additional Arizona Daily Demand" means the daily demand of the Additional Arizona Rights as provided by Sub-term 1.3.

2. "Additional Arizona Rights" means the additional Arizona rights to waters of the Gila River and the San Francisco River that satisfy the conditions stated in Sub-term 1.2.

3. "Calls" when used in Sub-term 1.3 means diversions of water made in accordance with a court decree or order pursuant to a decree.

4. "Daily Diversion Basis" is the basis for determining the NM Daily Diversion Right determined in accordance with Sub-term 1.5.

5. "Diversion Point" means a diversion point identified in the table of priorities that begins on page fourteen (14) of the Globe Equity Decree, and or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

6. "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

7. "GX" means the Diversion point or points on the mainstem of the Gila River in New Mexico upstream from all Diversion Points, except the Diversion Points of the Sunset Ditch Company and the NM New Model Community Ditch Association, at which Diversion point or points the Secretary as Authorized Diverter may Divert surface water from the mainstem of the Gila River in accordance with the NM Consumptive Use and Forbearance Agreement, which Diversion point or points the Secretary as Authorized Diverter must identify before water may be Diverted from the Gila River. Such Diversion point or points must also be upstream from any point of measurement used for computing consumptive use pursuant to Article VIII of the Globe Equity Decree unless the Water Commissioner, before computing such consumptive use, subtracts from such measured flows at the upstream point of measurement the flows Diverted by the Secretary as Authorized Diverter below such point of measurement.

8. "New Mexico" means the State of New Mexico and its designees.

9. "New Mexico Share" means the Secretary as Authorized Diverter's share of the Additional Arizona Daily Demand determined in accordance with Sub-term 1.4.

10. "New Mexico Interstate Stream Commission" means the agency of the State of New Mexico of that name, or any successor agency thereto.

11. "NM Daily Diversion Right" means the amount of water that the Secretary as Authorized Diverter may Divert determined in accordance with Term 1.

12. "NM Diversion Day" means a calendar day during which the Secretary as Authorized Diverter Diverts water pursuant to the NM Consumptive Use and Forbearance Agreement.

13. "NM Excess" means the portion of the waters flowing in the Gila River and San Francisco River from which the Secretary as Authorized Diverter may Divert water determined in accordance with Sub-term 1.6.

14. "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity.

15. "Parties" shall be the entities who execute the NM Consumptive Use and Forbearance Agreement."

16. "Secretary's Remote Diversion Points" means those Diversion points, located in New Mexico, at which the Secretary as Authorized Diverter, in accordance with the NM Consumptive Use and Forbearance Agreement, may Divert water from the Gila River, the San Francisco River, or both, regardless of whether the Diversions are from the surface waters of those rivers, as further provided in Sub-term 1.10.

17. "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

18. "Sub-term" shall be a sub-term of the Terms of New Mexico Diversion.

19. "Sum of the Available Flows" has the meaning set forth in Sub-term 1.6.

20. "SY" means the Diversion point or points located on the mainstem of the San Francisco River upstream from the Arizona/New Mexico boundary at which point or points the Secretary as Authorized Diverter may Divert surface water from the mainstem of the San Francisco River in accordance with the NM Consumptive Use and Forbearance

Agreement, which point or points the Secretary as Authorized Diverter must identify before water may be Diverted from the San Francisco River.

21. "Terms of New Mexico Diversion" shall be the terms, stated in section B of this Attachment, governing the conditions and requirements for the Secretary as Authorized Diverter's Diversions of water pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement. "Term" shall be one such term.

22. "Upper Valleys Daily Demand" means the daily demand in cubic feet per second ("CFS") of diversion rights pursuant to the Globe Equity Decree with Diversion Points upstream from the San Carlos Reservoir, including the daily demand of the San Carlos Apache Tribe, all as determined in accordance with Sub-term 1.1.

B. Terms.

1. The NM Daily Diversion Right on a NM Diversion Day shall be determined as follows:

1.1 The Upper Valleys Daily Demand shall, at the option of the Secretary as Authorized Diverter, be either the amount in the table in Sub-term 1.1.1 or the amount calculated in accordance with Sub-term 1.1.2.

1.1.1 Table of the Upper Valleys Daily Demand:

For NM Diversion Days in the month of:	Upper Valleys Daily Demand (CFS)
January	82.5
February 1-13 February 14-28/29	137.5 215
March	292.5
April	432.5
May	437.5
June	442.5
July	442.5
August	442.5
September	442.5
October	267.5

November	152.5
December	75.5

1.1.2 The Upper Valleys Daily Demand shall be the sum of the following calls, calculated as of 8:00 am Arizona time on the NM Diversion Day:

1.1.2.1 The call under the Globe Equity Decree for the Duncan-Virden Valley for the day following the NM Diversion Day; plus

1.1.2.2 The call under the Globe Equity Decree for the Safford Valley for the day two days following the NM Diversion Day; plus

1.1.2.3 The call under the Globe Equity Decree for the San Carlos Apache Tribe for the day two days following the NM Diversion Day.

1.2 The Additional Arizona Rights shall be all rights that satisfy all of the following conditions:

1.2.1 such rights must be to appropriable water of the Gila River and the San Francisco River in Arizona that have been adjudicated by a court decree;

1.2.2 such rights must not be rights that have been adjudicated by Globe Equity Decree as of the date of enactment of the Arizona Water Settlements Act;

1.2.3 such rights must not be the rights of Phelps Dodge to divert up to 3,000 acre feet of surface water in Arizona from the San Francisco River or Eagle Creek as described in Sub-terms 1.9.3.1 through 1.9.3.4.

1.2.4 the priority of such rights must be earlier than September 30, 1968; and,

1.2.5 the holders of such rights must, absent the provisions of the NM Consumptive Use and Forbearance Agreement, be in position, directly or indirectly, to require that the Secretary as Authorized Diverter not Divert water from the Gila River and/or San Francisco River at locations GX, SY, and the Secretary's Remote Diversion Points to the extent such Diversions by the Secretary as Authorized Diverter would interfere with such rights.

1.3 The additional Arizona daily demand (the "Additional Arizona Daily Demand") shall be the sum of the following calculated as of 8:00 am Arizona time on the NM Diversion Day:

1.3.1 The Calls for water made pursuant to the Additional Arizona Rights for the day following the NM Diversion Day for such rights located upstream of gage station No. USGS 09448500 located on the Gila River at the head of Safford Valley, near Solomon, or upstream from gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona, and

1.3.2 The Calls for water made pursuant to the Additional Arizona Rights for the day two days following the NM Diversion Day for such rights located downstream of gage station No. USGS 09448500 located on the Gila River at the head of Safford Valley, near Solomon, or downstream from gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona.

1.4 The New Mexico Share shall be fifty percent (50%) of the Additional Arizona Daily Demand, but not more than forty (40) CFS; provided that the New Mexico Share shall not include any demand associated with water rights created by a settlement that were not previously recognized by a court decree. This Sub-term does not apply to the severance and transfer of decreed water rights not resulting from a settlement.

1.5 The Daily Diversion Basis shall be the sum of (a) the New Mexico Share and (b) the Upper Valleys Daily Demand, calculated as of 8:00 am Arizona time on a daily basis for each NM Diversion Day.

1.6 If the sum of the flows, as of 8:00 a.m. Arizona time on the day preceding the NM Diversion Day, at gage station No. USGS 09430500 on the Gila River above Gila, New Mexico, and gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona, (the "Sum of the Available Flows") exceeds the Daily Diversion Basis (the "NM Excess"), the NM Daily Diversion Right, subject to the conditions stated in Sub-term 1.8, shall be the amount calculated in accordance with Sub-term 1.7; otherwise the NM Daily Diversion Right shall be zero (0) CFS.

1.7 For the months of January, February, March, April, October, November, and December, the NM Daily Diversion Right shall be computed by multiplying the NM Excess by 0.80. For the months of May, June, July, August, and September, the NM Daily Diversion Right shall be computed by multiplying the NM Excess by 0.75.

1.8 Notwithstanding any calculation made pursuant to Sub-term 1.7, the NM Daily Diversion Right shall not be exercised so as to cause the Secretary as Authorized Diverter to Consumptively Use more than one hundred forty (140,000) acre-feet of water in any period of ten (10) consecutive Years.

1.9 The Secretary as Authorized Diverter may Divert surface water from the Gila River at GX and from the San Francisco River at SY, subject to all of the following conditions:

1.9.1 The sum of the Diversions at GX and SY may not exceed the NM Daily Diversion Right.

1.9.2 The water flow in the Gila River, as measured at gage station No. USGS 09432000 located on the Gila River Below Blue Creek, Near Virden, New Mexico, following the Diversion at GX, may not be less than 120% of the call under the Globe Equity Decree for the Duncan-Virden Valley for the day following the NM Diversion Day.

1.9.3 The water flow in the San Francisco River, computed as the sum of the flow as measured at gage station No. USGS 09444000 located on the San Francisco Near Glenwood, New Mexico, and the flow as measured at gage station No. USGS 09444200 located on the Blue River Near Clifton, Arizona, may not, on any day when the Secretary as Authorized Diverter is Diverting water from the San Francisco River at SY, be less than 120% multiplied by the following: (i) three (3) CFS during any day in April through October, or (ii) thirty (30) CFS during any day in any other month. The condition in this Sub-term 1.9.3 will not apply under the following circumstances:

1.9.3.1 In any April, May, June, July, August, September, or October, to the extent that Phelps Dodge has previously Diverted sixty (60) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.2 In any November or March, to the extent that Phelps Dodge has previously Diverted six hundred (600) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.3 In any December, January, or February, to the extent that Phelps Dodge has previously Diverted one thousand (1,000) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.4 In any Year to the extent that Phelps Dodge has previously Diverted three thousand (3,000) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such Year.

1.9.4 If the Secretary as Authorized Diverter must reduce its NM Daily Diversion Right from the San Francisco River due to the parameters stated in Sub-term 1.9.3, then fifty percent (50%) of the amount the Secretary as Authorized Diverter is prevented from Diverting under Sub-term 1.9.3, or ten (10) CFS, whichever is less, shall count toward the forty (40) CFS cap in Sub-term 1.4.

1.9.5 The Secretary as Authorized Diverter, in its sole discretion, may Divert any amount of water up to the NM Daily Diversion Right for a 24-hour period beginning at 8:00 a.m. Arizona time on a NM Diversion Day, but is not required to Divert any water.

1.9.6 The Secretary as Authorized Diverter shall report on a daily basis its Diversions to the Secretary as CAP Owner and to the Gila River Water Commissioner.

1.9.7 The Secretary as Authorized Diverter may not Divert more than four thousand (4,000) acre-feet of water in any Year from the San Francisco River at SY.

1.9.8 The Secretary as Authorized Diverter may not Divert either (a) underground water or (b) surface water from locations other than GX and SY unless the Secretary as Authorized Diverter complies with the applicable provisions of Sub-term 1.10.

1.9.9 The Secretary as Authorized Diverter may Divert in New Mexico at points below any point of measurement used for computing consumptive use pursuant to Article VIII of the Globe Equity Decree if the Water Commissioner, before computing such consumptive use, subtracts from the measured flows at such upstream point of measurement the flows Diverted by the Secretary as Authorized Diverter below such point of measurement.

1.10 On any NM Diversion Day, the Secretary as Authorized Diverter may Divert at the Secretary's Remote Diversion Points subject to the following conditions:

1.10.1 At least one hundred (180) days before seeking to Divert at any of the Secretary as Authorized Diverter's Remote Diversion Points, the Secretary as Authorized Diverter must give written notice to all of the Parties and the Water Commissioner of the location of each such point;

1.10.2 Within such one hundred eighty (180) days, the Technical Committee established in Subparagraph 12.4 of the NM Consumptive Use and Forbearance Agreement shall meet and attempt to agree on parameters that would permit the Secretary as Authorized Diverter to Divert water at the Secretary's Remote Diversion Points without putting the Parties (other than the Secretary) in a worse position than they would be if the Secretary as Authorized Diverter were only permitted to Divert surface water from the Gila River at GX and from the San Francisco River at SY; and

1.10.3 If the Technical Committee is not, within ninety (90) days, able to determine parameters allowing the Secretary as Authorized Diverter to Divert at the Secretary's Remote Diversion Points, the Secretary as Authorized Diverter or the NM CAP Entity may immediately begin the dispute resolution process set forth in Paragraph 11 of the NM Consumptive Use and Forbearance Agreement, provided that no resolution may put the Parties (other than the Secretary) in a worse position than they would be if the Secretary as Authorized Diverter were only permitted to Divert surface water from the Gila River at GX and from the San Francisco River at SY.

1.11 If the Secretary as Authorized Diverter chooses to use the values in Sub-term 1.1.1 as the basis for the Upper Valleys Daily Demand, and is in compliance with all other terms in the NM Consumptive Use and Forbearance Agreement, the Secretary shall not be responsible for any failure to satisfy the Upper Valleys Daily Demand.

1.12 If the Secretary as Authorized Diverter chooses to compute the Upper Valleys Daily Demand as provided in Sub-term 1.1.2, it shall be the responsibility of the Secretary as Authorized Diverter to bypass sufficient water to satisfy the Upper Valleys Daily Demand.

1.12.1 If the Secretary as Authorized Diverter chooses to compute the Upper Valleys Daily Demand as in Sub-term 1.1.2 during a week, and the Upper Valleys Daily Demand is not met during that week, the Secretary as Authorized Diverter shall during the following week bypass an additional amount equal to the deficit in calls for the previous week ("Make-up Water").

1.12.2 If the Secretary as Authorized Diverter does not bypass sufficient water to comply with Sub-term 1.12.1, the Secretary as Authorized Diverter shall as soon as such water is available, bypass an additional amount of water equal to one-hundred and fifty percent (150%) of the required Make-up Water (i.e., the Make-up Water plus an additional fifty percent (50%)).

1.12.3 The remedies provided in this Sub-term 1.12 shall not preclude or limit any other remedies that may be available to any of the Parties to the NM Consumptive Use and Forbearance Agreement or the UVDs.

ATTACHMENT 2.47

MAP DEPICTING UV IMPACT ZONE

ATTACHMENT 2.48

MAP OF LANDS OF UV IRRIGATION DISTRICTS

The lands shown on this Attachment 2.48 are for illustrative purposes only.

ATTACHMENT 4.2

FORM OF STIPULATION OF JUDGMENT TO BE FILED IN THE GLOBE EQUITY ENFORCEMENT COURT

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, et al.,	) **NO. 31-59 TUC-SRB**
	)
Plaintiff and Plaintiffs in Intervention,	) **STIPULATION**
	)
v.	)
	)
GILA VALLEY IRRIGATION DISTRICT, et al.,	)
	)
Defendants.	)
	)
	)

The Gila River Indian Community (in all the capacities it filed on or about March 16, 2001 the Complaint Re: Pumping), the San Carlos Irrigation and Drainage District, and the United States (in all its capacities as Plaintiff but not to the extent it acts as trustee for the San Carlos Apache Tribe or its members) (collectively the "Plaintiff Stipulators") and the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Ft. Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley

Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, the Union Canal Company of the Gila Valley Irrigation District, the Sunset Ditch Company, the Fourness Canal Company, Sunset Canal, New Model Canal, the Colvin-Jones Canal Company, the Valley Canal Company and such other entities and persons who have decreed rights above the San Carlos Reservoir and who have filed pleadings supporting this stipulation (collectively the "Defendant Stipulators").

WHEREAS

1. Water rights claimed by the Gila River Indian Community, Members and Allottees and the United States acting on behalf of the Gila River Indian Community, Members and Allottees are to be permanently settled by agreement between the parties to this Stipulation, among others. The terms of the Settlement Agreement among the parties, hereinafter referred to as the "Settlement Agreement," were ratified and approved by Congress in the Arizona Water Settlements Act of 2004, P.L. 108-451. Pursuant to section 203(a) of the Act the parties have amended and restated the Settlement Agreement to make it consistent with the Arizona Water Settlements Act, this amendment and restatement hereinafter referred to as the "Amended and Restated Settlement Agreement." A copy of the Amended and Restated Settlement Agreement is attached hereto as Exhibit A and by this reference incorporated herein.

2. Some of the water supplies that are the subject of the Amended and Restated Settlement Agreement are subject to the jurisdiction of this Court.

3. Pursuant to Section 207 of the Arizona Water Settlements Act, the Defendant Stipulators and the Plaintiff Stipulators are submitting the Amended and Restated Settlement Agreement, including all Exhibits thereto, to this Court for its approval, to the extent of its jurisdiction to do so in this cause of action.

4. The Defendant Stipulators and the Plaintiff Stipulators are submitting one of the Exhibits to the Amended and Restated Settlement Agreement, an agreement among the parties to this Stipulation (the "UV Agreement"), to this Court for its specific approval. A copy of the UV Agreement is attached hereto as Exhibit B and by this reference incorporated herein.

5. The Plaintiff Stipulators and Defendant Stipulators intend to constrain and regulate their own conduct as provided in the UV Agreement, but they do not intend by this Stipulation or the UV Agreement to modify the Decree entered by this Court on June 29, 1935.

NOW THEREFORE,

The parties to this Stipulation request that, upon this Court's approval of the Stipulation and the Amended and Restated Settlement Agreement, including the UV Agreement, and upon the date the Secretary of the Interior causes to be published in the Federal Register a statement of findings that the conditions set forth in Section 207 of the Arizona Water Settlements Act have occurred, the Court enter the Order attached as Exhibit C hereto with respect to the water supplies and parties within this Court's jurisdiction as provided by the terms of the Amended and Restated Settlement Agreement and the terms of the UV Agreement.

[Signatures]
Dated .

Copy of the foregoing
Stipulation and form of Order
mailed this ___ day of
as noted to:

_____

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, et al.,	) **NO. 31-59 TUC-SRB**
	)
Plaintiff and Plaintiffs in Intervention,	) **ORDER PURSUANT TO STIPULATION**
	)
v.	)
	)
GILA VALLEY IRRIGATION DISTRICT, et al.,	)
	)
Defendants.	)
	)

The Gila River Indian Community (in all the capacities it filed on or about March 16, 2001 the Complaint Re: Pumping), the San Carlos Irrigation and Drainage District, and the United States (in all its capacities as Plaintiff, but not to the extent it acts as trustee for the San Carlos Apache Tribe or its members) (collectively the "Plaintiff Stipulators") and the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Ft. Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, the Union Canal Company of the Gila Valley Irrigation District, Sunset

Ditch Company, the Fourness Canal Company, Sunset Canal, New Model Canal, the Colvin-Jones Canal Company, the Valley Canal Company, and the parties who have decreed rights above the San Carlos Reservoir and have filed pleadings supporting this stipulation (collectively the "Defendant Stipulators"), having stipulated, and good cause appearing, it is hereby ordered as follows:

1. The capitalized terms used in this Order shall be as defined in the UV Agreement.

2. The Amended and Restated Settlement Agreement, including all of the Exhibits thereto (attached to the Stipulation as Exhibit "A"), is hereby approved to the extent of this Court's jurisdiction in this cause of action.

3. The UV Agreement (attached to the Stipulation as Exhibit "B"), including its third-party beneficiary provisions, is enforceable according to its terms by and against the Defendant Stipulators, the Plaintiff Stipulators, and any other party subject to the jurisdiction of this Court in this proceeding who, subsequent to this Order, executes the UV Agreement in the manner provided therein, and to that extent, it is approved by this Court.

4. The Complaint Re: Pumping, filed on or about March 16, 2001, to the extent it contains allegations by or seeks relief for the Plaintiff Stipulators, shall be deemed to be dismissed as to the Plaintiff Stipulators on the Enforceability Date without further action by this Court. Such dismissal shall be without prejudice. The Gila River Indian Community (in any of the capacities it filed on or about March 16, 2001 the Complaint Re: Pumping), the San Carlos

Irrigation and Drainage District, and the United States (in its capacities set forth in Subparagraph 2.40 of the UV Agreement) shall not re-file such complaint (or any of the allegations therein) with respect to any lands located in the Gila Valley Irrigation District, the Franklin Irrigation District, or New Mexico and are served by the New Model Community Ditch Association or the Sunset Ditch Company, or are lands owned by an Other UV Signatory, unless the UV Agreement, with respect to such lands, has been terminated by a court of competent jurisdiction, but not a court of the Gila River Indian Community, pursuant to Subparagraph 4.16 of the UV Agreement, or has otherwise been terminated in accordance with the provisions of Subparagraphs 4.17, 15.21 and 15.22.

5. The Gila River Indian Community (in any of the capacities it filed on or about March 16, 2001 the Complaint Re: Pumping), the San Carlos Irrigation and Drainage District, and the United States (in its capacities set forth in Subparagraph 2.40 of the UV Agreement) shall be able to re-file such complaint (and any of the allegations therein) with respect to other lands, provided that such lands (a) are York Valley Lands owned by a Major YV Landowner who has not executed the UV Agreement as of the Enforceability Date; (b) are Hot Lands that are not Special Hot Lands within six (6) months after the Enforceability Date; or (c) are other lands in the UV, not described in paragraph 4, regarding which any person or entity is acting in a manner Not in Compliance with the Agreement.

6. The Amended and Restated Settlement Agreement, the UV Agreement, and this Order do not modify the Decree entered by this Court on June 29, 1935 or alter the rights of the San Carlos Apache Tribe, or of the United States on behalf thereof.

7. Nothing in this Order quantifies or otherwise affects the water rights, or claims or entitlements to water, of any Indian tribe, band, or community, other than the Gila River Indian Community.

8. This Order shall be null and void if the Enforceability Date does not occur on or before December 31, 2007.

9. Notwithstanding any other provision of this Order, the Plaintiff Stipulators may take any enforcement action available to them against any owner of Hot Lands with respect to such Hot Lands that has not executed the UV Agreement by six (6) months after the Enforceability Date, with respect to the Hot Lands regarding which such owner has not signed the UV Agreement.

10. Notwithstanding any other provision of this Order, the Plaintiff Stipulators may take any enforcement action available to them against any Major YV Landowner that has failed to execute the UV Agreement as of the Enforceability Date, with respect to the York Valley Lands regarding which such owner has not signed the UV Agreement.

11. To the extent this Court has jurisdiction to do so, the Waivers and Releases of Claims, attached as Exhibits 4.3, 4.4, 4.5, 4.6, and 4.7 to the UV Agreement, are hereby approved.

Dated .

Copy of the foregoing
form of Order
delivered this ___ day of
_____ to:

The Honorable Susan R. Bolton
U.S. District Court Judge
Federal Courthouse
401 West Washington
Phoenix AZ 85003

ATTACHMENT 4.3

WAIVER AND RELEASE OF CLAIMS BY THE COMMUNITY AND THE UNITED STATES

This Waiver of Claims and Release dated as of _____, is entered into by the Gila River Indian Community, on behalf of itself and Members (but not Members in their capacities as Allottees) and the United States on behalf of the Community, Members and the Project (but not on behalf of Members in their capacities as Allottees) in consideration of the benefits realized under the Agreement among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Fort Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, the Union Canal Company of the Gila Valley Irrigation District, the Sunset Ditch Company, the Fourness Canal Company, the NM New Model Community Ditch Association, the Valley Canal Company, and Other Parties Located in the Upper Valley of the Gila River, dated as of _____, and in accordance with the commitments under subparagraph 4.3 of said Agreement and pursuant to the authorization granted in section 207 of the Act.

1.0 DEFINITIONS

Capitalized terms in this Waiver and Release of Claims that are not expressly defined herein shall have the same meaning as in the Agreement or, if not defined in the

Agreement, shall have the same meaning as in the Settlement Agreement. For purposes of this Waiver and Release of Claims, the following terms shall have the meanings set forth below:

1.1. "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2. "Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, and others dated as of _____and the Attachments thereto.

1.3. "Enforceability Date" shall mean the date on which the Secretary published in the Federal Register the statement of findings described in section 207 of the Act.

1.4. "Franklin Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and organized under the laws of the State of Arizona.

1.5. "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476). For purposes of this Waiver and Release of Claims, the term "Gila River Indian Community" or "Community" shall mean the Community acting for itself and its Members, but not for Members in their capacities as Allottees.

1.6. "Gila River Indian Reservation" or "Reservation" shall mean those lands located within the exterior boundaries of the reservation created under section 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June

2, 1913, August 27, 1914, and July 19, 1915. The term “Gila River Indian Reservation” or “Reservation” includes those lands located in sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.7. "Gila Valley Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and organized under the laws of the State of Arizona.

1.8. "Globe Equity Decree" shall mean that decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation Districts, et al.,* Globe Equity No. 59, in the United States District Court for the District of Arizona. The term “Globe Equity Decree” includes all court orders and decisions supplemental to that decree.

1.9. "Globe Equity Enforcement Court" shall mean the U.S. District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.10. "In Compliance with the Agreement" shall mean acting in a manner that is consistent with, not in violation of, and not contrary to any of the terms, conditions, limitations, requirements and provisions of the Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is not acting In Compliance with the Agreement shall be deemed to be Not in Compliance with the Agreement.

1.11. "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, state or other law. The term “Injury to Water Rights” includes a change in the Underground Water table and any effect of such a change. The term “Injury to Water Rights” does not include ‘Subsidence Damage’ or ‘Injury to Water Quality’ as those terms are defined in the Act.

1.12. "Member" or "Members" shall mean any person or persons duly enrolled as members of the Gila River Indian Community.

1.13. "NM 381 Acres" shall mean the three hundred eighty and eighty-one hundredths (380.81) acres of land located in the Virden Valley, New Mexico, as initially described in paragraph (D)(1) of the decree in *Arizona v. California*, 376 U.S. 340, 349 (1964), and as may be subsequently modified to include substituted lands as allowed by that decree.

1.14. "Not in Compliance with the Agreement" shall mean acting in a manner that is inconsistent with, in violation of or contrary to any of the terms, conditions, limitations, requirements or provisions of the Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is Not in Compliance with the Agreement shall be deemed to be not In Compliance with the Agreement.

1.15. "Paragraph" shall mean a paragraph of this Waiver and Release of Claims.

1.16. "Party" shall mean a person or entity that has executed the Agreement on or before the Enforceability Date. "Parties" shall mean more than one of such persons or entities.

1.17. "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" shall mean the San Carlos Irrigation Project authorized by the Act of June 7, 1924 (43 Stat. 475), as amended and supplemented.

1.18. "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.19. "San Carlos Irrigation and Drainage District" or "SCIDD" or the "District" shall mean the entity of that name that is a political subdivision of the State and an irrigation

and drainage district organized under the laws of the State. The San Carlos Irrigation and Drainage District is the non-Indian component of the San Carlos Indian Irrigation Project.

1.20. "Subparagraph" shall mean a subparagraph of this Waiver and Release of Claims.

1.21. "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.22. "United States" or "United States of America" shall mean the United States of America acting as trustee for the Community and its Members (but not Members in their capacities as Allottees), and acting in its capacity as owner and operator of the Project, and in no other capacity.

1.23. "UVD" shall mean a person or entity, other than the San Carlos Apache Tribe (or the United States acting on behalf of or as trustee for the San Carlos Apache Tribe), who, now or in the future, holds UV Decreed Water Rights with points of diversion upstream and to the east of Coolidge Dam, but only as to such person or entity's capacity as a holder of such UV Decreed Water Rights. "UVDs" shall mean all such persons and entities.

1.24. "UV Decreed Acres" shall mean those lands located upstream and to the east of Coolidge Dam, but not including the San Carlos Apache Reservation and not including Article VI(2) UV Apache Land, for which water may be diverted, now or in the future, pursuant to the Globe Equity Decree.

1.25. "UV Decreed Water Rights" shall mean the rights to divert water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.26. "UV Impact Zone" shall mean the lands identified as such on the maps set forth in Attachment 2.47 of the Agreement.

1.27. "Waiver and Release of Claims" shall mean this waiver and release of claims.

1.28. "Water Rights" shall mean any and all rights in or to water under Federal, state or other law.

1.29. "Water Rights Appurtenant to NM 381 Acres" shall mean those Water Rights appurtenant to the NM 381 Acres or as such rights may be transferred or substituted as allowed by the decree in *Arizona v. California*, 376 U.S. 340 (1964).

1.30. "Water Rights for NM Domestic Purposes" shall mean those Water Rights for domestic purposes of up to two hundred sixty-five (265) acre-feet of water for consumptive use per annum described in paragraph (D)(2) of the decree in *Arizona v. California*, 376 U.S.340, 350 (1964).

2. WAIVER AND RELEASE OF CLAIMS

Waiver and release of claims by the Community and the United States. Except as provided in Subparagraph 3.0 hereof, the Community, on behalf of itself and Members (but not Members in their capacities as Allottees) and the United States on behalf of the Community and Members (but not on behalf of Members in their capacities as Allottees) hereby waive and release the following claims against the UV Signatories and the UV Non-signatories (and the predecessors in interest of each) under Federal, State or other law for

2.1 Past, present, and future claims for Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial, and thereafter, forever;

2.2 Past, present, and future claims for Water Rights arising from time immemorial and, thereafter, forever that are based upon aboriginal occupancy of land by the Community or Members, or predecessors of the Community or Members,

2.3 Past and present claims for Injury to Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial through the Enforceability Date, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of the Agreement;

2.4 Past, present, and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based upon aboriginal occupancy of lands by the Community, Members, or predecessors of the Community or Members, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of this Agreement;

2.5 Claims for Injury to Water Rights arising after the Enforceability Date for land within the exterior boundaries of the Reservation resulting from the diversion, Pumping, or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of this Agreement;

2.6 Claims for Injury to Water Rights arising after the Enforceability Date for Water Rights transferred to the Project pursuant to section 211 of the Act resulting from the diversion, Pumping or use of water in a manner that is consistent with and not in

violation of or contrary to the terms, conditions, limitations, requirements, or provisions of this Agreement;

2.7 Past, present, and future claims for Injury to Water Rights arising out of or relating to the use of Water Rights Appurtenant to the NM 381 Acres, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available upon request a copy of any records prepared pursuant to that decree;

2.8 Past, present, and future claims arising out of or relating to the use of Water Rights for NM Domestic Purposes, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available on request a copy of any records prepared pursuant to that decree; and

2.9 Past, present, and future claims arising out of or relating to the negotiation or execution of the Agreement, or the negotiation or enactment of Titles I or II of the Act.

3. RESERVATION OF RIGHTS AND RETENTION OF CLAIMS BY THE COMMUNITY AND THE UNITED STATES

Notwithstanding the waiver and release of claims described in Paragraph 2.0 hereof, the Community and the United States shall retain any right to:

3.1 Assert claims for injuries to, and seek enforcement of, the rights of the Community, Members, and the United States under the Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

3.2 Except for acts or omissions that are In Compliance with the Agreement, assert claims for injuries to, and seek enforcement of rights under: (i) the Globe Equity Decree or (ii) the judgment entered by the Globe Equity Enforcement Court pursuant to subparagraph 4.2 of the Agreement;

3.3 Assert any claims for Injury to Water Rights arising after the Enforceability Date not waived herein;

3.4 Assert any claims available against all persons or entities acting in a manner Not in Compliance with the Agreement or failing to act in a manner as would have been required if such person or entity had executed the Agreement, regardless of whether such person or entity has actually executed the Agreement;

3.5 Assert any claims available against any Major YV Landowner who has not executed the Agreement as of the Enforceability Date other than a claim for Water Rights; and

3.6 Assert any claim available against any predecessor in interest to a UV Signatory or UV Non-signatory for any claims for: (i) actions by such predecessor after the Enforceability Date that are Not in Compliance with the Agreement; or (ii) failure to act after the Enforceability Date in a manner as would have been required if such predecessor had executed the Agreement, regardless of whether such predecessor has actually executed the Agreement.

4. This Waiver of Claim and Release shall become effective upon the Enforceability Date.

5. This Waiver of Claims and Release shall be binding on and inure to the benefit of the Parties and their successors and assigns.

IN WITNESS WHEREOF, the Parties to this Waiver and Release of Claims have executed it as of the day and year signed below:

GILA RIVER INDIAN COMMUNITY

By:_____
Its:_____
Dated:_____
Attest:_____

Approved as to Form:_____
Its:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

THE UNITED STATES OF AMERICA

By:_____
Secretary of the Interior
Dated:_____

ATTACHMENT 4.4

WAIVER AND RELEASE OF CLAIMS BY UNITED STATES AS TRUSTEE FOR ALLOTTEES

This Waiver of Claims and Release dated as of _____, is entered into by the United States as trustee for the Allottees of the Gila River Indian Reservation, in consideration of the benefits realized under the Agreement among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Fort Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, the Union Canal Company of the Gila Valley Irrigation District, the Sunset Ditch Company, the Fourness Canal Company, the Colvin-Jones Canal Company,the NM New Model Community Ditch Association, the Valley Canal Company, and Other Parties Located in the Upper Valley of the Gila River, and _____ dated as of _____, and in accordance with the commitments under subparagraph 4.4 of said Agreement and pursuant to the authorization granted in section 207 of the Act.

1.0 DEFINITIONS

Capitalized terms in this Waiver and Release of Claims that are not expressly defined herein shall have the same meaning as in the Agreement or, if not defined in the

Agreement, shall have the same meaning as in the Settlement Agreement. For purposes of this Waiver and Release of Claims, the following terms shall have the meanings set forth below:

1.1 "Act" shall mean the Arizona Water Settlements Act.

1.2 "Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, and others dated as of _____and the Attachments thereto.

1.3 "Enforceability Date" shall mean the date on which the authorizations contained in section 207 of the Act become effective.

1.4 "Franklin Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation district organized under the laws of the State of Arizona.

1.5 "Gila River Indian Community" or "Community" shall mean the sovereign government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476). For purposes of this Waiver and Release of Claims, the term "Gila River Indian Community" or "Community" shall mean the Community acting for itself and its Members, but not for Members in their capacities as Allottees.

1.6 "Gila River Indian Reservation" or "Reservation" shall mean those lands located within the exterior boundaries of the reservation created pursuant to the Act of February 28, 1859, and modified by the executive orders of August 31, 1876,

June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes those lands located in sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.7 "Gila Valley Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation district organized under the laws of the State.

1.8 "Globe Equity Decree" shall mean that decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation Districts, et al.,* Globe Equity No. 59, in the United States District Court for the District of Arizona, and all court orders and decisions supplemental thereto.

1.9 "Globe Equity Enforcement Court" shall mean the U.S. District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.10 "In Compliance with the Agreement" shall mean acting in a manner that is consistent with, not in violation of, and not contrary to any of the terms, conditions, limitations, requirements and provisions of the Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is not acting In Compliance with the Agreement shall be deemed to be Not in Compliance with the Agreement.

1.11 "Injuries to Water Rights" shall mean any interference with, diminution of, or deprivation of Water Rights under Federal, state or other law, including changes in the Underground Water table and the effects of such changes.

1.12 "Member" or "Members" shall mean any person or persons duly enrolled as members of the Gila River Indian Community.

1.13 "NM 381 Acres" shall mean the three hundred eighty and eighty-one hundredths (380.81) acres of land located in the Virden Valley, New Mexico, as initially described in paragraph (D)(1) of the decree in *Arizona v. California*, 376 U.S. 340, 349 (1964), and as may be subsequently modified to include substituted lands as allowed by that decree.

1.14 "Not in Compliance with the Agreement" shall mean acting in a manner that is inconsistent with, in violation of or contrary to any of the terms, conditions, limitations, requirements or provisions of the Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is Not in Compliance with the Agreement shall be deemed to be not In Compliance with the Agreement.

1.15 "Paragraph" shall mean a paragraph of this Waiver and Release of Claims.

1.16 "Party" shall mean a person or entity that has executed the Agreement on or before the Enforceability Date. "Parties" shall mean more than one of such persons or entities.

1.17 "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" shall mean the project authorized by the Act of June 7, 1924, 43 Stat. 475, as amended and supplemented.

1.18 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.19 "San Carlos Irrigation and Drainage District" or "SCIDD" or the "District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State. The San Carlos Irrigation and Drainage District is the non-Indian component of the San Carlos Indian Irrigation Project.

1.20 "Subparagraph" shall mean a subparagraph of this Waiver and Release of Claims.

1.21 "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.22 "United States" or "United States of America" shall mean the United States of America acting as trustee for the Allottees and in no other capacity.

1.23 "UVDs" shall mean all persons or entities, other than the San Carlos Apache Tribe (or the United States acting on behalf of or as trustee for the San Carlos Apache Tribe), who, now or in the future, hold UV Decreed Water Rights whose points of diversion are upstream and to the east of Coolidge Dam.

1.24 "UV Decreed Acres" shall mean those lands located upstream and to the east of Coolidge Dam, but not including the San Carlos Apache Reservation, for which water may be diverted, now or in the future, pursuant to the Globe Equity Decree.

1.25 "UV Decreed Water Rights" shall mean the rights to divert water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.26 "UV Impact Zone" shall mean the lands identified as such on the maps set forth in Attachment 2.47 of the Agreement.

1.27 "Waiver and Release of Claims" shall mean this waiver and release of claims.

1.28 "Water Rights" shall mean any and all rights in or to water under Federal, state or other law.

1.29 "Water Rights Appurtenant to NM 381 Acres" shall mean those Water Rights appurtenant to the NM 381 Acres or as such rights may be transferred or substituted as allowed by the decree in *Arizona v. California*, 376 U.S.340 (1964).

1.30 "Water Rights for NM Domestic Purposes" shall mean those Water Rights for domestic purposes of up to two hundred sixty-five (265) acre-feet of water for consumptive use per annum described in paragraph (D)(2) of the decree in *Arizona v. California*, 376 U.S.340, 350 (1964).

2.0 WAIVER AND RELEASE OF CLAIMS

Waiver and release of claims by the United States as trustee for Allottees. Except as provided in Subparagraph 3.0 hereof to the extent consistent with section 207 of the Act, the United States as trustee for the Allottees hereby waives and releases the following claims under Federal, state or other law against: (a) the predecessors of both the UV Signatories and the UV Non-signatories, and (b) the UV Signatories and the UV Non-signatories for:

(a) Past, present and future claims for Water Rights for land within the exterior boundaries of the Reservation arising from time immemorial, and thereafter, forever;

(b) Past, present and future claims for Water Rights arising from time immemorial and, thereafter, forever, that are based upon aboriginal occupancy of lands by Allottees or their predecessors;

(c) Past and present claims for Injuries to Water Rights for lands within the Reservation arising from time immemorial through the Enforceability Date for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of the Agreement;

(d) Past, present and future claims for Injuries to Water Rights arising from time immemorial, and thereafter, forever that are based upon aboriginal occupancy of lands by Allottees or their predecessors for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of the Agreement;

(e) Claims for Injuries to Water Rights for lands within the exterior boundaries of the Reservation arising after the Enforceability Date resulting from the diversion, Pumping or use of water in a manner that consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of the Agreement; and,

(f) Past, present and future claims arising out of or relating to the use of Water Rights Appurtenant to the NM 381 Acres, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the

decree in *Arizona v. California*, 376 U.S. 340 (1964), and that the State of New Mexico shall make available upon request a copy of any reports prepared pursuant to that decree; and

(g) Past, present, and future claims arising out of or relating to the use of Water Rights for NM Domestic Purposes, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), and that the State of New Mexico shall make available on request a copy of any records prepared pursuant to that decree; and

(h) Past, present and future claims arising out of or related to the negotiation or execution of the Agreement, or the negotiation or enactment of titles I or II of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS BY UNITED STATES AS TRUSTEE FOR ALLOTTEES

Notwithstanding the waiver and release of claims described in Paragraph 2.0 hereof, the United States as trustee for Allottees shall retain any right to:

(a) Assert claims for injuries to, and seek enforcement of, the rights of the Allottees, and the United States on behalf thereof, under the Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Except for acts or omissions that are In Compliance with the Agreement, assert claims for injuries to, and seek enforcement of, their respective rights under

either: (i) the Globe Equity Decree or (ii) the order filed with the Globe Equity Enforcement Court pursuant to subparagraph 4.2 of the Agreement;

(c) Assert any claims for Injuries to Water Rights arising after the Enforceability Date not waived herein;

(d) Assert any claims available against all persons or entities acting in a manner Not in Compliance with the Agreement or failing to act in a manner as would have been required if such person or entity had executed the Agreement, regardless of whether such person or entity has actually executed the Agreement; and

(e) Assert any claims available against any Major YV Landowner who has not executed the Agreement as of the Enforceability Date.

4.0 This Waiver of Claims and Release shall become effective upon the Enforceability Date.

5.0 This Waiver of Claims and Release shall be binding on and inure to the benefit of the Parties and their successors and assigns.

IN WITNESS WHEREOF, the Parties to this Waiver and Release of Claims have executed it as of the day and year signed below:

THE UNITED STATES OF AMERICA

By:_____
Secretary of the Interior
Dated:_____

ATTACHMENT 4.5

WAIVER AND RELEASE OF CLAIMS BY THE UNITED STATES AS TO ITS INTEREST IN LANDS DESCRIBED IN ARTICLES V AND VI OF THE GLOBE EQUITY DECREE

This Waiver of Claims and Release dated as of _____, is entered into by the United States of America (to the extent it holds legal title to the water rights as described in articles V and VI of the Globe Equity Decree on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands) in consideration of the benefits realized under the Agreement among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Fort Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, the Union Canal Company of the Gila Valley Irrigation District, the Sunset Ditch Company, the Fourness Canal Company, the Colvin-Jones Canal Company, the NM New Model Community Ditch Association, the Valley Canal Company and Other Parties Located in the Upper Valley of the Gila River, and _____ dated as of _____, and in accordance with the

commitments under subparagraph 4.5 of said Agreement and pursuant to the authorization granted in section 207 of the Act.

1.0 DEFINITIONS

Capitalized terms in this Waiver and Release of Claims that are not expressly defined herein shall have the same meaning as in the Agreement or, if not defined in the Agreement, shall have the same meaning as in the Settlement Agreement. For purposes of this Waiver and Release of Claims, the following terms shall have the meanings set forth below:

1.1 "Act" shall mean the Arizona Water Settlements Act.

1.2 "Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, and others dated as of _____and the Attachments thereto.

1.3 "Enforceability Date" shall mean the date on which the authorizations contained in section 207 of the Act become effective.

1.4 "Franklin Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation district organized under the laws of the State of Arizona.

1.5 "Gila River Indian Community" or "Community" shall mean the sovereign government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476).

1.6 "Gila River Indian Reservation" or "Reservation" shall mean those lands located within the exterior boundaries of the reservation created pursuant to the Act of February 28, 1859, and modified by the executive orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term “Gila River Indian Reservation” or “Reservation” includes those lands located in sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.7 "Gila Valley Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation district organized under the laws of the State of Arizona.

1.8 "Globe Equity Decree" shall mean that decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation Districts, et al.,* Globe Equity No. 59, in the United States District Court for the District of Arizona, and all court orders and decisions supplemental thereto.

1.9 "Globe Equity Enforcement Court" shall mean the United States District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.10 "In Compliance with the Agreement" shall mean acting in a manner that is consistent with, not in violation of, and not contrary to any of the terms, conditions, limitations, requirements and provisions of the Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is not acting In Compliance with the Agreement shall be deemed to be Not in Compliance with the Agreement.

1.11 "Injuries to Water Rights" shall mean any interference with, diminution of, or deprivation of Water Rights under Federal, state or other law, including changes in the Underground Water table and the effects of such changes.

1.12 "Member" or "Members" shall mean any person or persons duly enrolled as members of the Gila River Indian Community.

1.12A "Miscellaneous Flow Lands" shall mean those lands, if any, that are not a part of the Project, that have water rights are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted by the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

1.13 "NM 381 Acres" shall mean the three hundred eighty and eighty-one hundredths (380.81) acres of land located in the Virden Valley, New Mexico, as initially described in paragraph (D)(1) of the decree in *Arizona v. California*, 376 U.S. 340, 349 (1964), and as may be subsequently modified to include substituted lands as allowed by that decree.

1.14 "Not in Compliance with the Agreement" shall mean acting in a manner that is inconsistent with, in violation of or contrary to any of the terms, conditions, limitations, requirements or provisions of the Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is Not in Compliance with the Agreement shall be deemed to be not In Compliance with the Agreement.

1.15 "Paragraph" shall mean a paragraph of this Waiver and Release of Claims.

1.16 "Party" shall mean a person or entity that has executed the Agreement on or before the Enforceability Date. "Parties" shall mean more than one of such persons or entities.

1.17 "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" shall mean the project authorized by the Act of June 7, 1924, 43 Stat. 475, as amended and supplemented.

1.18 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.19 "San Carlos Irrigation and Drainage District" or "SCIDD" or the "District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State. The San Carlos Irrigation and Drainage District is the non-Indian component of the San Carlos Indian Irrigation Project.

1.20 "Subparagraph" shall mean a subparagraph of this Waiver and Release of Claims.

1.21 "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.22 "United States" or "United States of America" shall mean the United States of America acting to the extent of its interest in lands described in articles V or VI of the Globe Equity Decree, excluding those described in article VI(2), and in no other capacity.

1.23 "UVDs" shall mean all persons or entities, other than the San Carlos Apache Tribe (or the United States acting on behalf of or as trustee for the San Carlos Apache Tribe), who, now or in the future, hold UV Decreed Water Rights whose points of diversion are upstream and to the east of Coolidge Dam.

1.24 "UV Decreed Acres" shall mean those lands upstream and to the east of Coolidge Dam, but not including the San Carlos Apache Reservation, for which water may be diverted, now or in the future, pursuant to the Globe Equity Decree.

1.25 "UV Decreed Water Rights" shall mean the rights to divert water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.26 "UV Impact Zone" shall mean the lands identified as such on the maps set forth in Attachment 2.47 of the Agreement.

1.27 "Waiver and Release of Claims" shall mean this waiver and release of claims.

1.28 "Water Rights" shall mean any and all rights in or to water under Federal, state or other law.

1.29 "Water Rights Appurtenant to NM 381 Acres" shall mean those Water Rights appurtenant to the NM 381 Acres or as such rights may be transferred or substituted as allowed by the decree in *Arizona v. California*, 376 U.S.340 (1964).

1.30 "Water Rights for NM Domestic Purposes" shall mean those Water Rights for domestic purposes of up to two hundred sixty-five (265) acre-feet of water for consumptive use per annum described in paragraph (D)(2) of the decree in *Arizona v. California*, 376 U.S. 340, 350 (1964).

2.0 WAIVER AND RELEASE OF CLAIMS

Waiver and release of claims by the United States. Except as provided in Subparagraph 3.0 hereof, the United States (to the extent the waiver and the release provided by this Waiver and Release of Claims is not duplicative of the waiver and the release provided by subparagraph 4.4 of said Agreement and to the extent the United States holds legal title to (but not the beneficial interest in) the water rights as described in articles V and VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands) hereby waives and releases the following claims under Federal, state or other law against: (a) the predecessors of both the UV Signatories and the UV Non-signatories, and (b) the UV Signatories and the UV Non-signatories for:

UV Non-signatories:

(a) Past, present, and future claims for Water Rights for lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands arising from time immemorial and, thereafter, forever;

(b) Past and present claims for Injuries to Water Rights for lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands arising from time immemorial through the Enforceability Date, for so long as and to the extent that any individual beneficiary is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of the Agreement;;

(c) Claims for Injuries to Water Rights arising after the Enforceability Date for land within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands resulting from the diversion, pumping, or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of the Agreement;;

(d) Past, present and future claims for Injuries to Water Rights arising out of or relating to the use of: Water Rights Appurtenant to the NM 381 Acres, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available upon request a copy of any reports prepared pursuant to that decree;

(e) Past, present, and future claims arising out of or relating to the use of Water Rights for NM Domestic Purposes, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available on request a copy of any records prepared pursuant to that decree; and

(f) Past, present and future claims arising out of or related to the negotiation or execution of the Agreement, or the negotiation or enactment of the Act.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS

Notwithstanding the waiver and release of claims described in Paragraph 2.0 hereof, the United States shall retain any right to:

(a) Assert claims for injuries to, and seek enforcement of the rights of the United States under the Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Except for acts or omissions that are In Compliance with the Agreement, assert claims for injury to, and seek enforcement of its rights under the Globe Equity Decree or the judgment filed with the Globe Equity Enforcement Court pursuant to subparagraph 4.2 of the Agreement;

(c) Assert any claims for Injuries to Water Rights arising after the Enforceability Date not waived herein;

(d) Assert any claims available against all persons or entities diverting, Pumping or using water from within the UV Impact Zone in a manner Not in Compliance with the Agreement or failing to act in a manner as would have been required if such person or entity had executed the Agreement, regardless of whether such person or entity has actually executed the Agreement; and

(e) Assert any claims available against any Major YV Landowner who has not executed the Agreement as of the Enforceability Date.

4.0 This Waiver of Claims and Release shall become effective upon the Enforceability Date.

5.0 This Waiver of Claims and Release shall be binding on and inure to the benefit of the Parties and their successors and assigns.

IN WITNESS WHEREOF, the Parties to this Waiver and Release of Claims have executed it as of the day and year signed below:

THE UNITED STATES OF AMERICA

By:_____
Secretary of the Interior
Dated:_____

ATTACHMENT 4.6

WAIVER AND RELEASE OF CLAIMS BY THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

This Waiver of Claims and Release dated as of _____, is entered into by the San Carlos Irrigation and Drainage District in consideration of the benefits realized under the Agreement among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Fort Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation District, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, the Union Canal Company of the Gila Valley Irrigation District, the Sunset Ditch Company, the Fourness Canal Company, the Colvin-Jones Canal Company, the NM New Model Community Ditch Association, the Valley Canal Company, and Other Parties Located in the Upper Valley of the Gila River, dated as of _____, and in accordance with the commitments under subparagraph 4.6 of said Agreement and pursuant to the authorization granted in section 207 of the Act.

1.0 DEFINITIONS

Capitalized terms in this Waiver and Release of Claims that are not expressly defined herein shall have the same meaning as in the Agreement or, if not defined in the

Agreement, shall have the same meaning as in the Settlement Agreement. For purposes of this Waiver and Release of Claims, the following terms shall have the meanings set forth below:

1.1."Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

1.2."Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, and others dated as of _____and the Attachments thereto.

1.3."Enforceability Date" shall mean the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

1.4."Franklin Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and organized under the laws of the State of Arizona.

1.5."Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of Act of June 18, 1934, 48 Stat. 987 (25 U.S.C. § 476). For purposes of this Waiver and Release of Claims, the term "Gila River Indian Community" or "Community" shall mean the Community acting for itself and its Members, but not for Members in their capacities as Allottees.

1.6."Gila River Indian Reservation" or "Reservation" shall mean those lands located within the exterior boundaries of the reservation created under section 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913,

August 27, 1914, and July 19, 1915. The term “Gila River Indian Reservation” or “Reservation” includes those lands located in sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.7."Gila Valley Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation district organized under the laws of the State of Arizona.

1.8."Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation Districts, et al.,* Globe Equity No. 59, by the United States District Court for the District of Arizona, and all court orders and decisions supplemental thereto.

1.9."Globe Equity Enforcement Court" shall mean the U. S. District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.10. "In Compliance with the Agreement" shall mean acting in a manner that is consistent with, not in violation of, and not contrary to any of the terms, conditions, limitations, requirements and provisions of the Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is not acting In Compliance with the Agreement shall be deemed to be Not in Compliance with the Agreement.

1.11. "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under Federal, state or other law. The term “Injury to Water Rights” includes a change in the Underground Water table and any effect of such a change. The term “Injury to Water Rights” does not include ‘Subsidence Damage’ or ‘Injury to Water Quality’ as those terms are defined in the Act.

1.12. "Member" or "Members" shall mean any person or persons duly enrolled as members of the Gila River Indian Community.

1.13. "NM 381 Acres" shall mean the three hundred eighty and eighty-one hundredths (380.81) acres of land located in the Virden Valley, New Mexico, as initially described in paragraph (D)(1) of the decree in *Arizona v. California*, 376 U.S. 340, 349 (1964), and as may be subsequently modified to include substituted lands as allowed by that decree.

1.14. "Not in Compliance with the Agreement" shall mean acting in a manner that is inconsistent with, in violation of or contrary to any of the terms, conditions, limitations, requirements or provisions of the Agreement regardless whether the person or entity so acting is a UV Signatory. A person or entity that is Not in Compliance with the Agreement shall be deemed to be not In Compliance with the Agreement.

1.15. "Paragraph" shall mean a paragraph of this Waiver and Release of Claims.

1.16. "Party" shall mean a person or entity that has executed the Agreement on or before the Enforceability Date. "Parties" shall mean more than one of such persons or entities.

1.17. "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" shall mean the San Carlos Irrigation Project authorized under the Act of June 7, 1924 (43 Stat. 475), as amended and supplemented.

1.18. "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.19. "San Carlos Irrigation and Drainage District" or "SCIDD" or the "District" shall mean the entity of that name that is a political subdivision of the State and an irrigation

and drainage district organized under the laws of the State. The San Carlos Irrigation and Drainage District is the non-Indian component of the San Carlos Indian Irrigation Project.

1.20. "Subparagraph" shall mean a subparagraph of this Waiver and Release of Claims.

1.21. "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.22. "United States" or "United States of America" shall mean the United States of America acting as trustee for the Community and Members (but not Members in their capacities as Allottees), and acting in its capacity as owner and operator of the Project, and in no other capacity.

1.23. "UVD" shall mean a person or entity, other than the San Carlos Apache Tribe (or the United States acting on behalf of or as trustee for the San Carlos Apache Tribe), that, , now or in the future, holds UV Decreed Water Rights with points of diversion upstream and to the east of Coolidge Dam, but only as to such person or entity's capacity as a holder of such UV Decreed Water Rights. "UVDs" shall mean all such persons or entities.

1.24. "UV Decreed Acres" shall mean those lands located upstream and to the east of Coolidge Dam, but not including the San Carlos Apache Reservation and not including Article VI(2) UV Apache Land, for which water may be diverted, now or in the future, pursuant to the Globe Equity Decree.

1.25. "UV Decreed Water Rights" shall mean the rights to divert water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.26. "UV Impact Zone" shall mean the lands identified as such on the maps set forth in Attachment 2.47 of the Agreement.

1.27. "Waiver and Release of Claims" shall mean this waiver and release of claims.

1.28. "Water Right" shall mean any and all rights in or to water under Federal, state or other law.

1.29. "Water Rights Appurtenant to NM 381 Acres" shall mean those Water Rights appurtenant to the NM 381 Acres or as such rights may be changed, transferred or severed as allowed by the decree in *Arizona v. California*, 376 U.S. 340 (1964).

1.30. "Water Rights for NM Domestic Purposes" shall mean those Water Rights for domestic purposes of up to two hundred sixty-five (265) acre-feet of water for consumptive use per annum described in paragraph (D)(2) of the decree in *Arizona v. California*, 376 U.S.340, 350 (1964).

2. WAIVER AND RELEASE OF CLAIMS

Waiver and release of claims by the San Carlos Irrigation and Drainage District. Except as provided in Subparagraph 3.0 hereof, the District hereby waives and releases the following claims against the UV Signatories and the UV Non-signatories (and the predecessors in interest of each) under Federal, State or other law for

2.1 Past, present and future claims for Water Rights encompassed by the Globe Equity Decree for land within the San Carlos Irrigation and Drainage District arising from time immemorial and, thereafter, forever;

2.2 Past and present claims for Injury to Water Rights for land within the San Carlos Irrigation and Drainage District arising from time immemorial through the Enforceability Date, for so long as and to the extent that any individual beneficiary of such waiver is acting in a manner that is consistent with and not in violation of or contrary to the terms, conditions, requirements, limitations, or other provisions of the Agreement;

2.3 Claims for Injury to Water Rights arising after the Enforceability Date for land within the San Carlos Irrigation and Drainage District resulting from the diversion, Pumping, or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of the Agreement;

2.4 Claims for Injury to Water Rights arising after the Enforceability Date for Water Rights transferred to the Project pursuant to section 211 of the Act resulting from the diversion, Pumping or use of water in a manner that is consistent with and not in violation of or contrary to the terms, conditions, limitations, requirements, or provisions of the Agreement;

2.5 Past, present and future claims for Injury to Water Rights arising out of or relating to the use of Water Rights Appurtenant to the NM 381 Acres, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available upon request a copy of any records prepared pursuant to that decree;

2.6 Past, present, and future claims arising out of or relating to the use of Water Rights for NM Domestic Purposes, on the conditions that such Water Rights remain subject to the oversight and reporting requirements set forth in the decree in *Arizona v. California*, 376 U.S. 340 (1964), as supplemented, and that the State of New Mexico shall make available on request a copy of any records prepared pursuant to that decree; and

2.7 Past, present, and future claims arising out of or relating to the negotiation or execution of the Agreement, or the negotiation or enactment of Titles I or II of the Act.

3. RESERVATION OF RIGHTS AND RETENTION OF CLAIMS BY THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

Notwithstanding the waiver and release of claims described in Paragraph 2.0 hereof, the San Carlos Irrigation and Drainage District shall retain any right to:

3.1 Assert claims for injuries to, and seek enforcement of, the rights on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands under the Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

3.2 Except for acts or omissions that are In Compliance with the Agreement, assert claims for injuries to, and seek enforcement of, rights (as described in articles V and VI of the Globe Equity Decree, including the right to use Pumped Water, on behalf of lands within the San Carlos Irrigation and Drainage District and the Miscellaneous Flow Lands) under: (i) the Globe Equity Decree, or, (ii) the judgment entered by the Globe Equity Enforcement Court pursuant to subparagraph 4.2 of the Agreement;

3.3 Assert any claims for Injury to Water Rights arising after the Enforceability Date not waived herein;

3.4 Assert any claims available against all persons or entities acting in a manner Not in Compliance with the Agreement or failing to act in a manner as would have been required if such person or entity had executed the Agreement, regardless of whether such person or entity has actually executed the Agreement;

3.5 Assert any claims available against any Major YV Landowner who has not executed the Agreement as of the Enforceability Date other than a claim for Water Rights;

3.6 Assert any claim available against any predecessor in interest to a UV Signatory or UV Non-signatory for any claims for: (i) actions by such predecessor after the Enforceability Date that are Not in Compliance with the Agreement, or (ii) failure to act after the Enforceability Date in a manner as would have been required if such predecessor had executed the Agreement, regardless of whether such predecessor has actually executed the Agreement; and,

3.7 Assert claims for Water Rights to Groundwater not encompassed within the Globe Equity Decree for land within the San Carlos Irrigation and Drainage District.

4. This Waiver of Claim and Release shall become effective upon the Enforceability Date.

5. This Waiver of Claims and Release shall be binding on and inure to the benefit of the District and its successors and assigns.

IN WITNESS WHEREOF, the Party to this Waiver and Release of Claims has executed it as of the day and year signed below:

_____
SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By:_____
Its:_____
Dated:_____
Attest:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

ATTACHMENT 4.7

WAIVER AND RELEASE OF CLAIMS BY UV SIGNATORIES

This Waiver of Claims and Release dated as of _____, is entered into by the UV Signatories in consideration of the benefits realized under the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, and Other Parties Located in the Upper Valley of the Gila River dated as of _____, and in accordance with the commitments under subparagraph 4.6 of said Agreement and pursuant to the authorization contained in section 207 of the Act.

1.0 DEFINITIONS

Capitalized terms in this Waiver and Release of Claims that are not expressly defined herein shall have the same meaning as in the Agreement or, if not defined in the Agreement, shall have the same meaning as in the Settlement Agreement. For purposes of this Waiver and Release of Claims, the following terms shall have the meanings set forth below:

1.1 "Act" shall mean the Arizona Water Settlements Act.

1.2 "Agreement" shall mean the Agreement Among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, and others dated as of _____and the Attachments thereto.

1.3 "Enforceability Date" shall mean the date on which the authorizations contained in section 207 of the Act become effective.

1.4 "Franklin Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation district organized under the laws of the State of Arizona.

1.5 "Gila River Indian Community" or "Community" shall mean the sovereign government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. § 476).

1.6 "Gila River Indian Reservation" or "Reservation" shall mean those lands located within the exterior boundaries of the reservation created pursuant to the Act of February 28, 1859, and modified by the executive orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term “Gila River Indian Reservation” or “Reservation” includes those lands located in sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

1.7 "Gila Valley Irrigation District" shall mean the entity of that name that is a political subdivision of the State of Arizona and an irrigation district organized under the laws of the State.

1.8 "Globe Equity Decree" shall mean that decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation Districts, et al.,* Globe Equity No. 59, in the United States District Court for the District of Arizona, and all court orders and decisions supplemental thereto.

1.9 "Globe Equity Enforcement Court" shall mean the U. S. District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

1.10 "Injuries to Water Rights" shall mean any interference with, diminution of, or deprivation of Water Rights under Federal, state or other law, including changes in the Underground Water table and the effects of such changes.

1.11 "Member" or "Members" shall mean any person or persons duly enrolled as members of the Gila River Indian Community.

1.12 "Paragraph" shall mean a paragraph of this Waiver and Release of Claims.

1.13 "Party" shall mean a person or entity that has executed the Agreement on or before the Enforceability Date. "Parties" shall mean more than one of such persons or entities.

1.14 "Project", "SCIP", "SCIIP" or "San Carlos Irrigation Project" shall mean the project authorized by the Act of June 7, 1924, 43 Stat. 475, as amended and supplemented.

1.15 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

1.16 "San Carlos Irrigation and Drainage District" or "SCIDD" or the "District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State. The San Carlos Irrigation and Drainage District is the non-Indian component of the San Carlos Indian Irrigation Project.

1.17 "Subparagraph" shall mean a subparagraph of this Waiver and Release of Claims.

1.18 "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

1.19 "United States" or "United States of America" shall mean the United States of America acting as trustee for the Community, Members and Allottees, and acting in its capacity as owner and operator of the Project and as owner of all Water Rights described as belonging to the plaintiff in articles V or VI of the Globe Equity Decree, excluding those described in article VI(2), and in no other capacity except as otherwise provided herein.

1.20 "UVDs" shall mean all persons or entities, other than the San Carlos Apache Tribe (or the United States acting on behalf of or as trustee for the San Carlos Apache Tribe), who, now or in the future, hold UV Decreed Water Rights whose points of diversion are upstream and to the east of Coolidge Dam.

1.21 "UV Decreed Water Rights" shall mean the rights to divert water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

1.22 "UV Impact Zone" shall mean the lands identified as such on the maps set forth in Attachment 2.47 of the Agreement.

1.23 "Waiver and Release of Claims" shall mean this waiver and release of claims.

1.24 "Water Rights" shall mean any and all rights in or to water under Federal, state or other law.

2.0 WAIVER AND RELEASE OF CLAIMS BY THE UV SIGNATORIES

Except as provided in Paragraph 3.0 hereof, the UV Signatories hereby waive and release any and all claims under Federal, state or other law against the Community, Members, Allottees, the San Carlos Irrigation and Drainage District and the United States for:

(a) Past, present and future claims for Water Rights for lands described in article V of the Globe Equity Decree;

(b) Past and present claims for Injuries to Water Rights resulting from the diversion, Pumping or use of water on lands within the Reservation, the Project, or (to the extent of the United States' interest) for lands described in articles V or VI of the Globe Equity Decree except those lands described in article VI(2) thereof, arising from time immemorial through the Enforceability Date;

(c) Injuries to Water Rights arising after the Enforceability Date resulting from the diversion, Pumping or use of water on or for the Reservation, the Project or (to the extent of the United States' interest) for lands described in articles V or VI of the Globe Equity Decree except those lands described in article VI(2) thereof, in a in a manner that is consistent with, not in violation of, and not contrary to any of the terms, conditions, limitations, requirements and provisions of the Settlement Agreement, and does not violate the Globe Equity Decree; and

(d) Past, present and future claims arising out of or related in any manner to the negotiation or execution of the Agreement, or the negotiation or enactment of the Act, or any specific terms or provisions thereof.

3.0 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS BY THE UV SIGNATORIES

Notwithstanding the waivers and releases described in Paragraph 2.0 hereof, the UV Signatories shall retain any right to:

(a) Assert claims for injuries to, and seek enforcement of, the rights of the UV Signatories under the Agreement or the Act, in any court of competent jurisdiction, but not the courts of the Community;

(b) Subject to the terms of the Agreement, assert claims for injuries to, and seek enforcement of, the rights of the UV Signatories under either: (i) the Globe Equity Decree or (ii) the judgment filed in the Globe Equity Enforcement Court pursuant to subparagraph 4.2 of the Agreement;

(c) Assert any claims for Injuries to Water Rights arising after the Enforceability Date not specifically waived herein.

4.0 This Waiver of Claims and Release shall become effective upon the Enforceability Date.

5.0 This Waiver of Claims and Release shall be binding on and inure to the benefit of the Parties and their successors and assigns.

IN WITNESS WHEREOF, the Parties to this Waiver and Release of Claims have executed it as of the day and year signed below:

FRANKLIN IRRIGATION DISTRICT

By:_____
Its:_____
Dated:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the Franklin Irrigation District.

_____
Notary Public

My commission expires:
_____

GILA VALLEY IRRIGATION DISTRICT

By:_____
Its:_____
Dated:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of the Gila Valley Irrigation District.

_____
Notary Public

My commission expires:

PHELPS DODGE CORPORATION

By:_____
Its:_____
Dated:_____

Approved as to Form:_____
Counsel for the Phelps Dodge Corporation

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____ and for and on behalf of Phelps Dodge Corporation.

_____
Notary Public

My commission expires:
_____

BROWN CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Brown Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

CURTIS CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Curtis Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

DODGE-NEVADA CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Dodge-Nevada Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

FORT THOMAS CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Fort Thomas Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

GRAHAM CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Graham Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

HIGHLINE CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Highline Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

MONTEZUMA CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Montezuma Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

SAN JOSE CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of San Jose Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

SMITHVILLE CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Smithville Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

UNION CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Union Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

FOURNESS CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, landowner of land served by the Fourness Canal Company, in the capacity as owner of such land by not otherwise.

_____
Notary Public

My commission expires:
_____

COLVIN-JONES CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 200_ by _____, landowner of land served by the Colvin-Jones Canal Company, in the capacity as owner of such land by not otherwise.

_____
Notary Public

My commission expires:
_____

SUNSET DITCH COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Sunset Ditch Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

NM NEW MODEL COMMUNITY DITCH ASSOCIATION

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of NM New Model Community Ditch Association, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

VALLEY CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of Valley Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

FORM OF SIGNATURE FOR MAJOR YV FARMERS AND OWNERS OF SPECIAL HOT LANDS

Individual

_____
Printed Name:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____.

_____
Notary Public

My commission expires:
_____

Corporate

_____, an Arizona (corporation/partnership/ sole proprietorship/ limited liability company)

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006 by _____, the _____ of _____, an Arizona (corporation/partnership/sole proprietorship/limited liability company), on behalf of the (corporation/partnership/sole proprietorship/limited liability company).

_____
Notary Public

My commission expires:
_____

OTHER UV SIGNATORY

By:_____

Dated:_____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2006 by _____ as _____.

_____
Notary Public

My commission expires:
_____

ATTACHMENT 5.2.1

Example of Fallowing Program

The rights of one 100-acre parcel (Parcel "A") might be extinguished (or transferred to the Project as provided by Subparagraphs 5.3.1, 5.3.2, 5.3.3, 5.3.4.2 and 5.3.6), adjacent to three other 100-acre parcels (Parcels, "B", "C", and "D"). Parcels A, B, C, and D might then participate in a fallowing program and each parcel would be irrigated three out of four years on a rotation basis. Parcel A would retain its rights only to the extent necessary to permit it to participate in the fallowing program. Its rights could never be changed or transferred. The rights belonging to, for example, parcel D could be severed and transferred (or be the subject of a change in use), but if so, another parcel would have to be substituted in for D, or each of A, B, and C, could only be irrigated two out of three years. If the fallowing program were terminated and not replaced by another similar fallowing program, parcel A could not be irrigated.

ATTACHMENT 10.1

TBI ASE AND NORMALIZED TBI ASE CALCULATION METHODOLOGY

1. On or before March 31 of each year, the Impartial Administrator shall calculate the TBI ASE and the Normalized TBI ASE for the preceding Year. TBI ASE shall be calculated as follows:

TBI ASE = 100 x (ccc - ef) / (swd + p)

where "ccc" is the composite crop consumptive use for TBI Acres; "ef" is the effective rainfall on TBI Acres; "swd" is surface water diversions for TBI Acres; and "p" is water Pumped onto TBI Acres.

The Normalized TBI ASE shall be the TBI ASE adjusted for variations in factors of nature over which the UV Signatories have no control (e.g., solar radiation, temperature, humidity, precipitation, and other similar factors) such that changes in the Normalized TBI ASE reflect only changes in cultural and systems factors.

2. The Settlement Technical Committee shall provide the Impartial Administrator with the formulas and methods for the adjustments described in paragraph 1 of this Attachment 10.1, the methodology to be used when calculating TBI ASE and Normalized TBI ASE and, where appropriate, shall permit the Impartial Administrator to use his best estimates of unmeasurable factors.

3. In order to make the yearly calculation of TBI ASE and Normalized TBI ASE, the Impartial Administrator shall collect whatever data and information that may be appropriate and available such as surface water diversions, reported Pumping as provided by Paragraph 6.0 of the Agreement, precipitation records, crop distribution, and information revealed by aerial photography. The Impartial Administrator shall not enter on private lands to collect such

information and data except the Impartial Administrator may enter on Canal Company rights of way after making arrangements with the Canal Company and may enter private lands to audit the reported output of wells as provided by Subparagraph 6.8.3 of the Agreement.

4. After the Enforceability Date, the Impartial Administrator may randomly audit the accuracy of the reported output from wells as provided by subparagraph 6.8.3 of the Agreement.

5. In order to facilitate the distinction between (i) natural factors and (ii) cultural and systems changes when determining Normalized TBI ASE, once every five years the Community, the United States, and the San Carlos Irrigation and Drainage District may at their option and cost inventory the physical irrigation system for TBI Lands and report the results of such inventory to the Impartial Administrator and the UV Irrigation Districts. Within six (6) months after such report, the UV Irrigation Districts may at their option and cost make comments and report such comments to the Impartial Administrator, the Community, the United States, and the District. Representatives of the Community, the United States, and the District, may not enter private lands without the permission of the landowner when conducting such inventory, except they may enter on Canal Company rights of way accompanied by a Canal Company representative after making arrangements with the Canal Company.

6. Beginning in the first Year after the Year in which reporting begins pursuant to Subparagraph 6.6 of the Agreement and each Year thereafter, the Impartial Administrator shall complete the calculation of TBI ASE and Normalized TBI ASE for the preceding Year and provide a draft Annual TBI ASE Report containing the supporting data and calculations to the Settlement Technical Committee by March 31 and a final Annual TBI ASE Report to the Settlement Technical Committee by September 30. After submitting the draft Annual TBI ASE

Report, the Impartial Administrator may adjust the calculation after consultation with the Settlement Technical Committee before finalizing the Annual TBI ASE Report. Sixty (60) days after the Impartial Administrator has finalized the Annual TBI ASE Report, the TBI ASE and Normalized TBI ASE calculations in the final Annual TBI ASE Report shall be final for all purposes, subject only to arbitration, unless the Settlement Technical Committee unanimously agrees on a different calculation. The Normalized TBI ASE shall be used to determine whether the Pumping and diversion limit shall be adjusted as provided by Subparagraph 6.6 of the Agreement.

7. The costs of conducting an irrigation system inventory shall be borne by the United States, the Community, and the District. The costs of making comments to an inventory shall be borne by the UV Signatories. Each Party shall bear its own costs of participating in the Settlement Technical Committee. To the extent the other costs of determining TBI ASE and Normalized TBI ASE, including the costs of the Impartial Administrator that are charged to the Parties, are $25,000 or less, they shall be split equally between: (1) the UV Signatories and (2) the United States, the Community, and the District; to the extent that such other costs exceed twenty five thousand dollars ($25,000), they shall be borne by the United States, the Community, and the District.

ATTACHMENT 13.1

PROCEDURES OF SETTLEMENT TECHNICAL COMMITTEE FOR DETERMINING THE EXACT IDENTITY AND LOCATION OF HOT LANDS, YORK VALLEY LANDS AND UNREPORTED NEW MODEL ACRES, AND TBI ELIGIBLE ACRES

A. HOT LANDS

1. The Settlement Technical Committee shall obtain from the Parties or such other source from which such information may be available: (1) available records and other information relating to non-UV Decreed Acres located within the UV Impact Zone that, during any Year in the period from January 1, 1997 to December 31, 2001, inclusive, have been irrigated, and for which such irrigation was reported to the Water Commissioner, and (2) available records and other information relating to non-UV Decreed Acres located within the UV Impact Zone that, during any Year in the period from January 1, 1997 to December 31, 2001, inclusive, have been irrigated, and for which such irrigation was not reported to the Water Commissioner. The Parties shall provide to the Settlement Technical Committee any records relating to these matters set forth above that they may have in their possession.

2. Not later than 150 days after the Initial Effective Date, using such records and information acquired pursuant to paragraph A.1 of this Attachment 13.1, the Settlement Technical Committee shall agree upon and describe with as much specificity as possible the non-UV Decreed Acres located within the UV Impact Zone that, during any Year in the period from January 1, 1997 to December 31, 2001, inclusive, were irrigated regardless whether such irrigation was reported to the Water Commissioner as having been irrigated. The described acres shall be the Hot Lands that are eligible to become UV Decreed Acres or Special Hot

Lands through the severance and transfer process described at Paragraph 11.0 of the Agreement.

3. If it is not possible to describe all such lands with specificity, but, by using the records and information acquired pursuant to paragraph A.1 of this Attachment 13.1, the Settlement Technical Committee agrees that a certain number of acres within an identified parcel within in the UV Impact Zone were irrigated during any Year in the period from January 1, 1997 to December 31, 2001, inclusive, and that such irrigation was reported to the Water Commissioner, then they shall describe that number of acres and the parcel. The described number is the number of acres within the parcel that are eligible to become UV Decreed Acres or Special Hot Lands through the severance and transfer process described at Paragraph 11.0 of the Agreement. In that event, up to but not more than the number of acres so identified within that parcel may be so converted.

4. In the event that the Settlement Technical Committee is unable, within the time periods set forth above, to agree upon the location, number, or nature of the Hot Lands to be identified pursuant to this Attachment 13.1, any Party with a technical representative on the Settlement Technical Committee at that time may submit the issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1.

B. YORK VALLEY LANDS IRRIGATED WITHIN ANY YEAR DURING THE PERIOD 1997-2001, INCLUSIVE

1. The Settlement Technical Committee shall obtain from the Parties or such other source from which such information may be available records and other information relating to the York Valley Lands that, during any Year in the period from January 1, 1997 to December 31, 2001, inclusive, have been irrigated. The Parties shall provide to the Settlement Technical

Committee any records relating to these matters set forth above that they may have in their possession.

2. Not later than 150 days after the Initial Effective Date, using such records and information acquired pursuant to paragraph B.1 of this Attachment 13.1, the Settlement Technical Committee shall agree upon and describe with as much specificity as possible the York Valley Lands that, during any Year in the period from January 1, 1997 to December 31, 2001, inclusive, were irrigated. The described acres shall be the York Valley Lands that are eligible to become TBI Eligible Acres for purposes of Subparagraph 2.37.

3. Not later than 150 days after the Initial Effective Date, using such records and information acquired pursuant to paragraph B.1 of this Attachment 13.1, the Settlement Technical Committee shall agree upon and describe with as much specificity as possible, including the size and location thereof, those York Valley Lands farmed or operated as a unit and identify each such unit as a York Valley Farm.

4. In the event that the Settlement Technical Committee is unable, within the time periods set forth above, to agree upon the York Valley Lands that were irrigated during any Year in the period January 1, 1997, to December 31, 2001, inclusive, or the identity of the York Valley Farms, any Party with a technical representative on the Settlement Technical Committee at that time may submit the issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1.

C. <u>UNREPORTED NEW MODEL ACRES</u>

1. The Settlement Technical Committee shall obtain from the Parties or such other source from which such information may be available records and other information relating to non-UV Decreed Acres within the UV Impact Zone served by the New Model Canal that were

irrigated but unreported to the Water Commissioner during any Year in the period from January 1, 1997 to December 31, 2001, inclusive. The Parties shall provide to the Settlement Technical Committee any records relating to these matters set forth above that they may have in their possession.

2. Not later than 150 days after the Initial Effective Date, using such records and information acquired pursuant to paragraph C.1 of this Attachment 13.1, the Settlement Technical Committee shall agree upon and describe with as much specificity as possible the UV Decreed Acres located within the UV Impact Zone that were irrigated but unreported to the Water Commissioner during any Year in the period from January 1, 1997 to December 31, 2001, inclusive. The described acres shall be the Unreported New Model Acres that are eligible to become part of the seventy-five (75) Unreported New Model Acres described in Subparagraph 2.37(vi) through the severance and transfer process described at Paragraph 11.0 of the Agreement.

3. In the event that the Settlement Technical Committee is unable, within the time periods set forth above, to agree upon the Unreported New Model Acres that are eligible to become part of the seventy-five (75) Unreported New Model Acres described in Subparagraph 2.37(vi), any Party with a technical representative on the Settlement Technical Committee at that time may submit the issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1.

D. CALCULATION OF TBI ELIGIBLE ACRES FOR UV IRRIGATION DISTRICTS

The calculation of TBI Eligible Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within the UV Irrigation Districts:

(i) The average of the TBI Acres as reported by the Water Commissioner for the Years 1997-2001, inclusive, plus,

(ii) Any Hot Lands that become UV Decreed Acres pursuant to the severance and transfer process set forth in Paragraph 11.0; plus,

(iii) Lands within the UV Irrigation Districts that become UV Decreed Acres pursuant to a severance and transfer from TBI Eligible Acres outside the UV Irrigation Districts, provided, however, that in no event and under no circumstances shall such severance and transfer result in an increase of the total number of TBI Eligible Acres in the UV; minus,

(iv) Any lands the Water Rights of which have been extinguished or severed and transferred pursuant to Paragraph 5.0; and minus,

(vi) Any acres that initially qualified as TBI Eligible Acres:

(a) the UV Decreed Water Rights of which are subsequently converted to non-irrigation use through an M&I conversion or other process approved by the Globe Equity Enforcement Court;

(b) that are ineligible to use water pursuant to the Globe Equity Decree;

(c) the UV Decreed Water Rights of which are severed and transferred in accordance with applicable law to non-UV Subjugated Lands through a process other than those programs described at Paragraph 5.0; or

(d) as to which the Agreement has been terminated.

E. CALCULATION OF TBI ELIGIBLE ACRES FOR THE SUNSET DITCH COMPANY

The calculation of TBI Eligible Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within the Sunset Ditch Company:

(i) The average of the TBI Acres as reported by the Water Commissioner for the Years 1997-2001, inclusive, plus,

(ii) Any Hot Lands that become UV Decreed Acres pursuant to the severance and transfer process set forth in Paragraph 11.0; plus,

(iii) Lands within the Sunset Ditch Company that become UV Decreed Acres pursuant to a severance and transfer from TBI Eligible Acres outside the Sunset Ditch Company, provided, however, that in no event and under no circumstances shall such severance and transfer result in an increase of the total number of TBI Eligible Acres in the UV; minus,

(iv) Any lands the Water Rights of which have been extinguished or severed and transferred pursuant to Paragraph 5.0; and minus,

(vi) Any acres that initially qualified as TBI Eligible Acres:

(a) the UV Decreed Water Rights of which are subsequently converted to non-irrigation use through an M&I conversion or other process approved by the Globe Equity Enforcement Court;

(b) that are ineligible to use water pursuant to the Globe Equity Decree;

(c) the UV Decreed Water Rights of which are severed and transferred in accordance with applicable law to non-UV Subjugated Lands through a process other than those programs described at Paragraph 5.0; or

(d) as to which this Agreement has been terminated.

F. CALCULATION OF TBI ELIGIBLE ACRES FOR THE NM NEW MODEL COMMUNITY DITCH ASSOCIATION

The calculation of TBI Eligible Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within the NM New Model Community Ditch Association:

(i) The average of the TBI Acres as reported by the Water Commissioner for the Years 1997-2001, inclusive, plus,

(ii) Any Hot Lands that become UV Decreed Acres pursuant to the severance and transfer process set forth in Paragraph 11.0; plus,

(iii) Lands within the NM New Model Community Ditch Association that become UV Decreed Acres pursuant to a severance and transfer from TBI Eligible Acres outside the NM New Model Community Ditch Association, provided, however, that in no event and under no circumstances shall such severance and transfer result in an increase of the total number of TBI Eligible Acres in the UV; minus,

(iv) Any lands the Water Rights of which have been extinguished or severed and transferred pursuant to Paragraph 5.0; and minus,

(v) Any acres that initially qualified as TBI Eligible Acres:

(a) the UV Decreed Water Rights of which are subsequently converted to non-irrigation use through an M&I conversion or other process approved by the Globe Equity Enforcement Court;

(b) that are ineligible of use water pursuant to the Globe Equity Decree;

(c) the UV Decreed Water Rights of which are severed and transferred in accordance with applicable law to non-UV Subjugated Lands through a process other than those programs described at Paragraph 5.0; or

(d) as to which this Agreement has been terminated.

G. CALCULATION OF TBI ELIGIBLE ACRES FOR EACH YORK VALLEY FARM

The calculation of TBI Eligible Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within each York Valley Farm:

(i) The number of acres determined to be included in such York Valley Farm pursuant to paragraph B.3 of this Attachment 13.1 for the Years 1997-2001, inclusive, plus,

(ii) Any Hot Lands that become UV Decreed Acres pursuant to the severance and transfer process set forth in Paragraph 11.0; plus,

(iii) Lands within such farm that become UV Decreed Acres pursuant to a severance and transfer from TBI Eligible Acres outside such farm, provided, however, that in no event and under no circumstances shall such severance and transfer result in an increase of the total number of TBI Eligible Acres in the UV; minus,

(iv) Any lands the Water Rights of which have been extinguished or severed and transferred pursuant to Paragraph 5.0; and minus,

(v) Any acres that initially qualified as TBI Eligible Acres:

(a) the UV Decreed Water Rights of which are subsequently converted to non-irrigation use through an M&I conversion or other process approved by the Globe Equity Enforcement Court;

(b) that are ineligible to use water pursuant to the Globe Equity Decree;

(c) the UV Decreed Water Rights of which are severed and transferred in accordance with applicable law to non-UV Subjugated Lands through a process other than those programs described at Paragraph 5.0; or

(d) as to which this Agreement has been terminated.

H. CALCULATION OF TBI ELIGIBLE ACRES FOR EACH SPECIAL HOT LANDS FARM

The calculation of TBI Eligible Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within each Special Hotlands Farm:

(i) the lands identified in the attachment to a signature page submitted by a owner of Special Hot Lands as provided in Subparagraph 2.32, but no more than the acres within such farm that were irrigated during any of the Years from 1997-2001, inclusive; minus,

(ii) Any lands the Water Rights of which have been extinguished or severed and transferred pursuant to Paragraph 5.0; and minus,

(iii) Any acres that initially qualified as TBI Eligible Acres:

(a) the Water Rights of which are subsequently converted to non-irrigation use through an M&I conversion or other process approved by the Globe Equity Enforcement Court or other court of competent jurisdiction, but not the courts of the Community;

(b) the Water Rights of which are severed and transferred in accordance with applicable law to non-UV Subjugated Lands through a process other than those programs described at Paragraph 5.0; or

(d) as to which this Agreement has been terminated.

I. INITIAL CALCULATION OF UV SUBJUGATED ACRES FOR UV IRRIGATION DISTRICTS

The calculation of UV Subjugated Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within the UV Irrigation Districts:

(i) The UV Decreed Acres that were reported to the Water Commissioner by the UVDs (or their agents or persons or entities in privity with them) as lands that would be irrigated and that were actually irrigated (according to the records of the Water Commissioner) during any of the Years from 1997-2001, inclusive;

(ii) Hot Lands; and,

(iii) Such UV Decreed Acres that were not included in the initial calculation of TBI Eligible Acres but that are subsequently brought into production for irrigation purposes; provided, however, that in no event and under no circumstances shall the inclusion of such lands in the definition of UV Subjugated Lands result in an increase of the number of TBI Eligible Acres.

J. <u>INITIAL CALCULATION OF UV SUBJUGATED ACRES FOR THE SUNSET DITCH COMPANY</u>

The calculation of UV Subjugated Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within the Sunset Ditch Company:

(i) The UV Decreed Acres that were reported to the Water Commissioner by the UVDs (or their agents or persons or entities in privity with them) as lands that would be irrigated and that were actually irrigated (according to the records of the Water Commissioner) during any of the Years from 1997-2001, inclusive;

(ii) Hot Lands; and,

(iii) Such UV Decreed Acres that were not included in the initial calculation of TBI Eligible Acres but that are subsequently brought into production for irrigation purposes; provided, however, that in no event and under no circumstances shall the inclusion of such lands in the definition of UV Subjugated Lands result in an increase of the number of TBI Eligible Acres.

K. INITIAL CALCULATION OF UV SUBJUGATED ACRES FOR THE NM NEW MODEL COMMUNITY DITCH ASSOCIATION

The calculation of UV Subjugated Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within the NM New Model Community Ditch Association:

(i) The UV Decreed Acres that were reported to the Water Commissioner by the UVDs (or their agents or persons or entities in privity with them) as lands that would be irrigated and that were actually irrigated (according to the records of the Water Commissioner) during any of the Years from 1997-2001, inclusive;

(ii) Hot Lands; and,

(iii) Such UV Decreed Acres that were not included in the initial calculation of TBI Eligible Acres but that are subsequently brought into production for irrigation purposes; provided, however, that in no event and under no circumstances shall the inclusion of such lands in the definition of UV Subjugated Lands result in an increase of the number of TBI Eligible Acres.

L. INITIAL CALCULATION OF UV SUBJUGATED ACRES FOR EACH YORK VALLEY FARM

The calculation of UV Subjugated Acres shall include (to the extent applicable) and be limited to, the following with respect to lands within each York Valley Farm:

(i) The acres determined by the Settlement Technical Committee to have been irrigated during any of the Years from 1997-2001, inclusive;

(ii) Hot Lands; and,

(iii) Such UV Decreed Acres that were not included in the initial calculation of TBI Eligible Acres but that are subsequently brought into production for irrigation

purposes; provided, however, that in no event and under no circumstances shall the inclusion of such lands in the definition of UV Subjugated Lands result in an increase of the number of TBI Eligible Acres.

M. INITIAL CALCULATION OF UV SUBJUGATED ACRES FOR EACH SPECIAL HOT LANDS FARM

The calculation of UV Subjugated Acres with respect to each Special Hotlands Farm shall include (to the extent applicable) and be limited to, the following with respect to lands within each Special Hotlands Farm:

(i) The UV Decreed Acres that were reported to the Water Commissioner by the UVDs (or their agents or persons or entities in privity with them) as lands that would be irrigated and that were actually irrigated (according to the records of the Water Commissioner) during any of the Years from 1997-2001, inclusive; and

(ii) to the extent not included above in subparagraph M(i), the acres determined by the Settlement Technical Committee to have been irrigated during any of the Years from 1997-2001,

N. ARBITRATION

In the event that the Settlement Technical Committee is unable, within any of the applicable time periods prescribed by Subparagraph 13.1, to agree upon the TBI Eligible Acres or the UV Subjugated Lands for the UV Irrigation Districts, NM New Model Community Ditch Association, the Sunset Ditch Company, each York Valley Farm, and each Special Hot Lands Farm, any Party with a technical representative on the Settlement Technical Committee at that time may submit the issue to binding arbitration pursuant to the procedures set forth in Subparagraph 12.1.

ATTACHMENT 15.9

FORM OF STAY ORDER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA, et al.,	) NO. 31-59 TUC-SRB
Plaintiff and Plaintiffs in Intervention,	) STAY ORDER
v.	)
GILA VALLEY IRRIGATION DISTRICT, et al.,	)
Defendants.	)

Upon motion by _____ and support of the motion by the Gila River Indian Community and the San Carlos Irrigation and Drainage District, it appearing that many of the parties will need to devote substantial efforts in support of the settlement (the "Settlement Agreement") between the Gila and Franklin Irrigation Districts, the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the United States (in its capacities set forth in Subparagraphs 4.3, 4.4 and 4.5 of the Agreement) and other parties located in the Upper Valley of the Gila River, and other good cause appearing, it is hereby ordered as follows:

1. All proceedings related to the Complaint Re: Pumping, filed on or about March 16, 2001 and the issues raised in the complaint are stayed until further order of this Court or as provided in this Order.

2. This Order will dissolve when this Court determines any of the following:

a. Any of the events necessary to the occurrence of the Enforceability Date as defined in Title II of the Arizona Water Settlements Act have not occurred by December 31, 2007.

b. An order has been sought by the Community (which, by agreeing to this stay order, SCIDD has agreed not to oppose) in the Maricopa County Superior Court in Nos. W-1, W-2, W-3 and W-4 (Consolidated) staying litigation relating to the Community's quantification claims in contested case No. W1-203 and the Superior Court has refused to enter such order, or such order once entered has been vacated or modified so as to permit litigation of such quantification claims.

c. Any of the events necessary to the Enforceability Date as defined in Title II of the Arizona Water Settlements Act will not occur.

d. The UV Signatories, as defined in the Settlement Agreement, are materially in violation of the Settlement Agreement such that the Gila River Indian Community, the allottees, or the San Carlos Irrigation and Drainage District are being deprived of substantial and material benefits under the Settlement Agreement.

e. The Community or the San Carlos Irrigation and Drainage District is relieved of its obligations under the Gila River Indian Community Settlement Agreement pursuant to subparagraph 30.17 thereof.

f. One or more of the following parties have failed to execute the Amended and Restated Gila River Indian Community Water Settlement Agreement by January 1, 2006:

(1) Central Arizona Water Conservation District;

(2) Salt River Project Agricultural Improvement and Power District;

(3) Salt River Valley Water Users' Association;

(4) the Arizona cities of Phoenix, Mesa, and Chandler;

(5) the Maricopa-Stanfield Irrigation and Drainage District;

(6) Phelps Dodge Corporation; or

(7) the Central Arizona Irrigation and Drainage District.

3. Upon dissolution of this Order for any reason, the parties may proceed and act with regard to the Gila River, its subflow, their farming operations, and litigation in this Court as if there had been no Settlement Agreement or stay and this Court shall schedule such further proceedings as may be appropriate.

4. Nothing in this Order prevents this Court from issuing another stay order relating to the Complaint Re: Pumping, filed on or about March 16, 2001 and the issues raised in the complaint upon motion of any party after this stay order has been dissolved.

5. Nothing in this Order restricts the ability of any party to the Decree to seek appellate review of this Court's decision on the matters tried in March 2002.

6. Nothing in this Order restricts the right of any party to the Decree to seek interpretation or enforcement of the Decree except as to the issues raised in the Complaint Re Pumping filed on or about March 16, 2001.

7. On and after the Enforceability Date, as defined in Title II of the Arizona Water Settlements Act, this Order shall have no effect with respect to any farm with 10 or more Decreed acres within Arizona, but not within either the Gila Valley Irrigation District of Franklin Irrigation District, the owner of which has not executed that certain Agreement among the Gila River Indian Community, the United States of America, the San Carlos Irrigation and Drainage District, the Franklin Irrigation District, the Gila Valley Irrigation District, and other Parties owning Lands Located in the Upper Valley of the Gila River.

Dated: _____

Copy of the foregoing
form of Order
delivered this ___day of _____
to:

The Honorable Susan R. Bolton
Federal Courthouse
401 West Washington
Phoenix AZ 85003

Copy of the foregoing sent via First Class Mail
this _____ day of _____ to:

U.S. Department of Justice
Environment & Natural Resources Division
F. Patrick Barry
601 Pennsylvania Ave., N.W., Rm. 6712
Washington, D.C. 20026

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320 Gold SW Suite 1000
Albuquerque, New Mexico 87102

Carlos D. Ronstadt
Snell & Wilmer L.L.P.
One Arizona Center
400 E. Van Buren
Phoenix, AZ 85004

By _____

This map is for illustrative purposes. If there is a conflict between the map and the records of the of the Globe Equity Enforcement Court (including the records of the Water Commissioner) regarding the lands served by a canal company, the records of the of the Globe Equity Enforcement Court shall control.

Geronimo
T5SR24E
T5SR23E
T6SR25E
T6SR27E
T6SR28E
T6SR26E
T6SR24E
T7SR25E
T7SR26E
T7SR27E
DODGE NEVADA CANAL
FORT THOMAS CANAL
CURTIS CANAL
GRAHAM CANAL
Glenbar
Pima
SMITHVILLE CANAL
UNION CANAL
Thatcher
Safford
SUNFLOWER CANAL
HIGHLINE CANAL
AQUEDUCT
MONTEZUMA CANAL
Solomon
SAN JOSE CANAL
TIDWELL CANAL
BROWN CANAL
AQUEDUCT
AQUEDUCT
70
19

Attachment 2.7a

Maps Depicting Locations of Canal Companies' Canal Systems, Including Those Systems Serving York Valley Lands in The Vicinity of Safford

January 31, 2003

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

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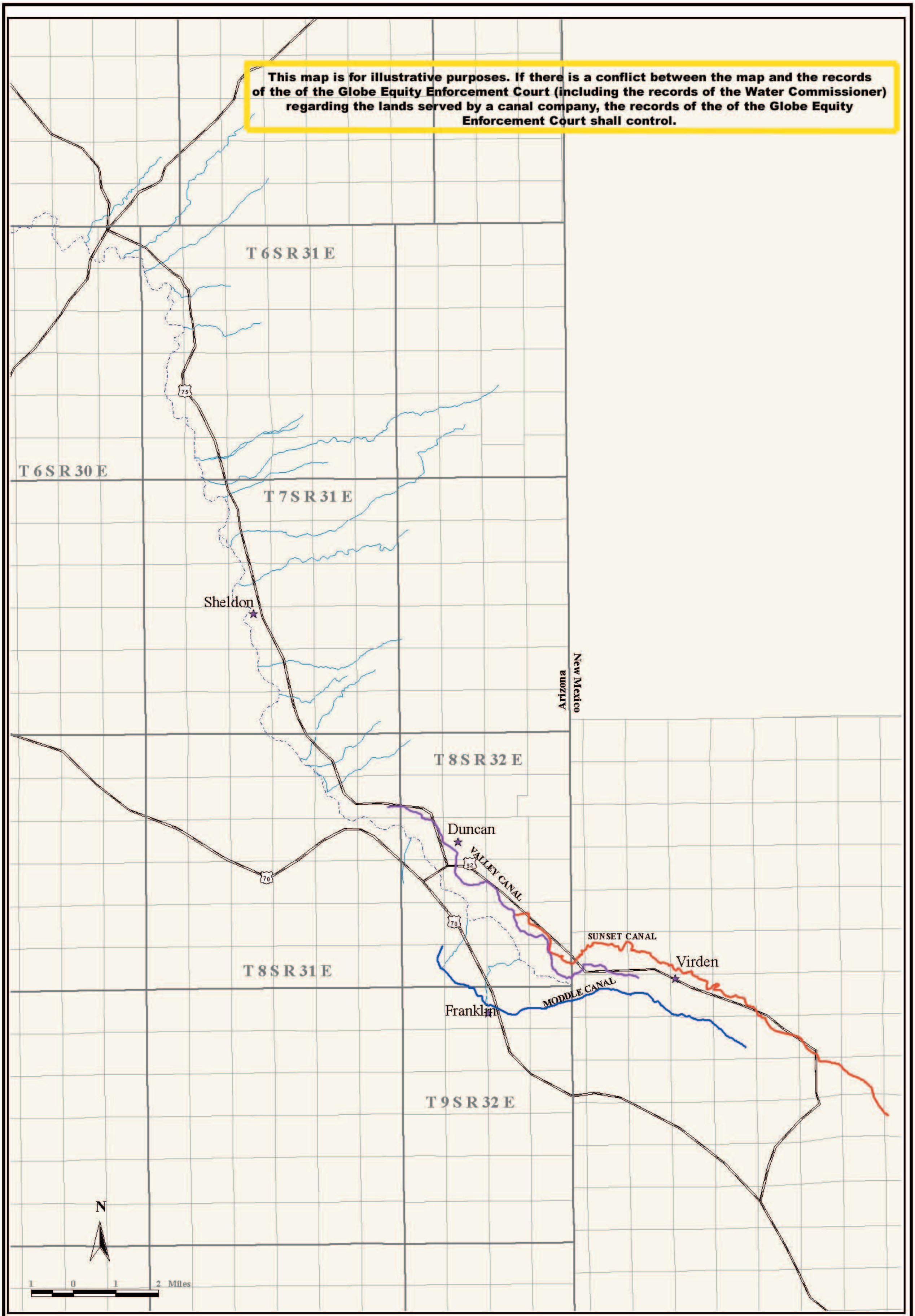
Data Analysis and Map Composition by:

GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com



January 31, 2003

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

Attachment 2.7b
Maps Depicting Locations of Canal Companies' Canal Systems, Including Those Systems Serving York Valley Lands in The Vicinity of Duncan

Data Analysis and Map Composition by:
GIS Southwest, Inc.
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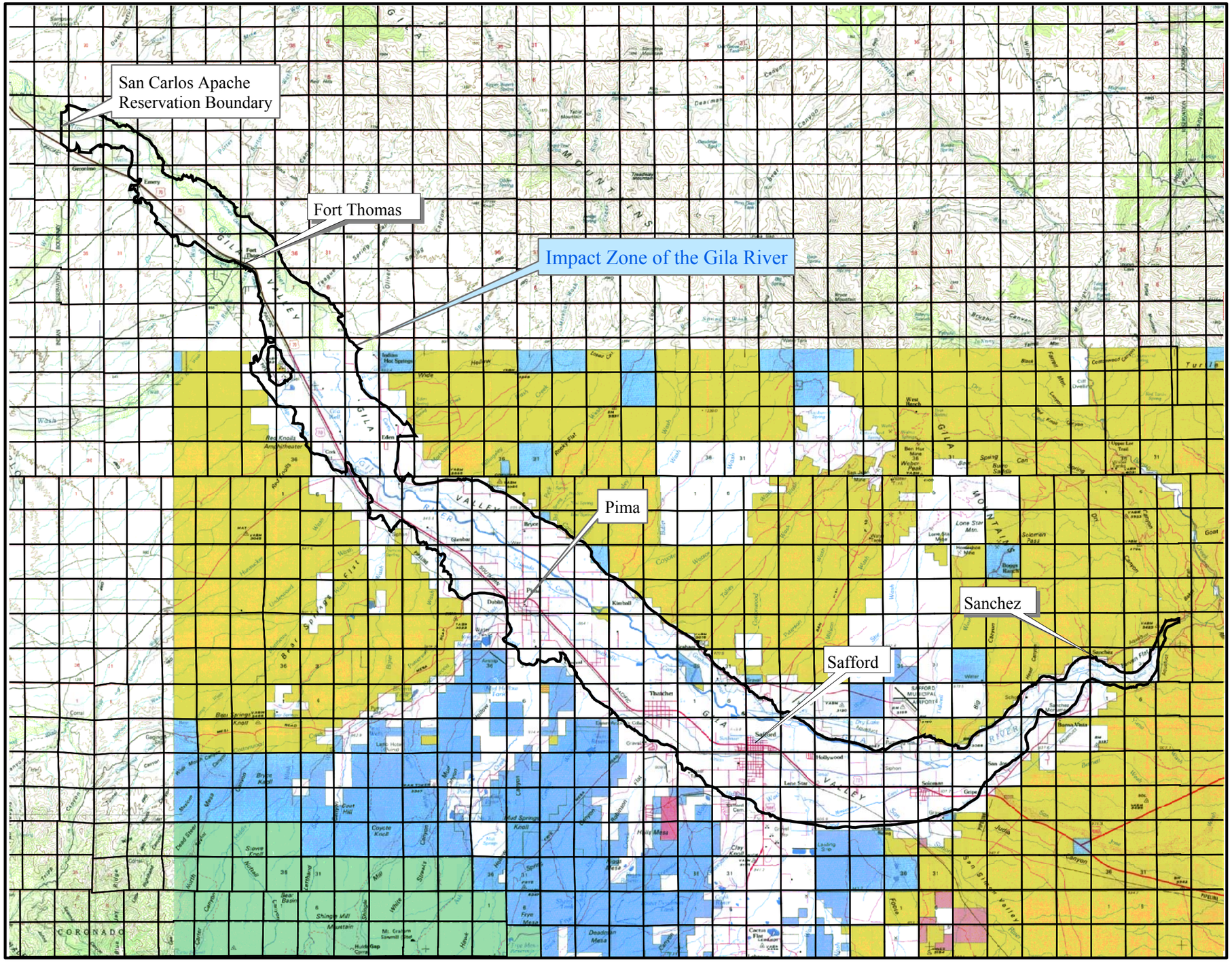
www.gisglobal.com



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Notice to Viewer of this Exhibit:

This map is for illustrative purposes only and is not to be relied upon for any decision involving land or other transactions. The boundaries on this map have not been verified by ground observations and are subject to adjustment for accuracy.

More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

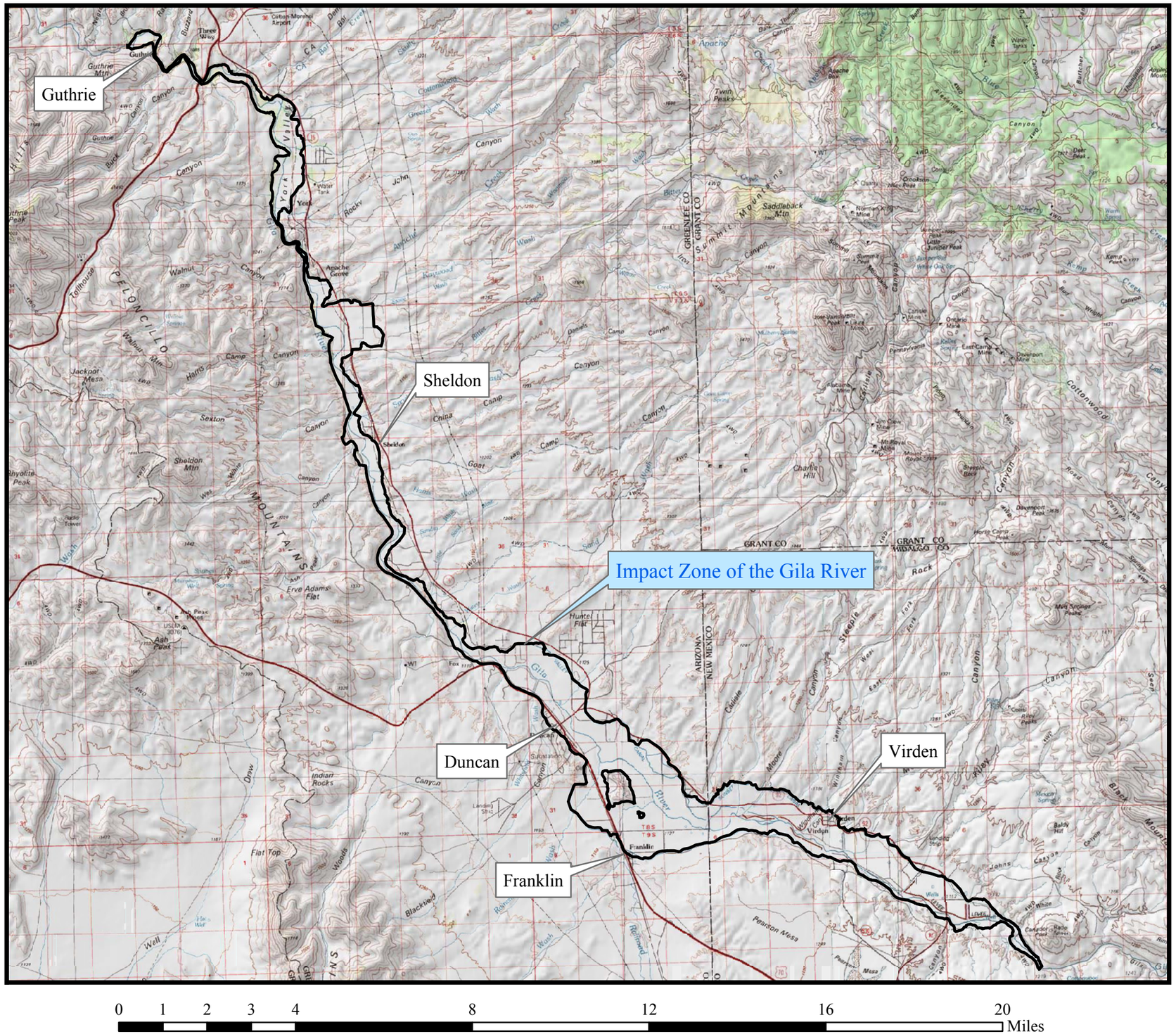
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment 2.47-1
Map of Upper Valley Impact Zone in Vicinity of Safford, Arizona



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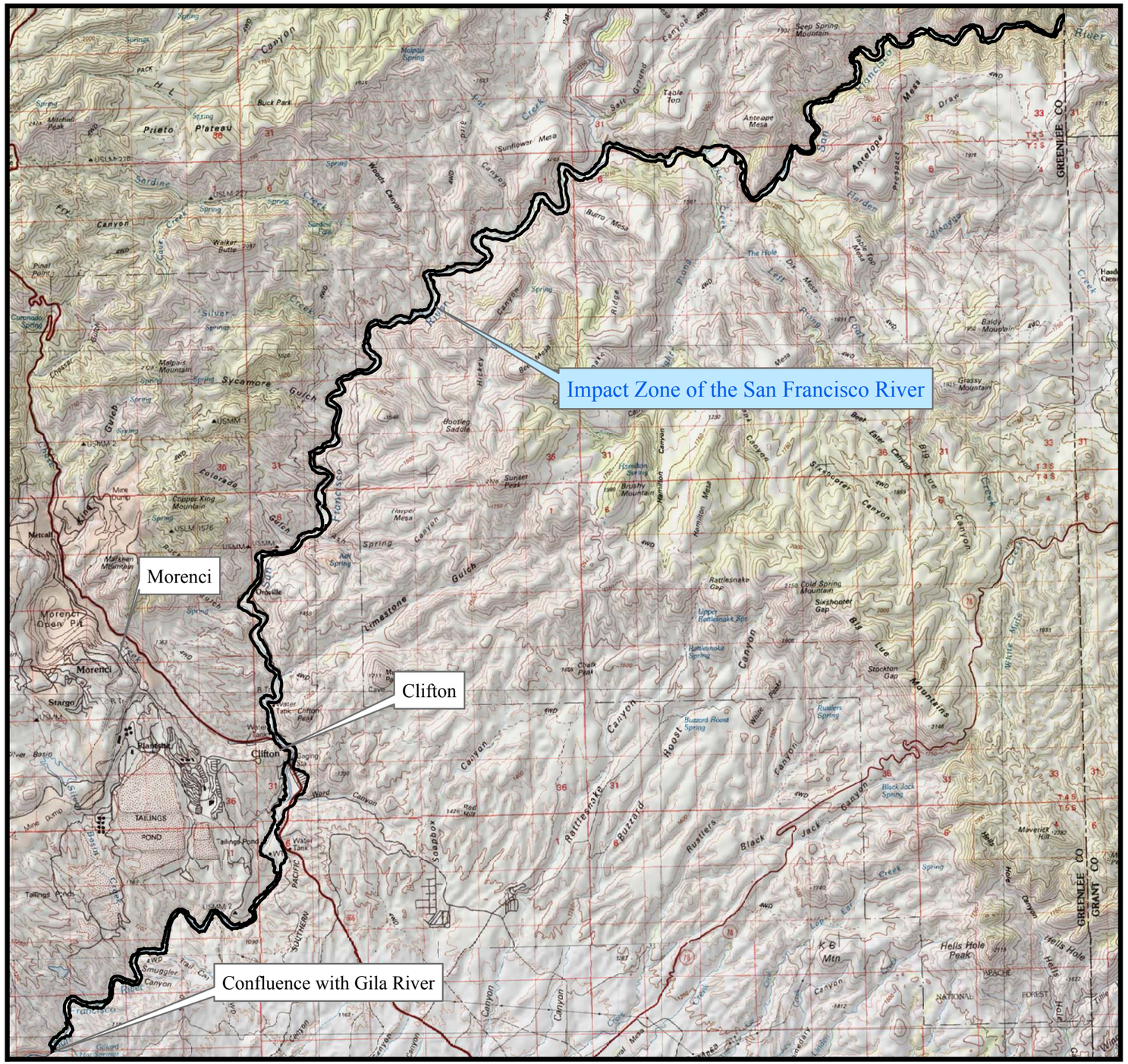
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment 2.47-2
Map of Upper Valley Impact Zone in Vicinity of Duncan Valley, Arizona and Virden Valley, New Mexico



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Notice to Viewer of this Exhibit:

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More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

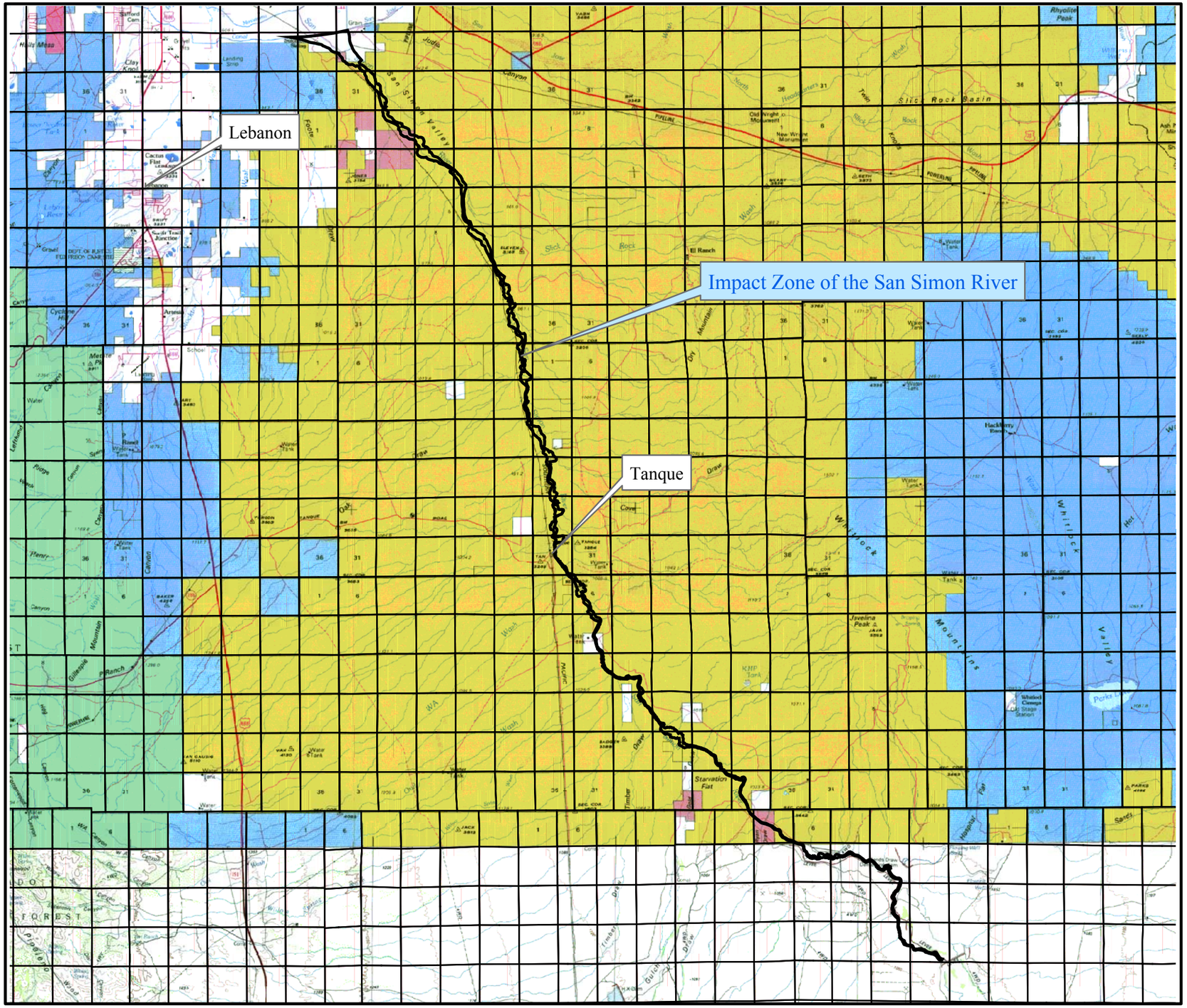
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Francisco River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment 2.47-3
Map of Upper Valley Impact Zone
San Francisco River, Arizona



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Notice to Viewer of this Exhibit:

This map is for illustrative purposes only and is not to be relied upon for any decision involving land or other transactions. The boundaries on this map have not been verified by ground observations and are subject to adjustment for accuracy.

More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Simon River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment 2.47-4
Map of Upper Valley Impact Zone
San Simon River, Arizona

This map of the Gila Valley Irrigation District is for illustrative purposes only. If there is a conflict between this map and the records of the Globe Equity Enforcement Court (including the records of the Water Commissioner) regarding what lands are included in the Gila Valley Irrigation District, the records of the of the Globe Equity Enforcement Court shall control.

Geronimo

T 4 S R 23 E

T 5 S R 24 E

T 5 S R 23 E

T 6 S R 25 E

Gilchrist

Pima

T 6 S R 26 E

T 6 S R 27 E

T 6 S R 28 E

T 6 S R 24 E

Thatcher

Safford

Solomon

T 7 S R 25 E

T 7 S R 26 E

T 7 S R 27 E

Legend

- BROWN CANAL COMPANY
- COLVIN - JONES CANAL COMPANY
- CURTIS CANAL COMPANY
- DODGE- NEVADA CANAL COMPANY
- FORT THOMAS CONSOLIDATED CANAL COMPANY
- FOURNESS CANAL COMPANY
- GRAHAM CANAL COMPANY
- MONTEZUMA CANAL COMPANY
- SAN JOSE CANAL COMPANY
- SMITHVILLE CANAL COMPANY
- T. D. BURTON
- TIDWELL CANAL COMPANY
- UNION CANAL COMPANY
- Townships
- Sections
- City
- Highway

January 31, 2003

ACCURACY STATEMENT:
The information compiled on this map has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

N

1 0 1 2 Miles

Attachment 2.48a
Maps Depicting Lands of UV Irrigation Districts in The Vicinity of Safford

Data Analysis and Map Composition by:

GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

This map of the Franklin Irrigation District is for illustrative purposes only. If there is a conflict between this map and the records of the Globe Equity Enforcement Court (including the records of the Water Commissioner) regarding what lands are included in the Franklin Irrigation District, the records of the of the Globe Equity Enforcement Court shall control.

T 6 S R 31 E

T 6 S R 30 E

T 7 S R 31 E

Sheldon

T 8 S R 32 E

Duncan

T 8 S R 31 E

Virden

Franklin

T 9 S R 32 E

Legend

- ALBERT CANAL COMPANY
- BILLINGSLEY - EXTENSION CANAL COMPANY
- BLACK & McCLESKEY CANAL COMPANY
- C. C. HESTER
- COLMENERO CANAL COMPANY
- COSPER & WINDHAM CANAL AND COSPER & WINDHAM EXTENSION CANAL
- COSPER & WINDHAM CANAL COMPANY
- COSPER & WINDHAM DITCH & COSPER & WINDHAM EXTENSION CANAL
- DUNCAN CANAL COMPANY
- F. E. ROSS
- J. H. BROWN
- J. L. HENDERSON
- J. W. FOOTE
- LAURA SHORT
- MODDLE CANAL COMPANY
- R. C. GILLILAND
- R. H. ANGLE
- R. SEXTON
- SEXTON CANAL COMPANY
- SHRIVER DITCH COMPANY
- SUNFLOWER CANAL COMPANY
- SUNSET CANAL COMPANY
- VALLEY CANAL COMPANY
- W. C. CRAUFURD
- YORK CANAL COMPANY
- YORK CATTLE COMPANY
- Townships
- Sections
- City
- Highway

N

1 0 1 2 Miles

January 31, 2003

ACCURACY STATEMENT:
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Attachment 2.48b
Map Depicting Lands of UV Irrigation Districts in The Vicinity of Duncan

Data Analysis and Map Composition by:
GIS Southwest, Inc.
8601 N. Black Canyon Highway, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908
www.gisglobal.com

Final Execution Version
October 21, 2005

EXHIBIT 26.3

AMENDED AND RESTATED AGREEMENT BETWEEN GILA RIVER INDIAN COMMUNITY, THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, THE UNITED STATES AND THE TOWN OF DUNCAN

NOTE:

This Agreement ("Agreement") is entered into as of the date executed below, by and among the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the Town of Duncan, and the United States of America, in the capacity as set forth herein.

1.0 RECITALS

1.1 Proceedings to determine the nature and extent of the rights to water of the Community, the District, the Town, the United States, and other claimants are pending in the Gila River Adjudication Proceedings, and enforcement actions regarding the interpretation and enforcement of the Globe Equity Decree are pending before the Globe Equity Enforcement Court.

1.2 Recognizing that final resolution of these and other pending proceedings may take many years, entail great expense, prolong uncertainty concerning the availability of water supplies, and seriously impair the long-term economic well-being of all Parties to the Settlement Agreement, the Community, the District, the Town, and the United States have agreed to settle the disputes that are among them.

1.3 In fulfillment of its trust responsibility to Indian tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to settle water rights claims of Indian tribes without lengthy and costly litigation.

1.4 The Town asserts certain rights to use water for M&I Use within Greenlee County.

1.5 The Town Diverts and delivers water for its M&I Uses through a system of wells, pumps and pipelines along the Upper Gila River, which facilities are described and shown in Attachment B.

1.6 The Act provides for the settlement of water rights claims of the Community and the District, and for agreement among the Town, the Community, the District, the United States, and certain other named parties.

1.7 Accordingly, the Parties to this Agreement have agreed to settle water rights and damage claims of the Community and the District permanently as provided for in the Settlement Agreement and to resolve permanently any disputes between the Town, the Community, the District and the United States over the use of water by the Town as set forth in this Agreement.

NOW, THEREFORE, in consideration for the mutual promises contained in this Agreement and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town, the Community, the District and the United States agree as follows:

2.0 DEFINITIONS

Capitalized terms in this Agreement that are not expressly defined herein shall have the same meaning as in the Settlement Agreement. The following terms shall have the following meanings when capitalized in this Agreement:

2.1 "Agreement" shall mean this amended and restated agreement and the attachments hereto, which are incorporated herein by reference.

2.2 "Allocates", "Allocated", "Allocating" or "Allocation" shall mean the dedication to the Water Budget by the Town of water from one or more of the sources authorized by this Agreement for a period of two (2) or more Years to justify an increase in the Water Budget pursuant to Subparagraph 5.1.

2.3 "Attachment" shall mean an attachment to this Agreement.

2.4 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, Pump, turnout, or other mechanical device or any other human act.

2.5 "Diversion" shall mean the act of Diverting.

2.6 "Effective Date" shall mean December 31, 2002.

2.7 "Effluent" shall mean water that has been used for M&I Uses, and treated by the Town, and that is available for reuse for any purpose; provided, however, that the Parties express no view herein as to whether Effluent retains its character as such once discharged into the Upper Gila River.

2.8 "Effluent Credit" shall mean a credit against either (i) Diversions counted against the Water Budget, or (ii) a mitigation requirement established pursuant to Paragraph 10.0, as calculated pursuant to Subparagraph 7.2.

2.9 "Effluent Storage Credits" shall mean the groundwater storage credits to which the Town is entitled for Recharged Effluent as calculated pursuant to the terms and conditions set forth in Subparagraph 7.6.3.2.

2.10 "Gila River Indian Community" or "Community" shall mean the government, composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934.

2.11 "Initial Water Budget" shall mean the amount of water use by the Town that the Community, the District and the United States agree not to challenge pursuant to the terms of this Agreement. The Initial Water Budget is four hundred seventy (470) AFY, of which amount not more than four hundred (400) AFY may be Diverted from within the UV Impact Zone and not more than seventy (70) AFY may be Diverted from the currently existing Town Wells in Hunter Estates. Whether, and the extent to which, Pumping from a well located outside the exterior boundary of the UV Impact Zone results in a cone of depression that extends into the UV Impact Zone and is considered to be Diverting water from within the UV Impact Zone shall be determined in accordance with the cone of depression test standard that is to be determined by the Gila River Adjudication Court.

2.15A "Miscellaneous Flow Lands" shall mean those lands, if any, that are not a part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden

Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

2.12 "Municipal and Industrial Use," "Municipal and Industrial Uses," "M&I Use" or "M&I Uses" shall mean the use of water for municipal, industrial, commercial, residential or other non-agricultural purposes within the area served by the Town.

2.12A "Other Well" shall mean a well that is not shown or described on attachment "B" that is used by the Town to provide water for M&I uses.

2.13 "Paragraph" shall mean a paragraph of this Agreement.

2.14 "Party" shall mean an entity, as defined in this Agreement, represented by a signatory to this Agreement and "Parties" shall mean all such entities. The United States participation as a Party shall be in the capacity described in Subparagraph 2.26.

2.15 "Phreatophyte" shall mean a deep rooted plant that grows in locations in which the root system reaches the water table, or the capillary zone immediately above the water table, deriving a perennial and secure supply of water from such source.

2.16 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

2.17 "Recharged Effluent" shall mean Effluent that the Town has recharged pursuant to the terms and conditions set forth in Attachment C."

2.18 "Recovered Effluent" shall mean Recharged Effluent that the Town has recovered pursuant to the terms and conditions set forth in Attachment C."

2.19 "San Carlos Irrigation and Drainage District" or "the District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

2.20 "San Carlos Irrigation Project", "SCIP" or the "Project" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475), as amended and supplemented. The term "San Carlos Irrigation Project" or "Project" includes any amendments and supplements to the act described in the preceding sentence.

2.21 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Settlement Agreement, including all Exhibits thereto (as that term is defined therein), authorized and approved by the Act and entered into among the Community, the District, the Town, the United States, the State, and certain other named Parties.

2.22 "Subparagraph" shall mean a subparagraph of this Agreement.

2.23 "Town of Duncan", "Duncan", or "Town" shall mean the Town of Duncan, Arizona, a municipal corporation.

2.24 "Town Wells" shall mean the wells shown on Attachment B.

2.25 "Town's Decreed Lands" shall mean UV Decreed Acres owned by the Town as of July 1, 2002.

2.26 "United States of America" or "United States" shall mean the United States of America: (i) acting as trustee on behalf of the Community, Members, and Allottees; (ii) to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the Project and Miscellaneous Flow Lands; and (iii) in no other capacity.

2.27 "Upper Gila River" shall mean the Gila River above Ashurst-Hayden Diversion Dam.

2.28 "UV Decreed Acres" shall mean those lands located upstream and to the east of Coolidge Dam, but not including the San Carlos Apache Reservation, and not including Article VI(2) UV Apache Land, for which water may be diverted, now or in the future, pursuant to the Globe Equity Decree.

2.29 "UV Decreed Water Rights" shall mean the rights to Divert water for use on UV Decreed Acres in accordance with the Globe Equity Decree.

2.30 "UV Impact Zone" shall be that area so depicted on Attachment A.

2.31 "Water Budget" shall mean the Initial Water Budget and any modifications thereto as authorized by this Agreement that may be in effect from time to time.

2.32 "Water Use Plan" shall mean the plan to be adopted by the Town identifying projected water uses and permanent water source options in accordance with Subparagraph 4.4.

3.0 ATTACHMENTS

Following is a list that constitutes the attachments to this Agreement:

Attachment	Description
A	Map of UV Impact Zone
B	Map depicting location of Town Wells
C	Method for calculating Effluent Storage Credits
D	Sample Accounting Spreadsheet

E Town Weed Control Ordinance

4.0 WATER BUDGET

4.1 The Town shall be entitled to Divert and use the Initial Water Budget.

4.2 The Town shall seek to sever, transfer, and convert UV Decreed Water Rights associated with the Town's Decreed Lands in accordance with the Globe Equity Decree and the Community, District and the United States shall not object to such severance, transfer or conversion. The Town shall not seek to sever, transfer, convert, or Divert for M&I Uses more than two and one-half (2.5) AFY for any acre of the Town's Decreed Lands.

4.3 By the end of the fifth Year following the Enforceability Date, the Town shall have developed and provided to the Parties a Water Use Plan that identifies all projected water uses.I If the projected M&I Water uses in the Water Use Plan are in excess of the Initial Water Budget, the Town shall identify in the Water Use Plan one or more methods of Allocating water sources to increase the Water Budget as authorized by this Agreement. The Town shall implement such Water Use Plan by the beginning of the sixth (6th) Year following the Enforceability Date. The Town shall update such Water Use Plan as necessary to project future needs and ensure stable and reliable water sources to off-set potential future increased Diversions as provided in this Agreement. Each Water Use Plan shall also identify any sources of water that the Town has Allocated to the Water Budget and the total amount of the Water Budget then in effect for the period covered by such Water Use Plan. The total amount of the Water Budget identified in any

given Water Use Plan shall be definitive for purposes of this Agreement for the period covered thereby and shall remain in effect for at least one Year.

4.4 The Town shall not Divert more water for M&I Use than the then applicable Water Budget as accounted for pursuant to Paragraph 11.0, except under the circumstances and pursuant to the mitigation requirements described in Paragraph 10.0.

5.0 MODIFICATIONS TO WATER BUDGET; TEMPORARY EXCEEDANCE OF WATER BUDGET

5.1 The Town may increase its Water Budget from time to time to the extent that the Town obtains and retains the right to use additional water as set forth in Paragraphs 6.0 through 8.0, and Allocates such additional water to its Water Budget, as described in the then current Water Use Plan. The Town shall amend its Water Use Plan to reflect the Allocation of additional water and no increase in the Water Budget shall be effective until the Water Use Plan has been amended to reflect such Allocation. The following shall be acceptable methods for the Town to increase the Water Budget:

5.1.1 Subject to the requisite court approvals, the Town may obtain water from sources other than the Upper Gila River, including water obtained and delivered pursuant to a lease of CAP water, and exchange such water with the Community or the District. The Town shall be entitled to increase its Water Budget by one (1) acre-foot for each one (1) acre-foot of water contractually obligated for delivery to the Community or the District pursuant to such exchange.

5.1.2 The Town may convert UV Decreed Water Rights from Irrigation Use to M&I Use, in accordance with Paragraph 6.0.

5.1.3 In accordance with Paragraph 7.0, the Town may discharge Effluent to the Upper Gila River. This Subparagraph 5.1.3 shall not be construed as a restriction against the Town's use of Effluent for other purposes.

5.1.4 The Town may purchase or lease existing M&I water use facilities within the UV Impact Zone for continued use in the UV Impact Zone if such water use facilities have an established water use that is not in violation of or contrary to State law or the Settlement Agreement. The Town shall be entitled to increase its Water Budget by the average amount shown to have been Diverted by such water use facilities over the five (5) Years immediately preceding the date of the Town's acquisition of such facilities. This Subparagraph 5.1.4 shall not be construed as a restriction against Diversions and use of water for M&I Uses by the Town from existing or new M&I water use facilities located outside of the UV Impact Zone.

5.1.5 Subject to the provisions of Subparagraph 8.3, the Town may Divert Underground Water or water recovered from a recharge facility authorized by State Law from wells located outside of the UV Impact Zone. The Town shall be entitled to increase its Water Budget by one acre-foot for each acre-foot of such Underground Water that is Allocated to the Water Budget. This Subparagraph 5.1.5 shall not be construed as a restriction against Diversions and use by the Town from wells located outside of the UV Impact Zone for M&I Uses. Whether, and the extent to which, Pumping from a well located outside the exterior boundary of the UV

Impact Zone results in a cone of depression that extends into the UV Impact Zone and is considered to be Diverting water from within the UV Impact Zone shall be determined in accordance with the cone of depression test standard that is to be determined by the Gila River Adjudication Court.

5.1.6 The Town may obtain water through water salvage projects in accordance with applicable law.

5.1.7 The Town may increase its Water Budget pursuant to any other method mutually acceptable to the Town, the Community and the District that does not adversely affect the surface flow or the sub-flow of the Gila River.

5.2 To the extent that the acquisition or use of additional sources of water as described in Subparagraph 5.1 are subject to the approval of other persons or entities, or subject to compliance requirements imposed by other persons or entities, the burden of obtaining such approvals or meeting such compliance requirements is solely and exclusively the burden of the Town and no other party.

5.3 All costs associated with the acquisition and delivery of water for the benefit of the Community and/or the District pursuant to Subparagraph 5.1 shall be borne by the Town.

5.4 The Parties recognize that from time to time, the Town's M&I Uses may fluctuate on a short-term basis (meaning an increase in need for water for a period of less than one (1) Year). Therefore, notwithstanding Paragraph 4.0 and Subparagraph 5.1 (and

the Water Budget then in effect), the Town may exceed its applicable Water Budget in a given Year if:

5.4.1 The need for such increase is due to an unexpected contingency or emergency that would not have been reasonably foreseeable pursuant to prudent water management planning;

5.4.2 The need for such increase is not on a recurring basis; and

5.4.3 Within the Year immediately following such unexpected and nonrecurring use of water for M&I Uses, the Town mitigates the amount of such excess use in accordance with an approved mitigation method described in Paragraph 10.0.

5.5 If the needed increase is to be on a recurring basis, the Town shall amend the Water Use Plan to ensure that in the Year immediately following such need, a water supply source is secured and Allocated to allow for an increase in the Water Budget pursuant to one of the methods set forth in Subparagraph 5.1.

5.5.1 If the Town fails to amend the Water Use Plan in accordance with Subparagraph 5.5 and exceeds the Water Budget then in effect in two (2) or more consecutive Years, the City shall mitigate in accordance with Subparagraph 10.2.1.

5.6 Notwithstanding the requirement that an Allocation of water be made for a period of two (2) years or more, as set forth in Subparagraph 2.2, the Town may substitute a water source authorized pursuant to this Agreement for any source previously Allocated to the Water Budget by Allocating such substitute water source pursuant to

Subparagraph 4.3; provided, however, that the substitute water is Allocated to the Water Budget for a minimum of two (2) Years.

6.0 CONVERSION OF UV DECREED WATER RIGHTS TO M&I USE

6.1 For UV Decreed Acres other than the Town's Decreed Lands, the Town may seek to sever, transfer or convert to M&I Use any UV Decreed Water Rights appurtenant to any UV Decreed Acres; provided, however, that: (i) such acres have been irrigated (according to the records of the Water Commissioner) during any of the Years from 1997–2001, inclusive; (ii) such acres have been reported (according to the records of the Water Commissioner) as having been irrigated for at least one (1) Year during the five (5) Year period immediately preceding the date of application; and (iii) such acres have not been used as part of the UV acreage reduction program required pursuant to subparagraph 5.2 of exhibit 26.2 to the Settlement Agreement.

6.2 The Community, the District, and the United States shall not contest the Town's change of use application submitted to the Globe Equity Enforcement Court to sever, transfer or convert a right to Divert UV Decreed Water Rights appurtenant to UV Decreed Acres to a right to Divert for M&I Use, provided that the application complies with the provisions of Subparagraph 6.1.

6.3 For any right to Divert that has been severed, transferred or converted to M&I Uses by the Town or on the Town's behalf, and for any rights to Divert that have previously been converted and that are conveyed to the Town, the Town may increase its Water Budget by the lesser of the converted amount or two (2.0) AFY per acre.

6.4 The Town shall not seek to transfer any converted right to any other entity or person in an amount greater than the lesser of the converted amount or two (2.0) AFY per acre. The Town shall not retain any portion of any converted right so transferred.

7.0 EFFLUENT

7.1 The Town shall have the right, but not the obligation, to: (i) Allocate Effluent to the Water Budget in accordance with this Agreement; (ii) lawfully discharge Effluent into the Upper Gila River; and (iii) lawfully use Effluent for recharge or any other lawful purpose.

7.2 The Town shall be entitled to Effluent Credits only after the Town's Diversion of water has reached a total of four hundred seventy (470) AFY. The Town's entitlement to Effluent Credits shall be calculated as follows:

7.2.1 If the Town discharges Effluent to the Upper Gila River pursuant to Subparagraph 7.1, the Town shall receive, in the Year in which such discharge occurs, one (1) acre-foot of credit against either Diversions counted against the Water Budget or a mitigation requirement pursuant to Paragraph 10.0 for each one (1) acre-foot of Effluent so discharged;

7.2.2 If the Town uses Effluent for irrigation on a new golf course, park or other similar area within the UV Impact Zone, the Town shall be entitled to receive an Effluent Credit in the amount of thirty-five one hundreds (35/100) acre-foot for each one (1) acre-foot of Effluent so applied in the Year in which such application occurs.

7.2.3 If the Town sells a portion of its Effluent to a third party, the Town shall not receive Effluent Credit for that portion of the Effluent sold.

7.3 Except for Effluent Allocated to the Water Budget that is specifically committed to be discharged into the Gila River pursuant to Subparagraph 5.1.3, the Parties expressly agree that any discharge of Effluent at any time to the Upper Gila River shall not create any continuing obligation on the part of the Town to discharge Effluent at any other time.

7.4 The Town shall provide reasonable notice to the Community and the District with a reasonable opportunity to comment on any proposed plans for significant Effluent use. The Town may provide such notice to the Community and the District by summarizing the Town's proposed use of Effluent in the Town's Water Use Plan.

7.5 The Community, the District and the United States shall not assert any right, title, interest or claim to Effluent produced from Town Diversions, and acknowledge that the Town has full authority and control to determine the use and disposition of the Effluent.

7.6 Recharged Effluent and Recovered Effluent.

7.6.1 The Town may recharge Effluent within the UV Impact Zone in accordance with the terms and conditions set forth in Attachment C and Effluent thus recharged shall be considered Recharged Effluent for purposes of Subparagraph 7.6.3.

7.6.2 The Town may recharge Effluent outside the UV Impact Zone in accordance with applicable State law and such recharge shall not be subject to the terms of this Agreement. The Town shall not be entitled to

Divert water from within the UV Impact Zone on account of (i) any groundwater storage credits that it might receive under State law for having recharged Effluent outside of the UV Impact Zone, or (ii) having recharged water of any nature outside of the UV Impact Zone. The Town may Divert any water recovered from a recharge facility located outside the UV Impact Zone without regard to this Agreement and such recovered water shall not count as a Diversion against the Water Budget. Notwithstanding the preceding sentence, pursuant to Subparagraph 5.1.7 the Town may, in accordance with a plan to be approved by the Community and the District, which approval shall not be unreasonably withheld, use such recovered water to increase its Water Budget or to mitigate against Diversions within the UV Impact Zone

7.6.3 The Town shall recover Recharged Effluent in accordance with the terms and conditions set forth in Attachment C and Recharged Effluent thus recovered shall be considered Recovered Effluent for purposes of this Agreement.

7.6.3.1 Recovered Effluent shall not count as a Diversion for purposes of the Town's Water Budget.

7.6.3.2 The Town shall be entitled to withdraw Recharged Effluent in an amount not to exceed the lesser of (i) 90% of the amount of Recharged Effluent, notwithstanding State law provisions governing long term storage credits within an Active Management Area; or (ii) the amount of the Effluent Storage Credits for such Recharged Effluent to which

the Town is entitled as calculated pursuant to the terms and conditions of Attachment C.

7.6.3.3 The location of withdrawals of Recharged Effluent shall be determined in accordance with the requirements of Attachment C.

8.0 NEW WELLS

8.1 The Community, the District and the United States shall not object to the Town's drilling new or replacement wells within the UV Impact Zone, provided, however, that the Town shall not Pump or Divert more water from within the UV Impact Zone than is consistent with the terms and conditions of this Agreement.

8.2 If the Town seeks to drill a new well outside of the UV Impact Zone, the Town shall file a notice of intention to drill any well or wells for M&I Uses.

8.3 The Town's notice of intention to drill shall be: (i) served on the Community and the District not less than ninety (90) days prior to the date that the City issues a notice to proceed with the drilling of such well, and (ii) if required, filed with ADWR. The Community and the District may object to the construction of the well only on the grounds that the operation of the well would violate the terms of this Agreement; provided, however, that if it is determined that the Pumping of water from such well would result in a cone of depression that takes water from within the UV Impact Zone then, to the extent that the well takes water from within the UV Impact Zone, the water Pumped from the well shall be counted against the Water Budget as water Diverted from within the UV Impact Zone.

8.4 If the Town seeks to utilize any Other Well, the Town shall notify the Community and District in writing of such intention and shall include in such notice information concerning the location and intended use of such Other Well.

9.0 OTHER WATER PROVISIONS

9.1 The Community, the District and the United States shall not object to the Town's (a) construction, modification, relocation, and maintenance of conveyance facilities, or (b) maintenance, operation, repair, deepening and replacement of existing wells.

9.2 The Town shall, if necessary or required, agree to join a water augmentation authority.

9.3 The Town shall not obstruct the flow of the Upper Gila River, and, except as provided for in this Agreement, shall not Divert from the Upper Gila River.

9.4 The Town agrees to implement reasonable conservation measures in accordance with Town public policy objectives and existing State law.

10.0 MITIGATION

10.1 The Town shall provide mitigation to the Community and the District for any of the following:

10.1.1 Any exceedance of the Water Budget in any given Year other than a temporary exceedance pursuant to Subparagraph 5.4;

10.1.2 A temporary exceedance of the Water Budget in any given Year pursuant to Subparagraph 5.4; and

10.1.3 Failure to control Phreatophytes in accordance with the provisions of Paragraph 12.0.

10.2 Terms and conditions of mitigation.

10.2.1 For mitigation required pursuant to Subparagraph 10.1.1, during the Year following the Year in which the event requiring mitigation occurred, the Town shall provide to the Community and the District no less than one and one-tenth (1.1) acre-feet of water for each one (1) acre-foot of water Diverted in excess of the Water Budget in effect at the time of the exceedance as determined pursuant to this Agreement.

10.2.2 For mitigation required pursuant to Subparagraph 10.1.2, during the Year following the Year in which the event requiring mitigation occurred, the Town shall provide to the Community and the District no less than one (1.0) acre-foot of water for each one (1.0) acre-foot of water Diverted in excess of the Water Budget in effect at the time of the exceedance as determined pursuant to this Agreement.

10.2.3 For mitigation required pursuant to Subparagraph 10.1.3, the Town shall provide to the Community and the District no less than one (1.0) acre-foot of water lost to the flow of the Upper Gila River during the Year following the Year in which the event requiring mitigation occurred.

10.2.4 The Community shall not be required to accept Effluent for mitigation pursuant to this Paragraph 10.0 except for Effluent provided as mitigation that is delivered above Coolidge Dam.

10.2.5 To the extent that the acquisition or use of a source of water to be used for mitigation pursuant to this Paragraph 10.0 is subject to the approval of other persons or entities, or subject to compliance requirements by third parties, the burden of obtaining such approvals or meeting such compliance requirements is solely and exclusively the burden of the mitigating party and not of any other party.

10.2.6 If the Town acquires or obtains a right to use water pursuant to a method authorized in Subparagraphs 5.1.1, 5.1.3 or 5.1.5 but does not Allocate such water to increase the Water Budget, the Town may use such water to fulfill its mitigation requirements as set forth in Subparagraph 10.1. With the exception of mitigation required pursuant to Subparagraph 10.1.2, the non-use of any portion of a then existing Water Budget shall not be deemed mitigation for purposes of this Agreement. With respect to mitigation required pursuant to Subparagraph 10.1.2, the non-use in the Year following such temporary exceedance of any portion of the then existing Water Budget may be deemed mitigation for purposes of this Agreement.

11.0 ACCOUNTING

11.1 The following shall be counted in any given Year by the Town as a Diversion against the Town's Water Budget:

11.1.1 Any water Diverted by the Town from within the UV Impact Zone;

11.1.2 Any water that is Allocated to the Water Budget in the Water Use Plan, whether or not Diverted, for so long as such Allocation remains in effect; and

11.1.3 Any water Diverted from the Town Wells.

11.2 The following shall be not be counted by the Town in any given Year as a Diversion against the Town's Water Budget:

11.2.1 Any source of water from outside the Impact Zone that is not Allocated to the Water Budget in any given Year; and

11.2.2 Any Recovered Effluent.

11.3 Effluent Credits to which the Town is entitled pursuant to Subparagraph 7.2 shall be used in the Year in which the Town earns such credits.

11.4 Any water sold, exchanged or transferred by the Town to a third party shall be counted as a Diversion against the Water Budget if such Diversion would otherwise have been counted against the Water Budget, notwithstanding such sale, exchange or transfer.

11.5 For illustrative purposes only, the Parties have developed a sample accounting spreadsheet to demonstrate the accounting for Diversions that count against the Water Budget pursuant to this Paragraph 11.0, a copy of which is attached as Attachment D.

11.6 In the event of any ambiguity in calculating the amount of water Diverted by the Town pursuant to Subparagraph 11.1, or in calculating the amount of water excluded pursuant to Subparagraph 11.2, the Parties' intention is that such ambiguity be

resolved so as to avoid counting against the Water Budget any particular source of water more than once in any given Year.

12.0 PHREATOPHYTE CONTROL

12.1 The Town shall manage any agricultural lands it owns or acquires in a manner to keep them reasonably free of Phreatophytes.

12.2 The Town shall manage lands within the Town limits through weed control ordinances to keep them reasonably free of Phreatophytes to an extent at least as stringent as is required by the Town Weed Control Ordinance in effect as of the Effective Date, a copy of which is attached hereto as Attachment E.

12.3 The Phreatophyte control requirements set forth in Subparagraphs 12.1 and 12.2 shall not apply to (i) Phreatophytes existing as of the Enforceability Date, or, (ii) ornamental trees or plants used for urban landscaping.

13.0 REPORTING

13.1 No later than the Enforceability Date, the Town shall commence installation of metering devices, whose accuracy meets industry standards, on all pumps and other Diversion facilities owned or operated by or for the Town, including all metering of Effluent production and discharges. The Town shall complete installation of such metering devices and such devices shall be fully operational no later than one (1) year after the Enforceability Date. Thereafter, the Town shall operate and maintain the metering devices in accordance with industry standards.

13.2 Beginning on the Enforceability Date, the Town shall keep records of all Pumping from all wells and other Diversions, Effluent production, discharges and credits accrued, and shall deliver to the Community and the District a copy of such records together with a summary of the total Diversions within thirty (30) days of the end of each quarter for the preceding quarter. The fourth quarter report for any given Year shall be an annual report for such Year.

14.0 CONFIRMATION OF RIGHTS

14.1 The Community, the District, and the United States hereby agree not to challenge in the Gila River Adjudication, or in any other judicial or administrative proceeding, including the Globe Equity Decree proceedings, the rights of the Town to Divert and use water pursuant to the terms of this Agreement.

15.0 WAIVER, RELEASE OF CLAIMS AND COVENANT NOT TO SUE

15.1 The Town shall be entitled to the waivers and releases described in paragraph 25.0 of the Settlement Agreement and be subject to the limitations on waivers described therein; provided, however, that the Town and any successor in interest to the Town shall be entitled to such waivers only to the extent that the Town and any successor in interest to the Town complies with the terms, limitations, and obligations provided for in this Agreement.

16.0 ENFORCEMENT

16.1 The rights and obligations under this Agreement may be enforced in the Gila River Adjudication Court, or the Globe Equity Enforcement Court, whichever may have jurisdiction.

16.2 The sovereign immunity of the Community and the United States is waived pursuant to and solely to the extent provided in section 213(a) of the Act.

17.0 MISCELLANEOUS

17.1 Waiver. No waiver of any breach of any of the terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Agreement.

17.2 Severability. If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that if the severance would deprive any Party of its material benefits under this Agreement, that Party shall be released from this Agreement.

17.3 Construction and effect. This Agreement and each of its provisions are to be construed fairly and reasonably. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

17.4 Successors and assigns. Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

17.5 Benefits of agreement. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise from this Agreement.

17.6 Third party beneficiaries. The Parties do not intend that there be any third party beneficiaries of this Agreement.

17.7 Good faith negotiations. This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and no information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party to this Agreement hereto in any legal or administrative proceeding other than a proceeding for the approval of this Agreement and the Settlement Agreement.

17.8 Conflict with Settlement Agreement. If there is a conflict between the provisions of this Agreement and the provisions of the Settlement Agreement, for purposes of interpreting this Agreement only, the provisions of this Agreement shall control.

17.9 Entire Agreement. This Agreement is the entire agreement between the Parties. All previous agreements, statements, contracts and representations by or among the Parties and their agents relating to the subject matter of this Agreement are hereby merged into this Agreement and no evidence of any such agreement, contract,

representation or statement as a reason for entering this Agreement. Any modification of this Agreement shall be void unless it is in writing and signed by all the Parties.

17.10 No major Federal action. Execution of this Agreement by the Secretary shall not constitute a major Federal action under the National Environmental Policy Act (42 U.S.C. 1531 *et seq*.).

17.11 No admission by Town. By entering this Agreement, the Town is not admitting and hereby denies that water pumped in the UV constitutes appropriable subflow or that such Pumping, absent this Agreement, would violate the Globe Equity Decree. Further, the Town hereby asserts that such Pumped water does not constitute appropriable subflow and that such Pumping, absent this Agreement, would not be subject to objection by the Community, the District and the United States

17.12 No admission by the Community, the District or the United States. By entering this Agreement, the Community, the District and the United States are not admitting and hereby deny that water pumped in the UV does not constitute appropriable subflow or that such Pumping, absent this Agreement, would violate the Globe Equity Decree. Further, the Community, the District and the United States hereby assert that such Pumped water does constitute appropriable subflow and that such Pumping, absent this Agreement, would be subject to objection by the Community, the District and the United States.

17.13 Counterparts. This Agreement may be executed in triplicate originals, each of which shall constitute an original Agreement.

17.14 No prohibition on objections. Except as expressly provided for in this Agreement, nothing in this Agreement or the Settlement Agreement shall be construed to prohibit or in any limit any of the Parties from objecting to, or opposing, or placing conditions on any severance, transfer, change of use or exchange of the water of the Gila River.

17.15 Governing Law. This Agreement shall be construed in accordance with applicable Federal and State law.

17.16 Applicability. Nothing in this Agreement shall be construed so as to limit the Parties from entering additional written agreements for the use of water in excess of the rights set forth herein upon the mutual consent of the Town, the Community, the District and the United States, in any capacity.

17.17 Approval, consent and ratification. Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement.

17.18 Notices. Any notice to be given hereunder shall have been properly given when received by the Officer or Manager designated herein or when deposited in the United States mail in an Arizona or Washington D.C., post office, certified or registered, postage prepaid, addressed as follows:

AS TO THE TOWN:

Town of Duncan
Town Hall
P.O. Box 916
Duncan, Arizona 85534
Attn: Town Manager

AS TO THE COMMUNITY:

Gila River Indian Community

Office of the Governor
Post Office Box 97
Sacaton, Arizona 85247

AS TO THE DISTRICT:

San Carlos Irrigation and Drainage District
P.O. Box 218
Coolidge, Arizona 85228
Attn: General Manager and General Counsel

AS TO THE UNITED STATES:

Secretary of the Interior
Department of the Interior
Washington, D.C. 20240

And

Regional Director
Western Regional Office
Bureau of Indian Affairs
Post Office Box 10
Phoenix, Arizona 85001

Or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Paragraph 17.19.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year signed below.

GILA RIVER INDIAN COMMUNITY

By: _____
Its: _____
Dated: _____

Attest: _____

Approved as
To Form: _____
Its: _____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2001 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By: _____
Its:

Dated: _____

Attest: _____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2001 by _____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

TOWN OF DUNCAN

By: _____
Mayor
Dated: _____

Attest: _____
Clerk

Approved as
To Form:_____
Town Attorney for the Town of Duncan

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2001 by _____ as _____ and for and on behalf of the Town of Duncan.

_____
Notary Public

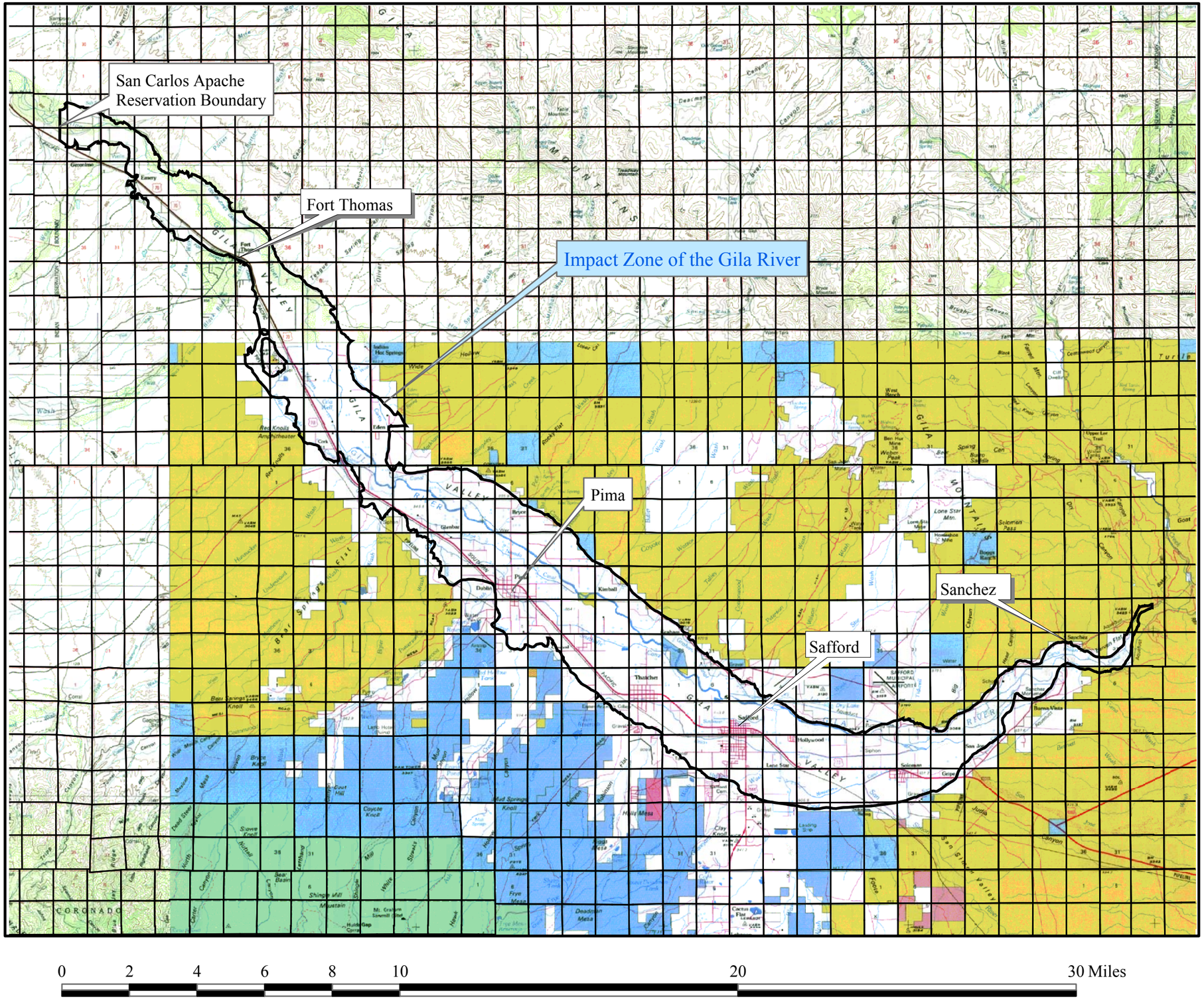
My commission expires:
_____

This Agreement is approved pursuant to the Arizona Water Rights Settlement Act of ___, and 25 U.S.C. §81.

THE UNITED STATES OF AMERICA

By: _____
Secretary of the Interior

Dated: _____



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Notice to Viewer of this Exhibit:

This map is for illustrative purposes only and is not to be relied upon for any decision involving land or other transactions. The boundaries on this map have not been verified by ground observations and are subject to adjustment for accuracy.

More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

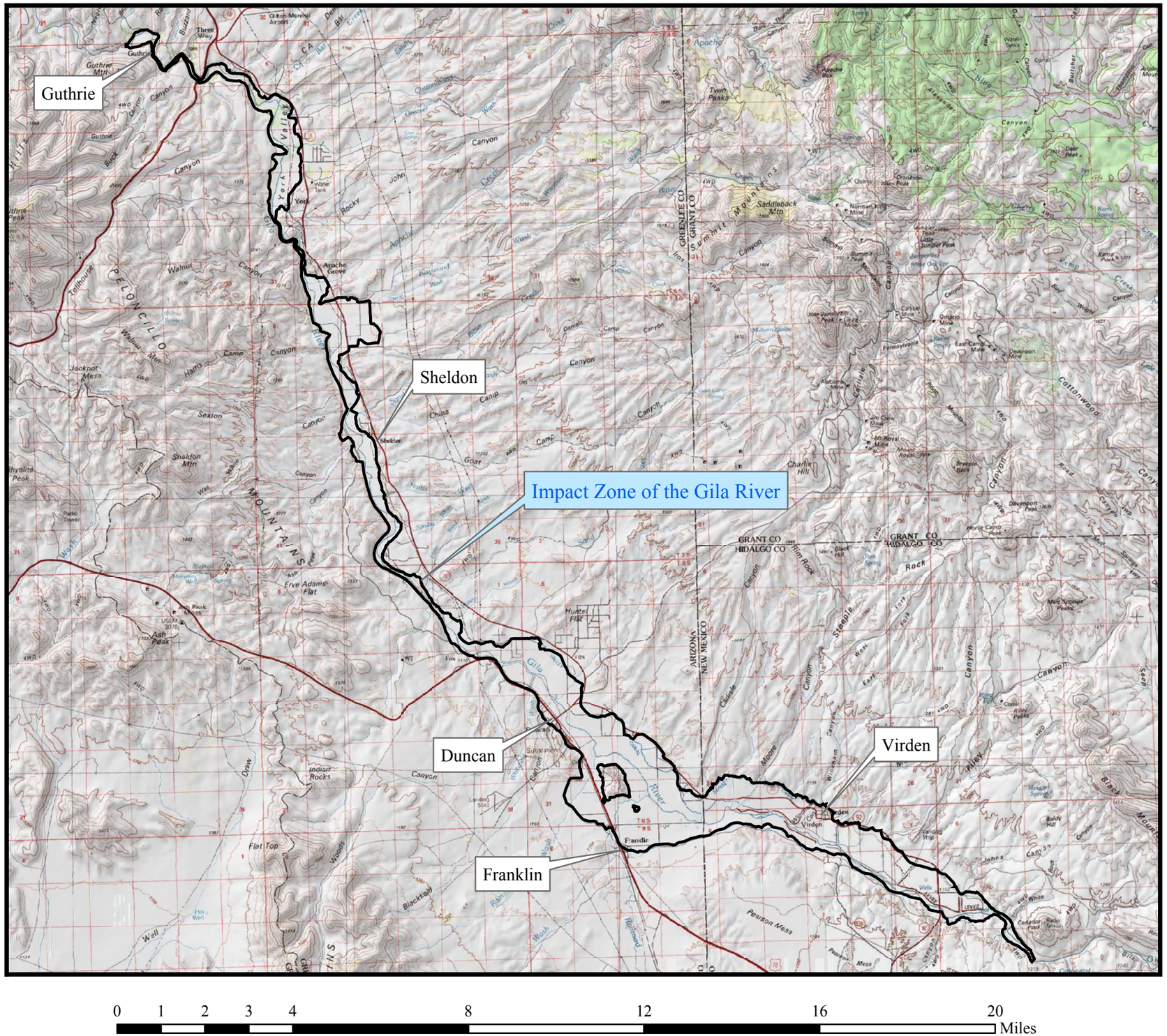
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment A-1
Map of Upper Valley Impact Zone in Vicinity of Safford, Arizona



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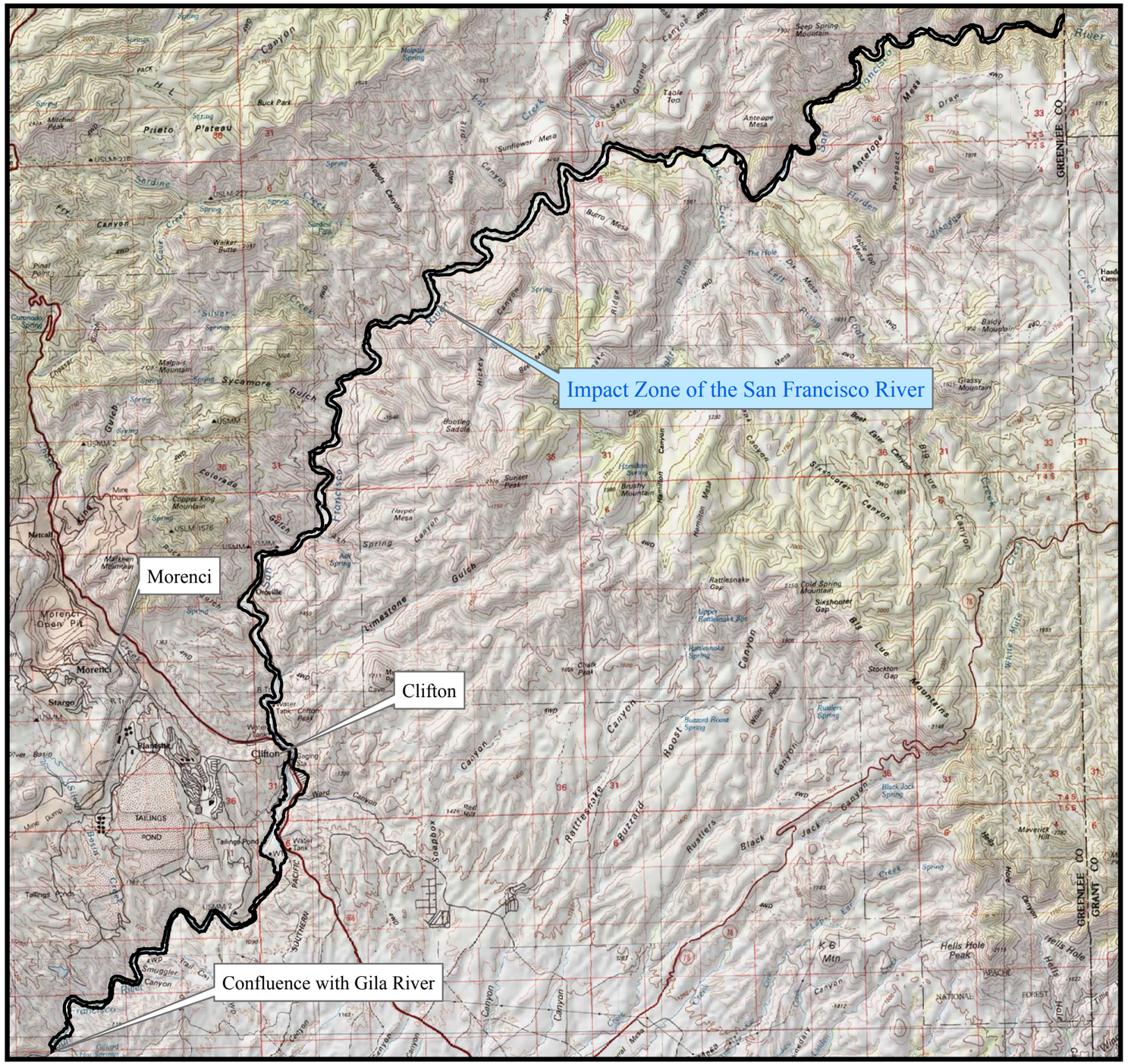
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment A-2
Map of Upper Valley Impact Zone in Vicinity of Duncan Valley, Arizona and Virden Valley, New Mexico



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There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

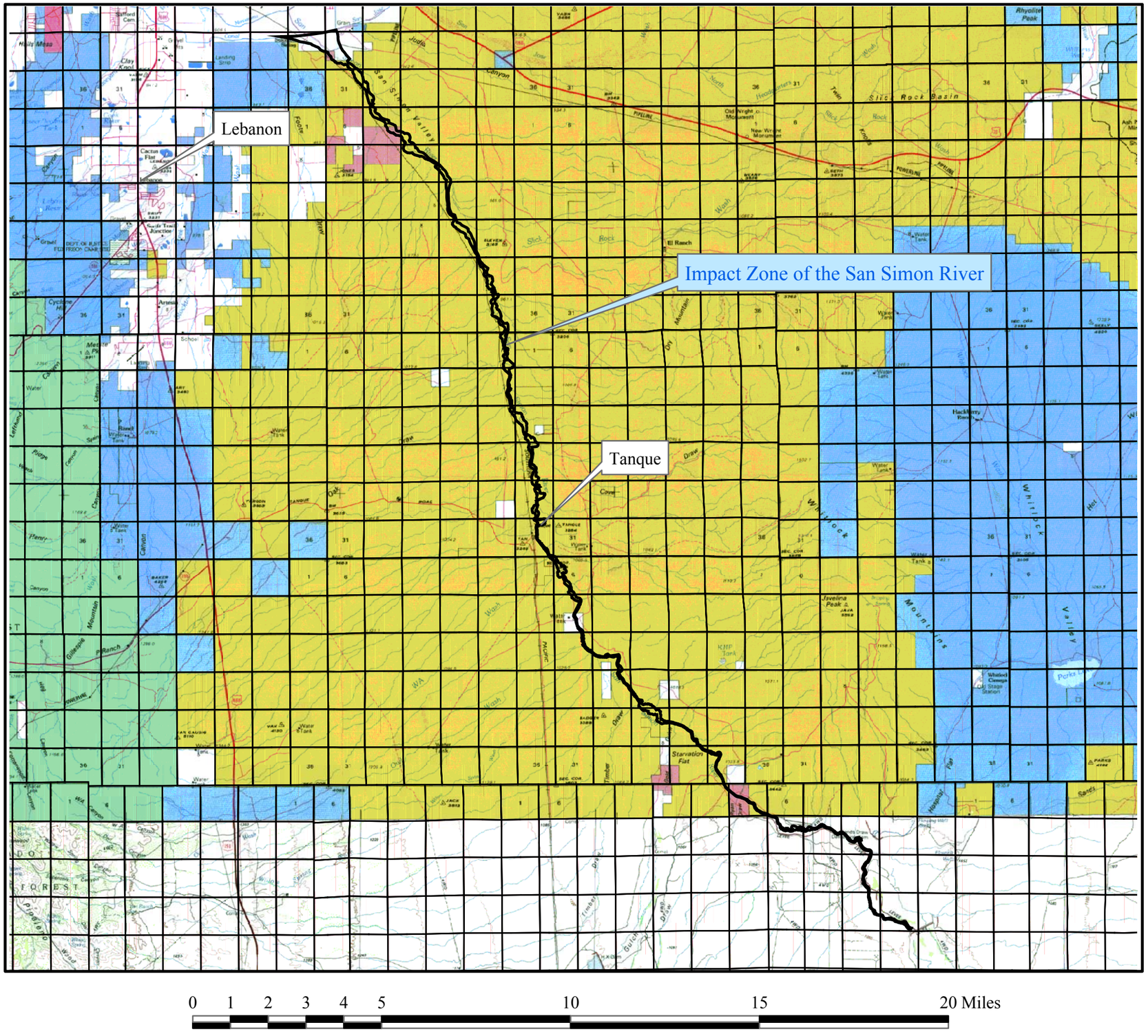
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Francisco River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment A-3
Map of Upper Valley Impact Zone
San Francisco River, Arizona



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Notice to Viewer of this Exhibit:

This map is for illustrative purposes only and is not to be relied upon for any decision involving land or other transactions. The boundaries on this map have not been verified by ground observations and are subject to adjustment for accuracy.

More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

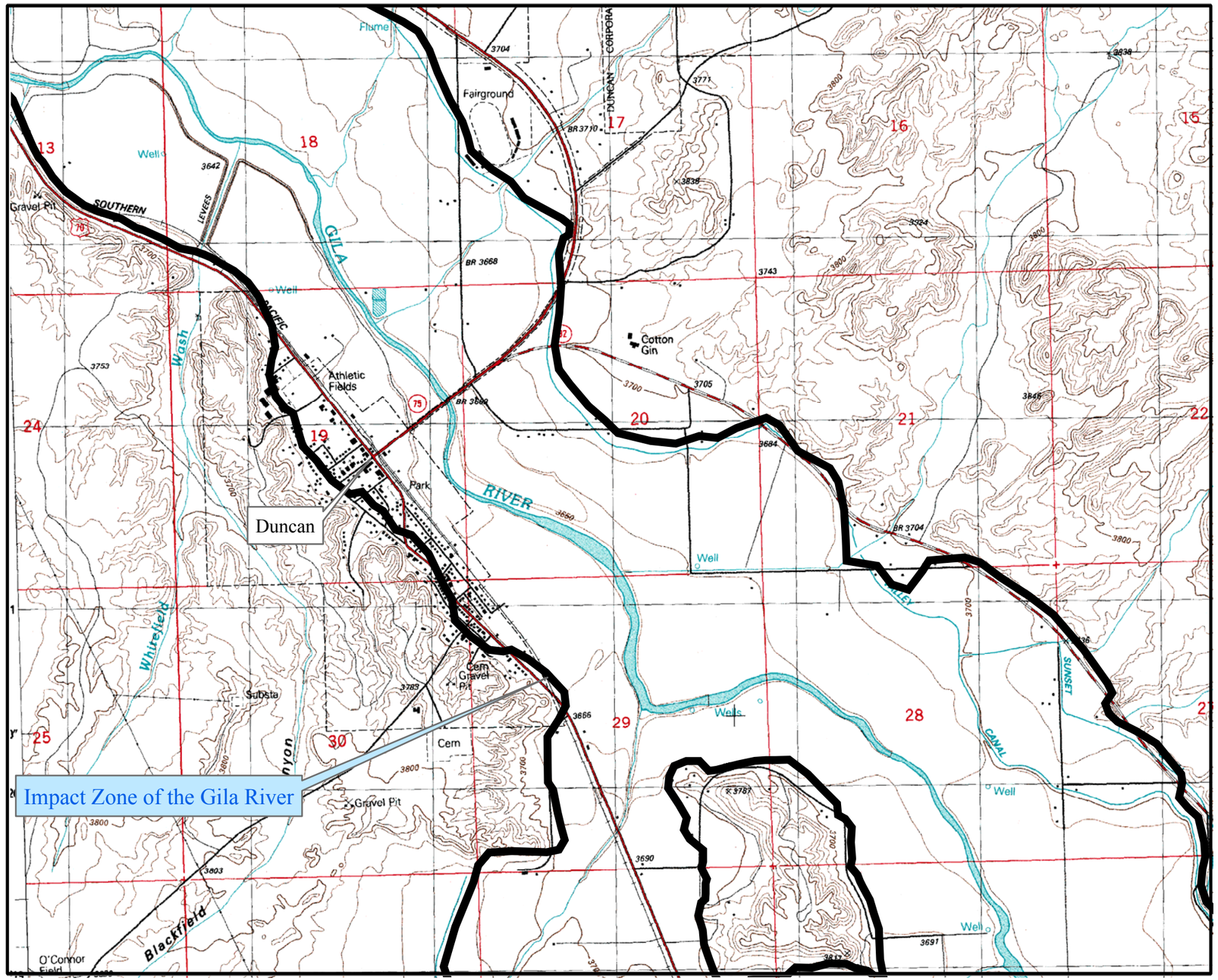
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Simon River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment A-4
Map of Upper Valley Impact Zone
San Simon River, Arizona



0 0.25 0.5 1 1.5 2 Miles

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Notice to Viewer of this Exhibit:

This map is for illustrative purposes only and is not to be relied upon for any decision involving land or other transactions. The boundaries on this map have not been verified by ground observations and are subject to adjustment for accuracy.

More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

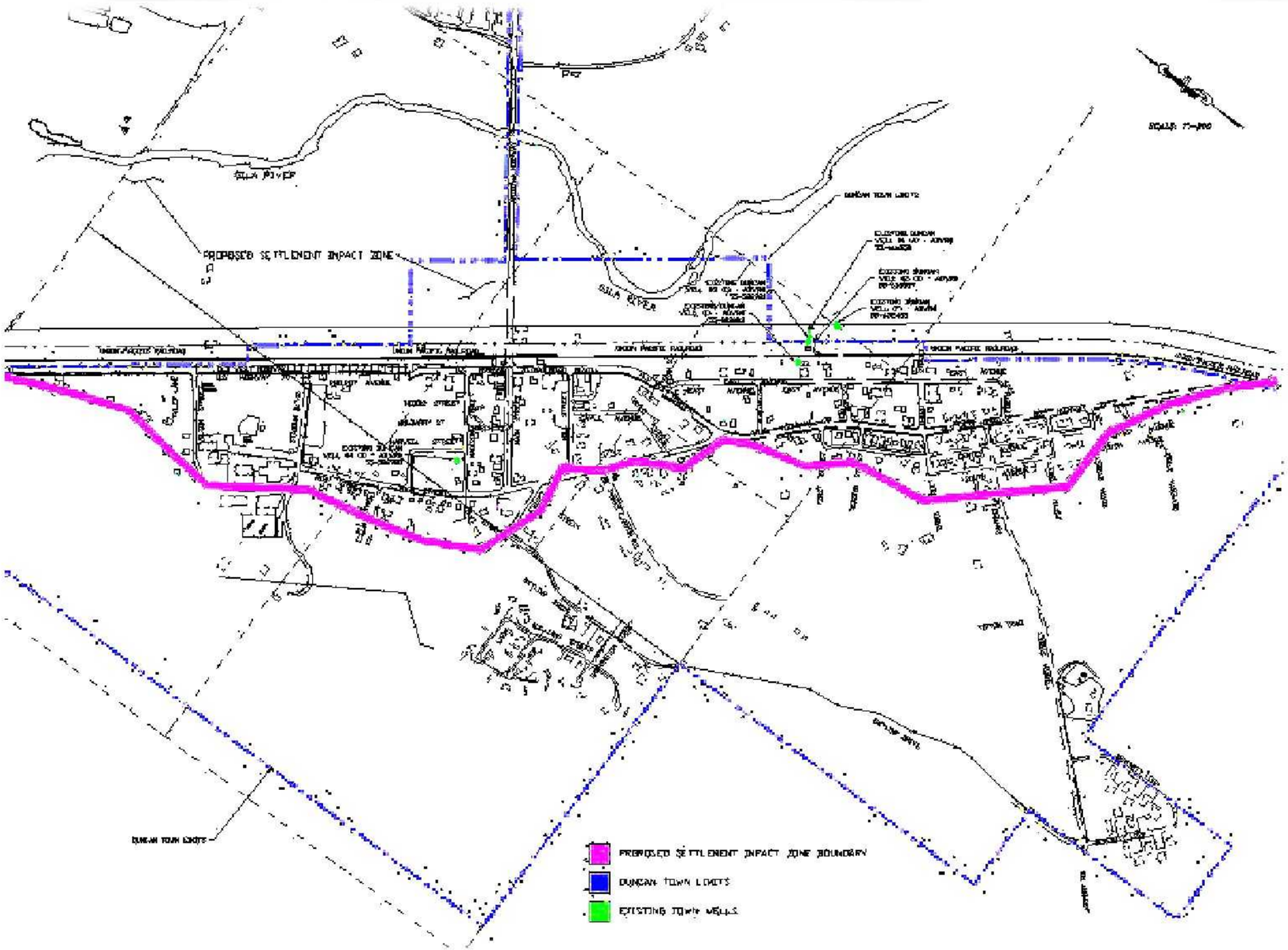
There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment A-5
Map of Upper Valley Impact Zone in the Vicinity of Duncan, Arizona



January 30, 2003

ACCURACY STATEMENT:
This information compiled on these maps has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Attachment B
Map Depicting Location of Town Wells

Data Analysis and Map Composition by:
GIS Southwest, Inc.
8601 N Black Canyon Hwy, Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908

ATTACHMENT C

Effluent Credit, Storage and Recovery Provisions Based Upon Arizona Revised Statutes, Title 45, Waters, Chapter 3.1

For purposes of this Agreement, the Town shall be treated as an entity located within an Active Management Area and subject to the provisions below relating to the same; provided, however, that if applicable state law would allow the Town to store or recover less recharged water than would be allowed under this Attachment, then such law shall apply.

ARIZONA REVISED STATUTES

TITLE 45

WATERS

CHAPTER 3.1

UNDER GROUND WATER STORAGE, SAVINGS AND REPLENISHMENT

ARTICLE 1 – General Provisions

45-801.01. Declaration of policy

The public policy of this state and the general purposes of this chapter are to:

1. Protect the general economy and welfare of this state by encouraging the use of renewable water supplies, particularly this state's entitlement to Colorado river water, instead of groundwater through a flexible and effective regulatory program for the underground storage, savings and replenishment of water.

2. Allow for the efficient and cost-effective management of water supplies by allowing the use of storage facilities for filtration and distribution of surface water instead of constructing surface water treatment plants and pipeline distribution systems.

45-802.01. Definitions

Unless the context otherwise requires, the terms defined in section 45-402 have the same meanings in this chapter and:

1. "Aquifer" means a geologic formation that contains sufficient saturated material to be capable of storing water and transmitting water in usable quantities to a well.

2. "Area of impact" means, as projected on the land surface, the area where the stored water has migrated or is located.

3. "CERCLA" means the comprehensive environmental response, compensation, and liability act of 1980, as amended (P.L. 96-510; 94 Stat. 2767; 42 United States Code sections 9601 through 9657), commonly known as "superfund".

4. "Constructed underground storage facility" means a facility that meets the requirements of section 45-811.01 and that is designed and constructed to store water underground pursuant to permits issued under this chapter.

5. "District" means a groundwater replenishment district established under title 48, chapter 27.

6. "District member" means a member of the groundwater replenishment district as provided by title 48, chapter 27.

7. "Electrical district" means a corporate body established pursuant to title 48, chapter 12.

8. "Groundwater savings facility" means a facility that meets the requirements of section 45-812.01 in an active management area or an irrigation non-expansion area at which groundwater withdrawals are eliminated or reduced by recipients who use in lieu water on a gallon-for-gallon substitute basis for groundwater that otherwise would have been pumped from within that active management area or irrigation non-expansion area.

9. "In lieu water" means water that is delivered by a storer to a groundwater savings facility pursuant to permits issued under this chapter and that is used in an active management area or an irrigation non-expansion area by the recipient on a gallon-for-gallon substitute basis for groundwater that otherwise would have been pumped from within that active management area or irrigation non-expansion area.

10. "Long-term storage account" means an account established pursuant to section 45-852.01.

11. "Long-term storage credit" means stored water that meets the requirements of section 45-852.01 and that has been credited to a long-term storage account.

12. "Managed underground storage facility" means a facility that meets the requirements of section 45-811.01 and that is designed and managed to utilize the natural channel of a stream to store water underground pursuant to permits issued under this chapter through artificial and controlled releases of water other than surface water naturally present in the stream. Surface water flowing in its natural channel is not a managed underground storage facility.

13. "Master replenishment account" means an account established pursuant to section 45-858.01 for a groundwater replenishment district.

14. "Recipient" means a person who receives in lieu water for use at a groundwater savings facility.

15. "Recoverable amount" means the amount of water, as determined by the director, that will reach the aquifer through water storage.

16. "Replenishment" means the storage of water or use of long-term storage credits by a groundwater replenishment district to fulfill its duties under title 48, chapter 27, article 3, by a multi-county water conservation district to fulfill its duties under title 48, chapter 22, article 4 or by an active management area water district to fulfill its duties under title 48, chapter 28, article 7.

17. "Storage facility" means a groundwater savings facility or an underground storage facility.

18. "Stored water" means water that has been stored or saved underground pursuant to a storage permit issued under this chapter.

19. "Storer" means the holder of a water storage permit issued pursuant to section 45-831.01 or a person to whom a water storage permit has been conveyed pursuant to section 45-831.01, subsection F.

20. "Underground storage facility" means a constructed underground storage facility or a managed underground storage facility.

21. "Water that cannot reasonably be used directly" means water that the storer cannot reasonably put to a direct use during the calendar year, including:

(a) Except as provided in subdivision (b) of this paragraph, if the storer is a municipal provider, the amount of central Arizona project water that exceeds the amount of mined groundwater withdrawn during the calendar year by the storer in the active management area in which the storer's service area is located. If the storer withdrew mined groundwater during a calendar year in which the storer stored central Arizona project water underground pursuant to the storage permit, the amount of central Arizona project water stored underground during that year equal to the amount of mined groundwater withdrawn from the active management area in which the storer's service area is located shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis under section 45-851.01. In calculating the amount of mined groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision,

"mined groundwater" and "municipal provider" have the same meanings as prescribed by section 45-561.

(b) If the storer is a municipal provider that has been designated as having an assured water supply pursuant to section 45-576, the amount of central Arizona project water that exceeds the amount of deficit groundwater withdrawn during the calendar year by the storer in the active management area in which the storer's service area is located. If the storer withdrew deficit groundwater during a calendar year in which the storer stored central Arizona project water underground pursuant to the storage permit, the amount of the central Arizona project water stored underground during that year equal to the amount of deficit groundwater withdrawn from the active management area in which the storer's service area is located shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis pursuant to section 45-851.01. In calculating the amount of deficit groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision, "municipal provider" has the same meaning as prescribed by section 45-561 and "deficit groundwater" means that amount of groundwater withdrawn within an active management area for delivery and use within a service area by a municipal provider in excess of the amount of groundwater that may be withdrawn by the municipal provider consistent with the achievement of the active management area's management goals as prescribed by rules adopted by the director pursuant to section 45-576.

(c) If the storer is not a municipal provider, the amount of central Arizona project water stored in an active management area that exceeds the amount of groundwater withdrawn during the calendar year by the storer in that active management area. If the storer withdrew groundwater in an active management area during a calendar year in which the storer stored central Arizona project water underground in that active management area pursuant to the storage permit, the amount of central Arizona project water stored underground during that year equal to the amount of groundwater withdrawn from the active management area shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis under section 45-851.01. In calculating the amount of groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision, "municipal provider" has the same meaning as prescribed by section 45-561.

(d) Surface water made available by dams constructed or modified after August 13, 1986.

(e) Until the year 2025:

(i) Effluent.

(ii) If the storage facility is in an active management area, water from outside the active management area that would not have reached the active management area without the efforts of the storer.

(iii) If the storage facility is outside of an active management area, water from outside the groundwater basin in which the storage facility is located that would not have reached the groundwater basin without the efforts of the storer.

(f) Water delivered through the central Arizona project that is acquired by the Arizona water banking authority.

22. "Water storage" means adding water to an aquifer or saving water in an aquifer pursuant to permits issued under this chapter.

23. "Water storage permit" means a permit issued pursuant to section 45-831.01 to store water at a storage facility.

45-803.01. Effect on vested water rights; effect in other proceedings

A. This chapter shall not be construed to affect vested water rights.

B. Any determination made by the director for purposes of this chapter regarding the validity, invalidity, nature, legal character, extent or relative priority of a water right or source of water is not binding for any other purpose, and shall not create a presumption of the validity, invalidity, nature, legal character, extent or relative priority of a water right or water source in any other administrative proceeding or any judicial proceeding.

ARTICLE 2 – Storage Facility Permits

45-811.01. Underground storage facility permit

A. A person may apply to the director for a constructed underground storage facility permit or a managed underground storage facility permit and may operate an underground storage facility only pursuant to a permit.

B. A person applying to the director for a managed underground storage facility permit may request to have the facility designated as a facility that could add value to a national park, national monument or state park if that park or monument includes any portion of a natural channel of a stream or adjacent floodplain that would benefit from the facility.

C. The director may issue a permit to operate an underground storage facility if the director determines that all of the following apply:

1. The applicant has the technical and financial capability to construct and operate the facility.

2. Storage of the maximum amount of water that could be in storage at any one time at the facility is hydrologically feasible.

3. Storage at the facility will not cause unreasonable harm to land or other water users within the maximum area of impact of the maximum amount of water that could be in storage at any one time at the underground storage facility over the duration of the permit.

4. The applicant has applied for and has received any required floodplain use permit from the county flood control district.

5. The director of environmental quality has determined that the facility is not in a location that will promote either the migration of a contaminant plume or the migration of a poor quality groundwater area so as to cause unreasonable harm or is not in a location that will result in pollutants being leached to the groundwater table so as to cause unreasonable harm, if the proposed water storage at the underground storage facility is exempt from the requirement for an aquifer protection permit under section 49-250, subsection B, paragraph 12, 13 or 24. For any facility exempt under section 49-250, subsection B, paragraph 24, the director, after consultation with the director of the department of environmental quality, may include in any such permit any requirements, including operation, maintenance, monitoring, record keeping, reporting, contingency plan or remedial action requirements, as the director deems necessary.

D. The director may designate a managed underground storage facility as one that could add value to a national park, national monument or state park if the director finds that all of the following apply:

1. The applicant has agreed in writing to maintain a quantified, minimum base flow and annual discharge to the stream for the duration of the permit.

2. The project will benefit the groundwater basin as a whole.

45-812.01. Groundwater savings facility permit

A. A person may apply to the director for a groundwater savings facility permit and may operate a groundwater savings facility only pursuant to a permit.

B. The director may issue a permit to operate a groundwater savings facility if the director determines that all of the following apply:

1. Operation of the facility will cause the direct reduction or elimination of groundwater withdrawals in an active management area or an irrigation non-expansion area by means of delivery of water other than groundwater pumped from within that active management

area or irrigation non-expansion area that the recipient will use in lieu of groundwater that the recipient would otherwise have used.

2. The applicant will deliver water other than groundwater pumped from within the active management area or irrigation non-expansion area in which the groundwater savings facility is located to an identified groundwater user who will use and agrees in writing to use the water delivered to the facility on a gallon-for-gallon substitute basis directly in lieu of groundwater that otherwise would have been pumped from within the active management area or irrigation non-expansion area.

3. The in lieu water is the only reasonably available source of water for the recipient other than groundwater pumped from within the same active management area or irrigation non-expansion area in which the groundwater savings facility is located.

4. The water delivered as in lieu water would not have been a reasonable alternative source of water for the recipient except through the operation of the groundwater savings facility.

5. The water delivered to the recipient as in lieu water was not delivered before October 1, 1990.

6. The applicant has submitted a plan satisfactory to the director that describes how the applicant will prove the quantity of groundwater saved at the facility each year and what evidence will be submitted with the applicant's annual report as required by section 45-875.01 to prove the groundwater savings. The plan may rely on the following factors:

(a) The recipient's cost of pumping groundwater relative to the cost of in lieu water and alternative sources of water available to the recipient.

(b) The historic quantity of groundwater pumped by the recipient at the location of the intended use of the in lieu water.

(c) The recipient's anticipated demand for groundwater and anticipated total demand for water, including groundwater.

(d) The recipient's legal right to withdraw or use groundwater pursuant to chapter 2 of this title.

(e) The amount of central Arizona project water for which the recipient anticipates accepting delivery.

(f) The historic amount of power used to pump groundwater at the groundwater savings facility compared to the power used during a year in which the recipient received in lieu water.

(g) The factors that prevent the recipient from using the water delivered as in lieu water without the operation of the groundwater savings facility.

(h) Any other criteria the director may deem to be relevant.

45-813.01. Land use ordinances

If any storage facility is to be located within a city or town, the director may consider for purposes of issuing the storage facility permit any land use ordinance provision addressing public health and safety and the aesthetics otherwise governing the use of land where that facility is to be located.

45-814.01. Contents of storage facility permit

A. A storage facility project permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The name of the active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which the facility will be located.

3. The design capacity of the facility and the plan of operation of the facility.

4. The maximum annual amount of water that may be stored at the facility.

5. Any monitoring required under subsection F of this section.

6. Any conditions consistent with this chapter.

7. The duration of the permit.

8. Any other information as determined by the director.

B. If the storage facility will be a groundwater savings facility, the permit shall include the following information in addition to the information required by subsection A of this section:

1. The plan by which the applicant will prove the quantity of groundwater saved at the storage facility each year.

2. The name of the recipient and the location and registration number of the well or wells from which groundwater withdrawals will be curtailed.

C. If the storage facility will be a managed underground storage facility and will be designated as a facility that could add value to a national park, national monument or

state park, the permit shall include the following information in addition to the information required by subsection A of this section:

1. The quantified, minimum base flow and annual discharge to the stream that the applicant has agreed to maintain.

2. The annual quantity of water eligible for long-term storage credits for the facility and the annual quantity of water projected to be consumptively used by the enhancement of the national park, national monument or state park.

3. A description of the national park, national monument or state park that would benefit from the project.

D. The director may issue a storage facility permit for a period of not more than fifty years, except that on request of the holder of the permit the director may renew the permit if the director determines that the requirements of section 45-811.01, subsections C and D and section 45-812.01, subsection B apply, if those requirements applied at the time of issuance. In making this determination, the director shall not consider land uses and water uses in the area of impact of the water stored at the storage facility that were not in existence when the permit was issued.

E. The holder of a storage facility permit may apply to the director for approval to convey the permit to another person. The director may approve the conveyance if the director determines that the person to whom the permit is to be conveyed and the storage facility will continue to meet the applicable requirements of sections 45-811.01 and 45-812.01.

F. The director may require the holder of a storage facility permit to monitor the operation of the facility and the impact of water storage at the facility on land and other water users within the area of impact of water stored at the storage facility. In determining any monitoring requirements, the director of water resources shall cooperate with the department of environmental quality and, to the extent possible, shall coordinate monitoring requirements with those required by the department of environmental quality.

G. The director, on the director's initiative or on request of the holder of the storage facility permit, may modify the conditions of the storage facility permit. In determining whether modifications are necessary, the director shall not consider land uses and water uses in the area of impact of the water stored at the storage facility that were not in existence when the permit was issued.

H. Nothing in this article shall be construed as modifying or infringing on any existing water rights or private property rights nor shall anything in this article prevent any person or entity, whether governmental or private, from undertaking any flood control projects, including removal of vegetation within the channel of the stream or on the adjacent floodplain or diverting the permitted flow from the natural stream channel at the end of the permitted period.

45-815.01. Facilities not qualifying as storage facilities

The following shall not be permitted as underground storage facilities:

1. A body of water, as defined by section 45-131, unless it has been designed, constructed or altered so that water storage is a principal purpose of the body of water.

2. Aqueducts, irrigation canals and other man-made water conveyance systems.

3. Water that incidentally recharges an aquifer during the course of its use for agricultural, municipal, mining or industrial purposes.

ARTICLE 3 – Water Storage Permits and Recovery Well Permits

45-831.01. Water storage permits

A. A person may apply to the director for a water storage permit and may store water at a storage facility only pursuant to a water storage permit.

B. The director may issue a water storage permit to store water at a storage facility if the director determines that all of the following apply:

1. The applicant has a right to use the proposed source of water. Any determination made by the director for purposes of this subsection regarding the validity, nature, extent or relative priority of a water right claimed by the applicant or another person is not binding in any other administration proceeding or in any judicial proceeding.

2. The applicant has applied for any water quality permit required by the department of environmental quality under title 49, chapter 2, article 3 and by federal law.

3. The water storage will occur at a permitted storage facility.

C. In addition to the requirements of subsection B of this section, if the applicant has applied for a water storage permit to store water at a groundwater savings facility, the director shall not issue the water storage permit unless the applicant has agreed in writing to comply with the plan by which the quantity of groundwater saved at the facility will be proved each year.

D. If the director issues a water storage permit, the director may make, if possible, the following determinations:

1. Whether the water to be stored is water that cannot reasonably be used directly by the applicant and otherwise meets the requirements of section 45-852.01 for long-term storage credits.

2. If use of the water to be stored is appurtenant to a particular location, and if so, where the water may be legally used after recovery. Any determination made by the director for purposes of this subsection regarding the validity, nature, extent or relative priority of a water right claimed by the applicant or another person is not binding in any other administrative proceeding or in any judicial proceeding.

E. The director may issue a water storage permit for a period of not more than fifty years, except that:

1. On request of the holder of the permit, the director may renew the permit if the director determines that the requirements of subsection B of this section apply and, if the requirement of subsection C of this section applied at the time of issuance, that the requirement of subsection C of this section applies at the time of renewal.

2. Subject to the provisions of this chapter, the holder of long-term storage credits earned pursuant to the permit may recover the water over a period longer than the duration of the permit.

F. The holder of a water storage permit may apply to the director for approval to convey the permit to another person. The director may approve the conveyance if the director determines that the person to whom the permit is to be conveyed and the water storage will continue to meet the applicable requirements of this section. If long-term storage credits accrued pursuant to the water storage permit are being assigned pursuant to section 45-854.01 with the water storage permit, the director shall be given notice of the impending assignment of long-term storage credits at the time the holder of the water storage permit applies to convey the permit.

G. A person who holds a water storage permit may apply to the director on a form approved by the director for a modification of that water storage permit. The director may modify the permit within twenty days of receiving the application without complying with section 45-871.01 if all of the following apply:

1. The holder of the storage facility permit with which the water storage permit is affiliated has consented to the modification.

2. The modification to the water storage permit does not require a modification of the affiliated water storage facility permit.

3. The only modification requested is to add an amount of Colorado river water as a type of water to be stored under the water storage permit.

4. Water storage of Colorado river water has previously been permitted at the affiliated storage facility.

5. The person requesting the modification has the right to use the Colorado river water.

H. A water storage permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The storage facility where the water storage will occur and the name of the active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which that facility is located.

3. The maximum annual amount of water that may be stored.

4. If the applicable finding of subsection D of this section has been made, whether the water to be stored is water that cannot reasonably be used directly by the applicant.

5. If the applicable finding of subsection D of this section has been made, any restrictions on where the water to be stored may legally be used.

6. Other conditions consistent with this chapter.

7. The duration of the permit.

I. If the water storage will occur at a groundwater savings facility, the water storage permit shall include, in addition to the information required by subsection H of this section, the requirements of the plan by which the quantity of groundwater saved at the storage facility will be proved each year.

J. If the director of the department of water resources decides to issue a water storage permit and the applicant has not received a water quality permit required by the department of environmental quality under title 49, chapter 2, article 3 and by federal law, the director of the department of water resources shall make receipt of the water quality permit a condition of the water storage permit and the holder of the water storage permit shall not store water until receiving the water quality permit.

45-832.01. Use of stored water

A. Water that has been stored pursuant to a water storage permit may be used or exchanged only in the manner in which it was permissible to use or exchange the water before it was stored.

B. Water that has been stored pursuant to a water storage permit may be used only in the location in which it was permissible to use the water before it was stored.

C. Water that has been stored pursuant to a water storage permit may be used for replenishment purposes only in the active management area in which the water is stored, unless the water is recovered and transported to another active management area.

D. Stored water may be used only as follows:

1. The water may be recovered by the storer and used on an annual basis in accordance with section 45-851.01.

2. The water may be credited to the storer's long-term storage account, if the water meets the requirements of section 45-852.01, and the long-term storage credits may be used in accordance with the provisions of this chapter.

3. A district that is storing water may have the stored water credited to its master replenishment account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

4. A conservation district that is storing water may have the stored water credited to its conservation district account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

5. A water district that is storing water may have the stored water credited to its water district account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

45-833.01. Designation of nonrecoverable water

A. At the request of the applicant, the director may designate a water storage permit as storing nonrecoverable water. If the water storage occurs within an active management area, the water storage permit may be designated in this manner only if the storage is consistent with the active management area's augmentation program.

B. Water stored pursuant to a water storage permit that has been designated as storing nonrecoverable water may not be recovered on an annual basis, may not be credited to a long-term storage account and may not be used for replenishment purposes.

45-834.01. Recovery of stored water; recovery well permit; emergency temporary recovery well permit; well construction

A. A person who holds long-term storage credits or who may recover water on an annual basis may recover the water stored pursuant to a water storage permit only:

1. If the person seeking to recover stored water has applied for and received a recovery well permit under this article.

2. For water stored within an active management area, from wells that are located:

(a) Within the area of impact of the stored water, as determined by the director, if the person recovering the water is the storer, subject to the following if the stored water to be recovered is effluent that is stored in a managed underground storage facility if the proposed recovery well is not an already constructed well owned by the person recovering the water and is located within the exterior boundaries of the service area of a

city, town, private water company or irrigation district, that city, town, private water company or irrigation district must be notified by the person recovering the stored water and have the right to offer to recover the water stored on behalf of that person. If the city, town, private water company or irrigation district offers to recover the water on behalf of the person seeking recovery and the water that is offered for recovery is of comparable quality to the water that the person could recover, the person seeking to recover the water shall consider accepting the best offer from the city, town, private water company or irrigation district overlying the area of impact that has offered to recover the stored water.

(b) Within the same active management area as storage, if the director determines that recovery at the proposed location is consistent with the management plan and achievement of the management goal for the active management area subject to the following:

(i) If the proposed recovery well is located within the exterior boundaries of the service area of a city, town, private water company or irrigation district, that city, town, private water company or irrigation district is the person seeking to recover the water or has consented to the location of the recovery well.

(ii) If the proposed recovery well is located outside, but within three miles of, the exterior boundaries of the service area of a city, town, private water company or irrigation district, the closest city, town, private water company or irrigation district has consented to the location of the recovery well.

3. For water stored outside of an active management area, if recovery will occur within the same irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which the water was stored.

B. Before recovering from any well water stored pursuant to a water storage permit, a person shall apply for and receive a recovery well permit from the director. The director shall issue the recovery well permit if the director determines that:

1. If the application is for a new well, as defined in section 45-591, or except as provided in paragraph 2 of this subsection for an existing well, as defined in section 45-591, the proposed recovery of stored water will not unreasonably increase damage to surrounding land or other water users from the concentration of wells. The director shall make this determination pursuant to rules adopted by the director.

2. If the applicant is a city, town, private water company or irrigation district in an active management area and the application is for an existing well within the service area of the city, town, private water company or irrigation district, the applicant has a right to use the existing well.

3. If the applicant is a conservation district and the application is for an existing well within the conservation district and within the groundwater basin or sub-basin in which the stored water is located, the applicant has a right to use the existing well.

C. A city, town, private water company or irrigation district in an active management area may apply with a single application to the director to have all existing wells, as defined in section 45-591, that the applicant has the right to use within its service area listed as recovery wells on the recovery well permit, if those wells otherwise meet the requirements of this section.

D. If the applicant is a conservation district, the director may issue an emergency temporary recovery well permit without complying with section 45-871.01, subsection F if the director determines that all of the following apply:

1. The conservation district cannot reasonably continue to supply central Arizona project water directly to a city, town, private water company or irrigation district due to an unplanned failure of a portion of the central Arizona project delivery system.

2. The emergency temporary recovery well permit is necessary to allow the conservation district to provide immediate delivery of replacement water to the city, town, private water company or irrigation district.

3. The application is for an existing well as defined in section 45-591 that is within the groundwater basin or groundwater sub-basin in which the stored water is located, is within the conservation district and is within the service area of the city, town, private water company or irrigation district.

E. An emergency temporary recovery well permit issued pursuant to subsection D of this section may be issued for a period of up to ninety days and may be extended for additional ninety day periods if the director determines that the conditions prescribed in subsection D of this section continue to apply.

F. If the application for a recovery well permit is approved, the director shall issue a permit and the applicant may proceed to construct or use the well. If the application is rejected, the applicant shall not proceed to construct or use the well. A new well shall be completed within one year of receipt of the permit, unless the director in granting the permit approves a longer period to complete the well. If the well is not completed within one year or the longer period approved by the director, the applicant shall file a new application before proceeding with construction.

G. A recovery well permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The legal description of the location of the existing well or proposed new well from which stored water may be recovered pursuant to the permit.

3. The purpose for which the stored water will be recovered.

4. The depth and diameter of the existing well or proposed new well from which stored water may be recovered pursuant to the permit.

5. The legal description of the land on which the stored water will be used.

6. The maximum pumping capacity of the existing well or proposed new well.

7. If the permit is for a proposed new well, the latest date for completing the proposed new well.

8. Any other information as the director may determine.

45-835.01. Simultaneous applications

A person may apply to the director for a storage facility permit, a water storage permit to store water at the storage facility and a recovery well permit to recover the water stored at the storage facility at the same time and the director shall process the applications for the permits simultaneously.

45-836.01. Effect of storage facilities, water storage and recovery on service areas

A. In an active management area, if a city, town or private water company operates a constructed underground storage facility and stores water at a constructed underground storage facility pursuant to a permit issued under this chapter, any portion of the area of impact of the stored water that is located within the exterior boundaries of the service area of the city, town or private water company but is not part of the service area of any other city, town, private water company or irrigation district is deemed to be part of the service area of the city, town or private water company.

B. In an active management area, if a city, town, private water company or irrigation district operates a storage facility or stores water outside its service area or recovers stored water outside its service area pursuant to a permit issued under this chapter, the area of land that contains the storage facility, the recovery facilities or a system for the transportation of water is not part of the service area of the city, town, private water company or irrigation district.

ARTICLE 3.1 – Indian Water Rights Settlements

45-841.01. Accrual of long-term storage credits; Indian water rights settlements

A. To further the implementation of Indian water rights settlements in this state, an Indian community may accrue long-term storage credits as prescribed by this section.

B. This section applies only to the settlement of a water rights claim by a federally recognized Indian community in this state if the settlement provides for off-reservation storage of its central Arizona project water and only after the settlement results in a

dismissal with prejudice of a class action claim that has been pending in the United States district court for more than five years.

C. Before accruing any long-term storage credits under this section, both of the following conditions apply:

1. A party seeking to participate in the accrual of long-term storage credits under this section shall file written notice with the director that the requirements of subsection B of this section have been met.

2. The director shall find that the requirements of subsection B of this section have been met.

D. Before accruing any long-term storage credits under this section, a party seeking to participate in the accrual of long-term storage credits under this section shall file with the director all of the following information:

1. A written notice of the parties' intent to begin the delivery of central Arizona project water that was made available to the Indian community by the water rights settlement to the holder of grandfathered groundwater rights in an active management area.

2. A sworn statement by the holder of the grandfathered groundwater rights that the holder will use the water delivered off of Indian community lands on a gallon-for-gallon substitute basis instead of groundwater that otherwise would have been pumped pursuant to the grandfathered groundwater rights from within an active management area.

3. A listing and description of the grandfathered groundwater rights that will not be exercised by the holder because of the delivery of the water that is delivered by the Indian community.

4. A hydrologic report assessing the effect of nonexercise of grandfathered groundwater rights under this section on any underground storage facility that was constructed as a state demonstration project and that is located within ten miles of the point of withdrawal for the grandfathered groundwater rights.

E. The director shall review the hydrologic report filed pursuant to subsection D, paragraph 4 of this section and shall make such modifications to the state demonstration project's underground storage facility permit as the director deems appropriate.

F. If the director determines that the parties have complied with subsection D of this section, the Indian community may begin accruing long-term storage credits for the delivery of central Arizona project to the holder of the grandfathered groundwater rights, but only if the following apply:

1. By March 31 of each year, the holder of the grandfathered groundwater rights files an annual report with the director for the preceding calendar year. The annual report shall include the following information:

(a) The total quantity of water received from the Indian community during the year for use by the holder under this section.

(b) A listing of those grandfathered groundwater rights that were not exercised during the year by the holder because of the receipt of central Arizona project water delivered by the Indian community.

(c) Such other information as the director may reasonably require.

2. The director finds that the water reported as received by the grandfathered groundwater right holder was used on a gallon-for-gallon substitute basis for groundwater.

3. The Indian community has offered to sell the Arizona water banking authority ten per cent of any long-term storage credits accruable by the Indian community under this section at a price per acre-foot at the time of sale equal to the authority's cost of delivering and storing water at an underground storage facility that was constructed as a state demonstration project and that is located within ten miles of the point of withdrawal of any of the grandfathered groundwater rights identified in the list filed with the director pursuant to subsection D, paragraph 3 of this section, except that any credits purchased pursuant to such offer may not be recovered within five miles of the exterior reservation boundary of the Indian community.

G. The water that is received under this section by the holder of the grandfathered groundwater right is deemed to be groundwater for all purposes of chapter 2 of this title as if the holder had withdrawn it from a well. The holder is responsible for all records, reports and fees required by chapter 2 of this title relating to the water received.

H. The director shall establish a long-term storage account for the Indian community in accordance with section 45-852.01 and each year shall credit to that long-term storage account ninety-five per cent of the water received by the holder of the grandfathered groundwater right during the preceding year that meets the requirements of subsection F of this section.

I. Long-term storage credits accrued pursuant to this section may be used or assigned in any manner that is consistent with this chapter.

J. The maximum amount of long-term storage credits that may be accrued by an Indian community under this section in any year is ten thousand acre-feet.

ARTICLE 4 – Accounting

45-851.01. <u>Recovery of stored water on an annual basis</u>

A. Except as provided in subsections B and E of this section, a storer may recover the recoverable amount of water stored after January 1 of a calendar year on or before December 31 of the same calendar year.

B. If water is stored pursuant to a water storage permit and its use is based on a decreed or appropriative water right, the approximate recoverable amount of water stored in a month shall be recovered on or before the last day of the following month or within the same calendar year, whichever is earlier, unless the water is credited to a long-term storage account as prescribed by section 45-852.01.

C. Water stored after January 1 of a calendar year and not recovered on or before December 31 of the same calendar year may be credited to the storer's long-term storage account to the extent that the stored water is eligible for long-term storage credits as prescribed by section 45-852.01.

D. Water that is stored after January 1 of a calendar year, that is not recovered on or before December 31 of the same calendar year and that is not eligible to be credited to the storer's long-term storage account may not be recovered at any other time.

E. If the water stored was effluent stored at a managed underground storage facility that has not been designated as a facility that could add value to a national park, national monument or state park, the storer may recover during a year only fifty per cent of the recoverable amount of water stored between January 1 and December 31 of that year. If the storer recovers during the year less than fifty per cent of the recoverable amount of the water stored during that year, the difference between fifty per cent of the recoverable amount and the amount of stored water recovered during the year may be credited to the storer's long-term storage account to the extent that the stored water is eligible for long-term storage credits as prescribed by section 45-852.01.

45-852.01. Long-term storage accounts

A. The director shall establish one long-term storage account for each person holding long-term storage credits. The director shall establish subaccounts within the long-term storage account according to each active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin in which the person's stored water is located. The long-term storage account shall be further subdivided by type of water, if the person holds long-term storage credits for more than one type of water.

B. Water stored pursuant to a water storage permit at a storage facility may be credited to a long-term storage account if the director determines that all of the following apply:

1. The water that was stored was water that cannot reasonably be used directly.

2. If the stored water was stored at a storage facility within an active management area, either:

(a) The water would not have been naturally recharged within the active management area.

(b) If the water was stored at a managed underground storage facility that has been designated as a facility that could add value to a national park, national monument or state park and the water stored is effluent, the water stored is water that could have been used or disposed of by the storer by means other than discharging the effluent into the stream.

3. The stored water was not recovered on an annual basis pursuant to section 45-851.01.

C. The director shall credit ninety-five per cent of the recoverable amount of stored water that meets the requirements of subsection B of this section to the storer's long-term storage account, except that:

1. If the water was stored at a managed underground storage facility that had not been designated at the time of storage as a facility that could add value to a national park, national monument or state park and the water stored is effluent, the director shall credit to the storer's long-term storage account fifty per cent of the recoverable amount of water that meets the requirements of subsection B of this section.

2. If the water was stored at a groundwater savings facility and the storer has not met the burden of proving that one hundred per cent of the in lieu water was used on a gallon-for-gallon substitute basis for groundwater, the director shall credit to the storer's long-term storage account only the percentage of the in lieu water that meets the requirements of subsection B of this section and that was proven to the director's satisfaction as being used on a gallon-for-gallon substitute basis for groundwater.

3. Except as otherwise provided in paragraphs 1 and 2 of this subsection, the director shall credit to the storer's long-term storage account one hundred per cent of the recoverable amount of water that meets the requirements of subsection B of this section if any of the following apply:

(a) The water stored was effluent.

(b) The water was stored in an active management area and the stored water is water from outside the active management area that would not have reached the active management area without the efforts of the holder of the long-term storage credits.

(c) The water was stored outside an active management area and the stored water is water from outside the groundwater basin in which the water was stored that would not have reached the groundwater basin without the efforts of the holder of the long-term storage credits.

D. The director shall credit a person's long-term storage account by the amount of long-term storage credits assigned to that person by another holder of long-term storage credits pursuant to section 45-854.01.

E. The director shall debit the appropriate subaccount of a person's long-term storage account:

1. One hundred per cent of the amount of stored water that the holder of the long-term storage credits has recovered during the calendar year pursuant to the permit.

2. The amount of long-term storage credits that the person has assigned to another person or transferred to a master replenishment account, conservation district account or water district account.

3. If the water was stored in an active management area, the amount of water during the calendar year that migrates to a location outside the active management area or to a location within the active management area where it cannot be beneficially used within a reasonable period of time by persons other than the storer with rights to withdraw and use groundwater.

4. If the water was stored outside of an active management area, the amount of water during the calendar year that migrates to a location outside the groundwater basin in which the storage facility is located or to a location in the groundwater basin where it cannot be beneficially used within a reasonable period of time by persons other than the storer with rights to withdraw and use groundwater.

5. The amount of long-term storage credits that the storer, pursuant to section 45-853.01, subsection B, has applied to offset groundwater withdrawn or used in excess of the storer's per capita municipal conservation requirements under the second management plan.

6. The amount of long-term storage credits that are held by the Arizona water banking authority and that the authority has chosen to extinguish.

F. To the extent the total amount of water withdrawn by a person from wells designated as recovery wells pursuant to section 45-834.01 during a calendar year exceeds the amount of stored water recovered by the person on an annual basis pursuant to section 45-851.01 and the amount of long-term storage credits recovered by the person, the excess amount of water recovered shall be considered groundwater withdrawn pursuant to chapter 2 of this title.

45-853.01. <u>Restricted uses of long-term storage credits</u>

A. If the director has included an amount of long-term storage credits under section 45-855.01:

1. In determining whether to issue a certificate of assured water supply to the holder of the long-term storage credits, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to the subdivision to which the certificate of assured water supply applies.

2. In designating or redesignating a city, town or private water company as having an assured water supply, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to that city, town or private water company.

3. In determining whether to issue a report of adequate water supply for a subdivision to the holder of long-term storage credits, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to the subdivision to which the report of adequate water supply applies.

4. In designating a city, town or private water company as having an adequate water supply, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to that city, town or private water company.

B. The storer of long-term storage credits may apply those long-term storage credits to offset any amount of groundwater that the storer withdraws or uses before 2000 in excess of the storer's per capita municipal conservation requirement in violation of the second management plan if the storer proves to the satisfaction of the director that the following conditions are met:

1. The storer stored the water at a storage facility that is located in the same active management area as the storer's service area.

2. The long-term storage credits used to offset the storer's per capita municipal conservation requirements violation were earned before 2000.

3. The water stored was effluent or central Arizona project water.

C. Long-term storage credits may not be used to demonstrate an assured water supply or an adequate water supply if the long-term storage credits were accrued by storing effluent at a managed underground storage facility that has not been designated as a facility that could add value to a national park, national monument or state park.

45-854.01. <u>Assignability of long-term storage credits</u>

A. Except as provided in section 45-855.01, subsection C, the holder of long-term storage credits may assign by grant, gift, sale, lease or exchange all or part of the holder's long-term storage credits.

B. Except as provided in subsection C of this section, an assignment of long-term storage credits from one person to another is valid on receipt by the director of notification of the

assignment in writing on a form that is provided by the director and that has been signed by both the assignor and assignee.

C. The director may reject and invalidate any assignment of long-term storage credits in which the stored water would not have met the requirements for long-term storage credits as prescribed by section 45-852.01 if the assignee had stored the water.

45-855.01. Effect of long-term storage credits on assured water supply and adequate water supply

A. In an active management area, except as provided in section 45-853.01, subsection C, and on the request of a person who holds long-term storage credits, the director shall include the amount of long-term storage credits requested by the person in determining whether to issue a certificate of assured water supply to the person pursuant to section 45-576, or if the person is a city, town or private water company, whether to designate or redesignate the city, town or private water company as having an assured water supply. This subsection shall not be construed to prohibit or require the director to include projected additions to a long-term storage account in determining whether to issue a certificate of assured water supply to the person, or if the person is a city, town or private water company, whether to designate or redesignate the city, town or private water company as having an assured water supply.

B. Outside an active management area, except as provided in section 45-853.01, subsection C and on the request of a person who holds long-term storage credits, the director shall include the amount of long-term storage credits requested by the person in determining whether to issue a report of adequate water supply pursuant to section 45-108 for a subdivision to the person, or if the person is a city, town or private water company, whether to designate the city, town or private water company as having an adequate water supply. This subsection shall not be construed to prohibit or require the director to include projected additions to a long-term storage account in determining whether to issue a report of adequate water supply for a subdivision to the person, or if the person who holds the long-term storage account is a city, town or private water company, whether to designate the city, town or private water company as having an adequate water supply.

C. Long-term storage credits included by the director in making the determinations and designations in subsections A and B of this section are not assignable by the person holding the credits, unless the director has determined that the credits will continue to be used for the subdivision for which the certificate of assured water supply or certificate of adequate water supply has been issued or for the service area that has been designated as having an assured water supply or an adequate water supply.

45-856.01. Protection of the stored water

A. Except as provided in subsection B or E of this section, in an active management area the director shall not issue any of the following permits, certificates or designations

unless the applicant demonstrates that the application for the permit, certificate or designation would have satisfied the requirements for issuance of the permit, certificate or designation if water stored pursuant to this chapter did not exist:

1. An application for a groundwater withdrawal permit under chapter 2, article 7 of this title, if a proposed point of withdrawal for the permit is located within the area of impact of the stored water.

2. An application for designation of a city, town or private water company as having an assured water supply under section 45-576, if any portion of the city, town or private water company that is proposed to be designated is located within the area of impact of the stored water.

3. An application for a certificate of assured water supply under section 45-577, if a proposed point of withdrawal for a proposed source of water is located within the area of impact of the stored water.

4. An application for a permit to construct a new well or a replacement well under section 45-599, if the proposed well is located within the area of impact of the stored water.

B. Subsection A, paragraphs 2 and 3 of this section do not apply to the holder of long-term storage credits who, pursuant to section 45-855.01, has requested that the director include stored water in determining whether to issue a certificate of assured water supply or designate or redesignate a city, town or private water company as having an assured water supply.

C. Except as provided in subsection D or E of this section, outside an active management area the director shall not issue any of the following decisions of adequate water supply under section 45-108 unless the applicant demonstrates that the application would have satisfied the requirements for issuance of the decision if the stored water did not exist:

1. A decision stating that an adequate water supply exists for a subdivision, if a proposed point of withdrawal for a proposed source of water is located within the area of impact of the stored water.

2. A decision designating a city, town or private water company as having an adequate water supply, if any portion of the city, town or private water company that is proposed to be designated is located within the area of impact of the stored water.

D. Subsection C of this section does not apply to the holder of long-term storage credits who has requested pursuant to section 45-855.01 that the director include stored water in determining whether to issue a decision stating that an adequate water supply exists for a subdivision or designating a city, town or private water company as having an adequate water supply.

E. Subsections A and C of this section do not apply if the director determines that the water stored pursuant to this chapter will not be recovered from within the area of impact of the stored water.

45-857.01. Groundwater replenishment district incidental replenishment factor; definitions

A. With respect to a groundwater replenishment district and not later than the first day of each reporting year, the director shall determine the incidental replenishment factor for the reporting year and shall report that ratio to the groundwater replenishment district.

B. For purposes of this section:

1. "Incidental replenishment" means water that percolates to an aquifer after being used for municipal purposes in the groundwater replenishment district, except for water that is added to an aquifer pursuant to this chapter.

2. "Incidental replenishment factor" means the ratio of the amount of incidental replenishment in the groundwater replenishment district that the director estimates will occur in the reporting year to the amount of water that the director estimates will be used in the district by the district members in the reporting year.

45-858.01. Master replenishment account; debits and credits

A. The director shall establish a long-term storage account and a master replenishment account for each groundwater replenishment district.

B. The director shall compute the master replenishment account debit for a reporting year for the district as follows:

1. For each district member, compute the replenishment obligations as prescribed by section 48-4463.

2. Add the amounts computed under paragraph 1 of this subsection for all district members.

C. For each reporting year, the amount computed under subsection B of this section for the district shall be debited from the district's master replenishment account.

D. On application by a district to the director, credits in the district's long-term storage account, including credits that are registered for water stored pursuant to article 6 of this chapter and for which a district has assumed responsibility pursuant to section 45-896.01, shall be transferred and credited to the district's master replenishment account.

E. For each reporting year, the director shall credit the district's master replenishment account by the amount of water stored by the district during the reporting year, if the

district has requested the director to credit the stored water directly to its master replenishment account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. Credits in a master replenishment account may not be assigned or transferred out of the master replenishment account.

G. If the director, either through an audit of the records of the district or a district member pursuant to section 45-880.01 or otherwise, establishes a misstatement or error regarding information relevant to the determination of master replenishment account debits or credits, the director may adjust accordingly the credits or debits for the appropriate year.

45-859.01. Conservation district account; debits and credits

A. The director shall establish a long-term storage account and a conservation district account for each active management area in which a member land or member service area is or may be located.

B. For each reporting year, the groundwater replenishment obligation as defined in section 48-3701 for each active management area shall be debited from the conservation district account for that active management area.

C. For each reporting year, the contract replenishment obligation as defined in section 48-3701 for each active management area shall be debited from the conservation district account for that active management area.

D. On application by a conservation district to the director, credits in the conservation district's long-term storage account for an active management area, including credits earned through the use of excess capacity of each project permitted under article 6 of this chapter, shall be transferred and credited to its conservation district account for the same active management area.

E. For each reporting year, the director shall credit the conservation district's conservation district account by the amount of water stored by the conservation district during the reporting year, if the conservation district has requested the director to credit the stored water directly to its conservation district account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. By October 31 of each year, the director shall determine whether the conservation district has completed the groundwater replenishment obligation for each active management area as prescribed by section 48-3771.

G. Credits in a conservation district account may not be assigned or transferred out of the conservation district account.

45-860.01. Water district account; debits and credits

A. The director shall establish a long-term storage account and a water district account for the active management area in which a water district member land or water district member service area is or may be located.

B. For each reporting year, the water district groundwater replenishment obligation, as defined in section 48-4801, shall be debited from the water district account.

C. For each reporting year, the contract replenishment obligation, as defined in section 48-4801, shall be debited from the water district account.

D. On application by a water district to the director, credits in the water district's long-term storage account for an active management area, including credits earned from a state demonstration project permitted pursuant to article 6 of this chapter, shall be transferred and credited to the water district's water district account for the same active management area.

E. For each reporting year, the director shall credit the water district's water district account by the amount of water stored by the water district during the reporting year, if the water district has requested the director to credit the stored water directly to its water district account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. By October 31 of each year, the director shall determine whether the water district has completed the water district groundwater replenishment obligation for the active management area as prescribed by section 48-4972.

G. Credits in a water district account may not be assigned or transferred out of the water district account.

ARTICLE 5 – Permit Application Procedures, Financial Provisions and Enforcement

45-871.01. Permit application; fee; notice of application; objections; hearing; appeal

A. The director shall prescribe and furnish application forms for the permits prescribed by articles 2 and 3 of this chapter. The application forms shall require the applicant to submit the information needed by the director to determine whether the permit may be issued. The director shall establish and collect a reasonable fee from the applicant to cover the cost of administrative services and other expenses associated with evaluating and issuing each permit. All fees collected pursuant to this subsection shall be remitted pursuant to section 45-615, paragraph 1.

B. On receipt of an application for a permit pursuant to this chapter, the director shall endorse on the application the date of its receipt and shall keep a record of the application. The director shall conduct a review of the application within one hundred days of receipt of the application. If the director determines in the review that the

application is incomplete or incorrect, the director shall notify the applicant and the review period is extended by fifteen days. The application is incomplete or incorrect until the applicant files the information requested in the application. The director may conduct independent investigations as necessary to determine whether the application should be approved or rejected.

C. If the application is for water storage at an underground storage facility that is exempt from the requirement for an aquifer protection permit under section 49-250, subsection B, paragraph 12, 13 or 24, the director of water resources shall consult with the director of environmental quality and shall develop a coordinated and unified permit review process, which conforms to the time schedule prescribed by this section, to determine whether the permit application is correct and whether the development of a plan of action for monitoring and data analysis shall be required.

D. Except as provided in subsection E of this section, if the application is determined to be complete and correct and the application is for a storage facility permit or a water storage permit, the director, within fifteen days of that determination or a longer period if requested by the applicant, shall give notice of the application once each week for two consecutive weeks in a newspaper of general circulation in the county or counties in which persons reside who could reasonably be expected to be affected by the water storage. The director shall also give notice by first class mail to each city, town, private water company, irrigation district and electrical district that serves land within the area of impact of the stored water. The notice shall state that persons who may be adversely affected by the water storage may file written objections to the issuance of the permit with the director for fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth the reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing the permit being requested as prescribed by articles 2 and 3 of this chapter.

E. If the application is determined to be complete and correct and the application is for a water storage permit to store Colorado river water at a storage facility where storage of Colorado river water has previously been permitted, the director may issue the permit within twenty days of that determination if all of the following apply:

1. The holder of the storage facility permit with which the water storage permit will be affiliated has consented to the water storage.

2. The water storage permit will not require a modification of an affiliated water storage facility permit.

3. Colorado river water will be the only type of water stored under the water storage permit.

4. The applicant has the right to use the Colorado river water.

F. Except as provided in section 45-834.01, subsection D, if the application is determined to be complete and correct and the application is for a recovery well permit, the director, within fifteen days of the determination or a longer period if requested by the applicant, shall give notice of the application once each week for two consecutive weeks in a newspaper of general circulation in the county in which the applicant proposes to recover stored water. If the application is for a well located inside of or within three miles of the exterior boundaries of the service area of a city, town, private water company or irrigation district, the applicant shall give notice of the application by first class mail to each city, town, private water company or irrigation district within that distance. The applicant shall file proof of the notice with the director. The notice shall state that persons who may be adversely affected by the recovery well may file written objections to the issuance of the permit with the director for fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing a recovery well permit as set forth in section 45-834.01, subsection B. For the purposes of this subsection, if the proposed recovery well is located within three miles outside of the exterior boundaries of the service area of a city, town, private water company or irrigation district, a city, town, private water company or irrigation district within that distance shall be considered a person who may be adversely affected by the recovery well.

G. In appropriate cases, including cases in which a proper objection to the permit application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. At least thirty days before the hearing, the director shall notify the applicant and any person who filed a proper objection to the issuance of the permit. The hearing shall be scheduled for at least sixty days but not more than ninety days after the expiration of the time in which to file objections.

H. If a hearing is not held, the director shall issue a decision and order within six months of the date notice of the application is first given pursuant to subsection D or F of this section, or within ninety days in the case of an application under article 6 of this chapter. The director shall record and endorse the approval or rejection of the application on the application. If the permit is denied, the director shall return a copy of the application to the applicant specifically stating the reasons for denial.

I. The applicant or any person who filed a proper objection to the application may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in superior court as provided in section 45-405.

J. Section 45-114, subsections A and B govern administrative proceedings, rehearings or review and judicial review of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the active management area in which the storage or recovery is located.

K. On receipt of an application for a permit pursuant to this section, the director shall provide written notice of the proposed permit to the city, town or county that has land use jurisdiction over the site that is the subject of the permit. The notice shall be given at the same time and in the same manner as the notices prescribed by subsections D and F in order to provide the city, town or county with the opportunity to comment on the proposed facility's or well's compliance with site planning and operational requirements of the city, town or county. This subsection shall not be construed to limit the exclusive authority of the director to determine the issuance of the permit or the site of the facility or well or to reduce the authority of the city, town or county to enforce its applicable ordinances governing site planning and operational requirements.

45-872.01. Water measuring devices

A person who stores water at an underground storage facility, who delivers in lieu water to a recipient at a groundwater savings facility or who recovers stored water pursuant to a recovery well permit shall use a water measuring device approved by the director and shall comply with the rules setting forth the requirements and specifications for water measuring devices adopted pursuant to section 45-604.

45-873.01. In lieu water reporting requirements; withdrawal fees

The in lieu water that is delivered pursuant to a groundwater savings facility permit and a water storage permit issued under this chapter is deemed to be groundwater for all purposes of chapter 2 of this title as if the recipient of the in lieu water had withdrawn it from a well. The recipient is responsible for all records, reports and fees required by chapter 2 of this title relating to the in lieu water received.

45-874.01. Long-term storage credit recovery fee; amount; notice; payment; penalty

A. The director shall levy and collect a long-term storage credit recovery fee from each person who recovers long-term storage credits pursuant to a recovery well permit issued under section 45-834.01. The amount of the long-term storage credit recovery fee is equal to the amount of the groundwater withdrawal fee levied for administration and enforcement of chapter 2 of this title pursuant to section 45-611, subsection A, paragraph 1.

B. Not later than October 1 of each year the director shall file in the department an order setting the long-term storage credit recovery fee for the following calendar year.

C. Within thirty days after the director sets the long-term storage credit recovery fee for the following calendar year, the director shall give written notice of the fee to all holders of recovery well permits issued under this chapter.

D. A person shall pay the long-term storage credit recovery fee to the department at the time the person holding a recovery well permit files an annual report pursuant to section 45-875.01. If a person who is required to pay a long-term storage credit recovery fee fails

to pay the fee when due, the director may assess and collect a penalty of ten per cent of the unpaid fee, without compounding, for each month or portion of a month that the fee is delinquent. The total penalty assessed under this subsection shall not exceed sixty per cent of the unpaid fee.

E. The director shall deposit, pursuant to sections 35-146 and 35-147, all monies collected pursuant to this section in the state general fund.

45-875.01. Annual reports; penalty

A. Each person who holds a storage facility permit shall file an annual report with the director that includes the following information:

1. The total quantity of water stored at the facility during the year.

2. The name, address and water storage permit number of each person storing water at the storage facility during the year.

3. Such other information as the director may reasonably require.

B. Each person who holds a water storage permit shall file an annual report with the director that includes the following information:

1. The quantity of water from each source stored under the permit during the year.

2. The quantity of stored water recovered on an annual basis.

3. The quantity of stored water to be credited to a long-term storage account.

4. Other information as the director may reasonably require.

C. In addition to the requirements of subsections A and B of this section, each person who holds a groundwater savings facility permit or who holds a water storage permit for water storage at a groundwater savings facility shall include with the annual report all evidence required to be submitted by that person pursuant to the plan by which the quantity of groundwater saved at the storage facility will be proved.

D. Each person who holds a recovery well permit shall file an annual report with the director that includes the following information:

1. The registration number and location of each well used to recover stored water.

2. The quantity of fuel or electricity consumed by the pump for each well during the year.

3. The total quantity and source of stored water recovered by each well during the year.

4. The quantity and source of stored water recovered on an annual basis during the year.

5. The quantity and source of stored water recovered from a long-term storage account during the year.

6. Other information as the director may reasonably require.

E. The annual reports shall be maintained on a calendar year basis and shall be filed with the director no later than March 31 of each year for the preceding calendar year. If a person who is required to file an annual report under this section fails to file a report when due, the director may assess and collect a penalty of twenty-five dollars for each month or portion of a month that the annual report is delinquent. The total penalty assessed under this subsection shall not exceed one hundred fifty dollars. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected under this subsection in the state general fund.

45-876.01. Annual report; groundwater replenishment district and replenishment district members; penalties

A. Each groundwater replenishment district shall file an annual report with the director that includes:

1. The total amount of water that was stored by the district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the district during the reporting year to be credited to the master replenishment account.

3. The amount of water stored by the district during the reporting year to be credited to the district's long-term storage account.

4. The amount of long-term storage credits the district has transferred and credited to its master replenishment account during the reporting year.

5. If the reporting year was a drought year, as defined in section 48-4401, for any district member:

(a) The amount of any debit that was registered to the district's drought relief account for the reporting year, as provided in section 48-4467.

(b) Each district member's share of the debit.

(c) The ending balance of the account.

(d) The historic annual per acre surface water deliveries, as defined in section 48-4401, for the reporting year of each irrigation district and water users' association that delivered surface water for non-irrigation use on land in the district during the reporting year.

6. Each district member's replenishment obligation determined pursuant to section 48-4463.

7. Other information as the director may require.

B. The annual report shall be maintained on a calendar year basis and shall be filed no later than May 15 of each year for the preceding year, which is the reporting year.

C. In addition to the annual report required by this section and section 45-632, each groundwater replenishment district member shall file an annual report with the director that includes the information prescribed by section 48-4463, subsection A. The annual report required by this subsection shall be maintained on a calendar year basis and shall be filed with the director no later than March 31 of each year for the preceding calendar year which is the reporting year.

D. The director may assess and collect a penalty of up to one thousand dollars for each day that a report is delinquent for a groundwater replenishment district or one of its members that is required to file an annual report and that fails to file the report when due. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this section in the state general fund.

45-877.01. Annual reports by conservation districts; penalties

A. Each conservation district shall file an annual report with the director that includes for each active management area in which a member land or member service area is or may be located:

1. The total amount of water that was stored by the conservation district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the conservation district during the reporting year to be credited to the conservation district's conservation district account.

3. The amount of water stored by the conservation district during the reporting year to be credited to the conservation district's long-term storage account.

4. The amount of long-term storage credits the conservation district has transferred and credited to its conservation district account during the reporting year.

5. The groundwater replenishment obligation as defined in section 48-3701 for the reporting year.

6. The contract replenishment obligation as defined in section 48-3701 for the reporting year.

7. The information required under section 48-3775.

8. Other information as the director may require.

B. The annual report required under subsection A of this section shall be maintained on a calendar year basis and shall be filed with the director no later than August 31 of each year for the preceding calendar year, which is the reporting year.

C. If the conservation district fails to file the report when due, the director may assess and collect a penalty of up to one hundred dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

D. If a municipal provider as defined in section 48-3701 does not timely file the annual report required by section 48-3775, the director may assess and collect a penalty of up to one thousand dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

45-878.01. Annual reports by water districts; penalties

A. Each water district shall file an annual report with the director that includes for the active management area in which a water district member land or water district member service area is or may be located:

1. The total amount of water that was stored by the water district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the water district during the reporting year to be credited to the water district's water district account.

3. The amount of water stored by the water district during the reporting year to be credited to the water district's long-term storage account.

4. The amount of long-term storage credits the water district has transferred and credited to its water district account during the reporting year.

5. The water district groundwater replenishment obligation as defined in section 48-4801 for the reporting year.

6. The contract replenishment obligation as defined in section 48-4801 for the reporting year.

7. The information required under section 48-4976.

8. Other information as the director may require.

B. The annual report required under subsection A of this section shall be maintained on a calendar year basis and shall be filed with the director no later than August 31 of each year for the preceding calendar year, which is the reporting year.

C. If the water district fails to file the report when due, the director may assess and collect a penalty of up to one hundred dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

D. If a municipal provider as defined in section 48-3701 does not timely file the annual report required by section 48-4876, the director may assess and collect a penalty of up to one thousand dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

45-879.01. Annual reports certification; records

A. Each annual report required by this article shall contain either a sworn statement or a certification under penalty of perjury that the information contained in the report is true and correct according to the best belief and knowledge of the person filing the report.

B. Each person who is required to file an annual report under this article shall maintain current, accurate records of the information required to be included in the annual report.

C. The records and reports required to be kept and filed under this article shall be in a form prescribed by the director. The director shall prepare blank forms and furnish them on request. Failure to receive or obtain the forms does not relieve any person from the obligation to keep required records or make any required report.

45-880.01. Inspections, investigations and audits

A. The director or the director's authorized representative may enter at reasonable times on private or public property where any facilities used for the purposes of water storage, stored water recovery or stored water use are located and the owner, manager or occupant of the property shall permit such entry to:

1. Inspect any facility that is used for the purposes of water storage, stored water recovery or stored water use and that is subject to this chapter.

2. Obtain factual data or access to records required to be kept by this article.

3. Ascertain compliance with this chapter.

B. Inspections and investigations under this section shall be on reasonable notice to the owner, manager or occupant of the property unless reasonable grounds exist to believe that this notice would frustrate the enforcement of this chapter or if entry is sought for the sole purpose of inspecting water measuring devices required pursuant to section 45-872.01. The director shall adopt rules for conducting inspections, examining records and obtaining warrants pursuant to this section. The director may, and if required by law, shall, apply for and obtain warrants for entry and inspection to carry out the administrative and enforcement purposes of this chapter.

C. The director may require a person who is required to keep records under this article to appear, at reasonable times and on reasonable notice, at the director's office and produce the records and information that are specified in the notice to determine whether the records and annual reports required by this article are complete, true and correct.

D. The director shall provide a written report of each inspection, investigation and audit under this section to the person who is subject to such action.

45-881.01. Cease and desist order; temporary cease and desist order; hearing; injunctive relief

A. Except as provided by subsection B of this section, if the director has reason to believe that a person is violating or has violated a provision of this chapter or a permit, rule or order issued or adopted pursuant to this chapter, the director may give the person written notice that the person may appear and show cause at an administrative hearing at least thirty days from the date of service of the notice why the person should not be ordered to cease and desist from the violation. The notice shall inform the person of the date, time and place of the hearing and the consequences of failure to appear.

B. If the director finds that a person is constructing a storage facility or storing water in violation of this chapter, the director may issue a temporary order for the person to cease and desist the construction or storage pending final action by the director pursuant to subsection C of this section. The order shall include written notice to the person of the date, time and place where the person may appear at an administrative hearing before the department to show cause why the temporary order should be vacated. The hearing shall be held within fifteen days of the date of the order unless the person consents to a longer period.

C. The decision and order of the director under subsections A and B of this section may be in a form that the director determines to be reasonable and appropriate and may include a determination of violation, a cease and desist order, the recommendation of a civil penalty and an order directing that positive steps be taken to abate or ameliorate any harm or damage arising from the violation. The person affected may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in the superior court in the county in which the violation is alleged to have occurred.

D. If the person continues the violation after the director has issued a final decision and order pursuant to subsection C of this section or a temporary order pursuant to subsection B of this section, the director may apply for a temporary restraining order or preliminary or permanent injunction from the superior court pursuant to the rules of civil procedure. Filing for injunctive relief does not preclude other forms of relief or enforcement against the violator.

E. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section.

45-882.01. Violation; civil penalties

A. A person who is determined pursuant to section 45-881.01 to be in violation of this chapter or a permit, rule or order issued or adopted pursuant to this chapter may be assessed a civil penalty in an amount not exceeding:

1. One hundred dollars per day of violation that is not directly related to illegal storage, recovery or use of stored water.

2. Ten thousand dollars per day of violation that is directly related to illegal storage, recovery or use of stored water.

B. An action to recover penalties under this section shall be brought by the director in the superior court in the county in which the violation occurred.

C. In determining the amount of the penalty, the court shall consider the degree of harm to the public, whether the violation was knowing or wilful, the past conduct of the defendant, whether the defendant should have been on notice of the violation, whether the defendant has taken steps to cease, remove or mitigate the violation and any other relevant information.

D. The director shall deposit, pursuant to sections 35-146 and 35-147, all civil penalties assessed under this section in the state general fund.

ARTICLE 6 – State Demonstration Projects

45-891.01. Purposes

It is declared that the public policy of this state and the general purposes of this article are:

1. To protect the general economy and welfare of this state and its citizens by wise resource management of the water of the central Arizona project.

2. To store for future needs or use for replenishment purposes the central Arizona project water not now utilized by central Arizona project subcontractors.

3. To provide an additional source of water for times of serious water shortage due to a substantial reduction in the supply of central Arizona project water available for delivery to central Arizona project subcontractors or a prolonged interruption of deliveries of central Arizona project water.

45-892.01. Definitions

In this article, unless the context otherwise requires:

1. "Excess central Arizona project water" means central Arizona project water that in any year would otherwise not be delivered to central Arizona project subcontractors or their designees.

2. "Project permits" means permits obtained under articles 2 and 3 of this chapter for the purposes of operating a state demonstration project.

3. "State demonstration project" means a project for the storage of excess central Arizona project water at an underground storage facility pursuant to permits issued under this chapter and in accordance with this article.

45-893.01. Application for project permits; application requirement; permit specifications

A. A conservation district may apply to the director pursuant to articles 2 and 3 of this chapter for project permits for one or more state demonstration projects to be funded by account A of the state water storage fund established by section 45-897.01 and one or more projects to be funded by account B of the fund. Each project shall be located in a county for the benefit of which the account that funds the project was established.

B. In addition to the information required by articles 2 and 3 of this chapter, the conservation district's permit application shall contain plans for the state demonstration project and projections of the capital, operation and maintenance costs of the project, exclusive of water recovery costs. The plans and projections shall contain information adequate to permit the director to determine whether sufficient monies will be available from the state water storage fund to cover the projected costs of the proposed state demonstration project, considering all other obligations of the fund.

C. If the director approves the conservation district's project permit applications, the director shall specify in the permit or in a written memorandum of understanding between the director, the conservation district and the state treasurer the conditions under which and the timing pursuant to which monies shall be disbursed by the state treasurer to the conservation district from the state water storage. The permit or the memorandum of understanding:

1. Shall provide for the advancement to the conservation district of the capital, operation and maintenance costs of the project, exclusive of water recovery costs, and the

advancement of additional necessary monies to the conservation district, if the monies initially advanced are insufficient to cover those costs.

2. Shall provide for the continuing disbursement from the fund of monies for the purchase of excess central Arizona project water.

3. May provide for the use of monies in the fund to cover the conservation district's costs of recovering, transporting and delivering the stored water and the costs of dismantling the project.

D. If the director approves the conservation district's application for the project permits, the conservation district may contract for excess central Arizona project water for storage in the state demonstration project and may enter into agreements with the director for the disposition of such water as provided in section 45-895.01.

45-894.01. Use for replenishment purposes

A. After the qualification of any real property as member land pursuant to section 48-3774 or the qualification of any service area as a member service area pursuant to section 48-3780, a conservation district may use the facilities and excess storage capacity of any state demonstration project located in the active management area in which the member land or a member service area is located for replenishment purposes. The groundwater replenished by the conservation district using the facilities and excess storage capacity of a state demonstration project shall not be water stored in the state demonstration project.

B. A conservation district may operate and maintain a state demonstration project and may simultaneously store water for other purposes, including replenishment, at the same storage facility.

45-895.01. Storage of water; availability and disposition of stored water

A. Water stored in a state demonstration project that is eligible for credits in a long-term storage account pursuant to section 45-852.01 shall be credited to a state demonstration subaccount of the conservation district's long-term storage account. The credits in this subaccount shall be used only for municipal and industrial purposes and shall be used only in the county for the benefit of which the state demonstration project was constructed by the conservation district.

B. Water stored in a state demonstration subaccount shall be available for disposition by the director during any time when the director determines either of the following applies:

1. The amount of central Arizona project water available for delivery to central Arizona project municipal and industrial subcontractors is insufficient to meet the contractual entitlements of the subcontractors.

2. There is a significant interruption of the conservation district's ability to make deliveries of central Arizona project water in the county for the benefit of which the state demonstration project was constructed.

C. The director may dispose of water stored pursuant to this article only when one of the conditions described in subsection B of this section exists. The director may dispose of the water to a person, including a person who is not an existing central Arizona project municipal and industrial subcontractor, who has filed a request for the water. In disposing of the water, the director shall take into account the reasonable water needs of persons who have filed requests for the water and the applicable provisions of the state water plan, if any, in effect at the time of the request. The director shall require as a condition of the disposition of water that:

1. The person who receives the water shall pay the conservation district's costs, if any, of recovering, transporting and delivering the water to the person, but the person is not required to pay any other costs of construction, operation or maintenance of the state demonstration project. If monies from the state water storage fund established by section 45-897.01 are used to cover the conservation district's cost of recovering, transporting or delivering the water stored, the person who receives the water shall reimburse the fund for those costs.

2. The person who receives the water shall agree to be bound by the relevant terms and conditions of any applicable contract between the conservation district and the United States.

3. The water disposed of to a person pursuant to this section shall be used only by the person for municipal and industrial purposes in the county for the benefit of which the state demonstration project was constructed.

45-896.01. Assumption of responsibility for stored water

A. Notwithstanding section 45-895.01, if a groundwater replenishment district is established pursuant to title 48, chapter 27 on or before July 1, 1996 in the Phoenix active management area:

1. The multi-county water conservation district and the groundwater replenishment district shall share equally any water that is stored in a state demonstration project in that active management area. The shares shall be calculated after the director has determined the amount of stored water to be reserved pursuant to paragraph 2 of this subsection.

2. The director shall determine the quantity of any water that is stored for the benefit of municipal and industrial users that are not member lands or member service areas of the multi-county water conservation district and that are located in Maricopa county and the right to use that amount of water is reserved to those municipal and industrial users. Those municipal and industrial users may recover and use the water as otherwise

provided by statute or rule but shall apply to the multi-county water conservation district for the use of the water.

3. On or before December 31, 1996, unexpended and unencumbered monies, liabilities, facilities and equipment of a state demonstration project shall be transferred to the multi-county water conservation district and the groundwater replenishment district in equal shares.

B. Notwithstanding section 45-895.01, if a permanent active management area water district is established pursuant to title 48, chapter 28 on or before July 1, 1996 in the Tucson active management area:

1. The multi-county water conservation district and the active management area water district shall share equally any water that is stored in a state demonstration project located in that active management area. The shares shall be calculated after the director has determined the amount of stored water to be reserved pursuant to paragraph 2 of this subsection.

2. The director shall determine the quantity of any water that is stored for the benefit of municipal and industrial users that are not member lands or member service areas of the multi-county water conservation district and that are located in Pima county and the right to use that amount of water is reserved to those municipal and industrial users. Those municipal and industrial users may recover and use the water as otherwise provided by statute or rule but shall apply to the multi-county water conservation district for the use of the water.

3. On or before December 31, 1996, unexpended and unencumbered monies, liabilities, facilities and equipment of a state demonstration project shall be transferred to the multi-county water conservation district and the active management area water district in equal shares.

C. Notwithstanding section 45-895.01 and only to the extent that subsection A or B of this section does not apply:

1. Not later than December 31, 1996, facilities, equipment and liabilities of a state demonstration project located in a multi-county water conservation district shall be transferred to the multi-county water conservation district.

2. The multi-county water conservation district shall use the monies in the state water storage fund established by section 45-897.01 to expediently store water and construct underground storage facilities until that fund is exhausted.

3. On July 1, 1996 the multi-county water conservation district shall assume responsibility for water that is stored by that date in a state demonstration project located in the district. Before July 1, 1996 the director shall determine the quantity of water that has been stored for the benefit of municipal and industrial users that are located in

Maricopa or Pima counties but that are not member lands or member service areas of the multi-county water conservation district. The right to use that quantity of water is reserved for the benefit of those municipal and industrial users. The water not reserved for this purpose shall be used for the benefit of member lands or member service areas of the multi-county water conservation district.

4. Periodically after July 1, 1996, until the state water storage fund is exhausted, the director shall determine the quantity of water that has been stored with the use of monies from the state water storage fund for the benefit of municipal and industrial users that are located in Maricopa or Pima county but that are not member lands or member service areas of the multi-county water conservation district. The director shall transfer those quantities of long-term storage credits to the Arizona water banking authority. The Arizona water banking authority shall use the long-term storage credits transferred pursuant to this paragraph in accordance with section 45-2457, subsection B, paragraph 7.

5. Long-term storage credits earned after July 1, 1996 with the use of monies in the state water storage fund established by section 45-897.01 that are not transferred to the Arizona water banking authority pursuant to paragraph 4 of this subsection shall be transferred to the multi-county water conservation district and shall be used for the benefit of member lands or member service areas of the multi-county water conservation district.

45-897.01. <u>State water storage fund; disbursement of monies</u>

A. A state water storage fund is established to be administered by the director as provided in this article. The fund shall be divided into two accounts, one account for the benefit of counties having a population of more than five hundred thousand persons but less than one million five hundred thousand persons and one account for the benefit of counties having a population of one million five hundred thousand persons or more, according to the most recent United States decennial census. The accounts shall be referred to respectively as account A and account B. The fund and the accounts within the fund consist of monies appropriated by the legislature and taxes levied by a conservation district pursuant to section 48-3715.02. Monies appropriated by the legislature shall be credited to the separate accounts as provided by the legislature. Taxes levied by the conservation district shall be credited to the separate accounts as provided in section 48-3715.02. Monies in the fund are exempt from lapsing under section 35-190. Interest earned on monies in the fund shall be credited to the fund and to the separate accounts in proportion to the balance of each account.

B. The fund shall be used to pay the capital, operation, maintenance and other costs, including the costs of excess central Arizona project water, of state demonstration projects constructed by the conservation district pursuant to this article. Monies shall be distributed from the fund to the conservation district on the direction of the director, in the manner provided for in section 45-893.01.

45-898.01. Indemnification and insurance

For purposes of this article only, when proposing, obtaining permits for, acquiring property for or constructing, operating, maintaining, terminating or dismantling a state demonstration project, a conservation district is an agent of the state, and the state shall indemnify and insure against all liability for acts or omissions of any nature under section 41-621, subsection A, paragraph 3. The state shall be named as an additional insured on any contracts entered into under this article between the conservation district and outside consultants or contractors, and the conservation district shall consult with the department of administration as to appropriate insurance to be specified in any contracts.

Attachment D

Town of Duncan Sample Accounting Spreadsheet

WATER TREATED AS DIVERTED BY THE TOWN

Diversions from within an Impact Zone	**Acre-feet**
Any water Diverted by the Town from within an Impact Zone, including any water Diverted from within an Impact Zone by a well located outside of an Impact Zone. (11.1.1)	
Total water Diverted by the Town from within an Impact Zone	

Other Water	
Any water allocated to the Water Budget in the Water Use Plan, whether Diverted or not. (11.1.2)	
Diversions from the Town Wells (11.1.3)	
Total Other Water Diverted by the Town	
Total Water Diverted by the Town	

WATER NOT TREATED AS DIVERTED BY THE TOWN

Water Diverted from wells outside an Impact Zone that is not allocated to the Water Budget and that does not create a cone of depression that extends into an Impact Zone. (11.2.1)	
Any Recovered Effluent (11.2.2)	
Total Water not treated as Diverted by the Town	

ATTACHMENT E

Town Weed Control Ordinance

ORDINANCE NO. 04-12-07

AN ORDINANCE OF THE TOWN OF DUNCAN, ARIZONA, KNOWN AS THE "DUNCAN WEED CONTROL ORDINANCE"

BE IT ENACTED AND ORDAINED by the Council of Town of Duncan, and it is hereby ENACTED AND ORDAINED by the authority of the same that the following is hereby adopted:

ARTICLE I. DECLARATION OF NUISANCE

Every person owning or occupying any property within the Town of Duncan upon which property phreatophyte have grown shall cut or remove or cause them to be cut or removed, on or before May 15, July 15 and September 15 of each and every year. Any phreatophytes so growing upon any premises in the Town of Duncan, or which in any other manner violate any of the provisions of this Ordinance are hereby declared to be a nuisance and detrimental to the health, safety, welfare, cleanliness and comfort of the inhabitants of the Town of Duncan.

ARTICLE II. DEFINITION OF PHREATOPHYTE

Phreatophyte shall mean a deep-rooted plant that grows in locations in which the root system reaches the water table, or the capillary zone immediately above the water table, deriving a perennial and secure supply of water from such source.

ARTICLE III. SEVERANCE CLAUSE

Should any section, paragraph, clause or phrase of this Ordinance be declared unconstitutional or invalid by a Court of competent jurisdiction, the remainder of said Ordinance shall not be affected thereby, and shall remain in full force and effect.

ARTICLE IV. REPEALER CLAUSE

All Ordinances or parts of Ordinances or Resolutions conflicting with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

ENACTED AND ORDAINED into an Ordinance this 21st day of December, 2004.

TOWN OF DUNCAN, ARIZONA
TOWN COUNCIL

By: _____
Randall Norton, Mayor

ATTEST:

for Rebecca A. Bell
Cynthia Nichols, Town Clerk

Final Execution Version
October 21, 2005

EXHIBIT 26.4

AMENDED AND RESTATED AGREEMENT AMONG GILA RIVER INDIAN COMMUNITY, THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, THE UNITED STATES AND THE TOWN OF KEARNY

This Agreement is entered into as of the date executed below, by and among the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the Town of Kearny, and the United States of America, in the capacity as set forth herein.

1.0 RECITALS

1.1 Proceedings to determine the nature and extent of the rights to water of the Community, the District, the Town, the United States, and other claimants are pending in the Gila River Adjudication Proceedings, and enforcement actions regarding the interpretation and enforcement of the Globe Equity Decree are pending before the Globe Equity Enforcement Court.

1.2 Recognizing that final resolution of these and other pending proceedings may take many years, entail great expense, prolong uncertainty concerning the availability of water supplies, and seriously impair the long-term economic well-being of all Parties to the Settlement Agreement, the Community, the District, the Town, and the United States have agreed to settle the disputes that are among them.

1.3 In fulfillment of its trust responsibility to Indian tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to settle water rights claims of Indian tribes without lengthy and costly litigation.

1.4 The Town asserts certain rights to use water for M&I Use within Pinal County.

1.5 The Town Diverts and delivers water for its M&I Uses through a system of wells, pumps and pipelines along the Middle Gila River, which facilities are described and shown in Attachment A.

1.6 The Act provides for the settlement of water rights claims of the Community for agreement among the Town, the Community, the District, the United States, and certain other named parties.

1.7 Accordingly, the Parties to this Agreement have agreed to settle water rights and damage claims of the Community permanently as provided for in the Settlement Agreement and to resolve permanently any disputes between the Town, the Community, the District and the United States over the use of water by the Town as set forth in this Agreement.

NOW, THEREFORE, in consideration for the mutual promises contained in this Agreement and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Town, the Community, the District and the United States agree as follows:

2.0 DEFINITIONS

Capitalized terms in this Agreement that are not expressly defined herein shall have the same meaning as in the Settlement Agreement. The following terms shall have the following meanings when capitalized in this Agreement:

2.1 "Agreement" shall mean this amended and restated agreement and the attachments hereto, which are incorporated herein by reference.

2.2 "Allocates", "Allocated", "Allocating" or "Allocation" shall mean the dedication to the Water Budget by the Town of water from one or more of the sources authorized by this Agreement for a period of two (2) or more Years to justify an increase in the Water Budget pursuant to Subparagraph 5.1.

2.3 "Asarco Well" shall mean the well owned by Asarco that is used to supply water to the Town Golf Course.

2.4 "Attachment" shall mean an attachment to this Agreement.

2.5 "Decreed Lands" shall mean those lands that are described in the Globe Equity Decree as located upstream of the Ashurst-Hayden Diversion Dam and downstream of Coolidge Dam, but not including the San Carlos Apache Indian Reservation, for which Water may be Diverted for Agricultural Purposes pursuant to the Globe Equity Decree.

2.6 "Decreed Water Rights" shall mean the rights to Divert water for use on Decreed Lands in accordance with the Globe Equity Decree.

2.7 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a

ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, Pump, turnout, or other mechanical device or any other human act.

2.8 "Effective Date" shall mean December 31, 2002.

2.9 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes, and treated by the Town in a wastewater treatment facility, and that is available for reuse for any purpose; provided, however, that the Parties express no view herein as to whether Effluent retains its character as such once discharged into the Middle Gila River.

2.10 "Effluent Credit" shall mean a credit against either: (i) Diversions counted against the Water Budget; or (ii) a mitigation requirement established pursuant to Paragraph 10.0, as calculated pursuant to Subparagraph 7.2.

2.11 "Effluent Storage Credits" shall mean the groundwater storage credits to which the Town is entitled for Recharged Effluent as calculated pursuant to the terms and conditions set forth in Subparagraph 7.6.3.2.

2.12 "Gila River Impact Zone" shall be that area so depicted on Attachment B.1.

2.13 "Gila River Indian Community" or "Community" shall mean the government, composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. 476).

2.14 "Impact Zones" shall mean the Gila River Impact Zone, Middle Gila River Impact Zone and the San Pedro Impact Zone.

2.15 "Initial Water Budget" shall mean the amount of water used by the Town that the Community, the District and the United States agree not to challenge pursuant to

the terms of this Agreement. The Initial Water Budget is six hundred (600) AFY, in any combination from Town Wells. Whether, and the extent to which, Pumping from a well located outside the exterior boundaries of the Impact Zones results in a cone of depression that extends into an Impact Zone and is considered to be Diverting water from within an Impact Zone shall be determined in accordance with the cone of depression test standard that is to be determined by the Gila River Adjudication Court.

2.16 "M&I Uses" shall mean the use of water for municipal, industrial, commercial, residential or other non-agricultural purposes within the area served by the Town.

2.17 "Middle Gila River" shall mean the Gila River and its tributaries upstream of Ashurst-Hayden Diversion Dam and downstream of Coolidge Dam.

2.18 "Middle Gila River Impact Zone" shall mean the area so depicted on Attachment B.2.

2.15A "Miscellaneous Flow Lands" shall mean those lands, if any, that are not a part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

2.19 "Other Wells" means the wells shown on Attachment A.1.

2.20 "Paragraph" shall mean a paragraph of this Agreement.

2.21 "Phreatophyte" shall mean a deep rooted plant that grows in locations in which the root system reaches the water table, or the capillary zone immediately above the water table, deriving a perennial and secure supply of water from such source.

2.22 Party" shall mean an entity represented by a signatory to this Agreement and "Parties" shall mean all such entities. The United States participation as a Party shall be in the capacity as described in Subparagraph 2.35.

2.23 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

2.24 "Recharged Effluent" shall mean Effluent that the Town has recharged in accordance with subparagraph 7.6."

2.25 "Recovered Effluent" shall mean Recharged Effluent that the Town has recovered in accordance with Subparagraph 7.6.

2.26 "San Carlos Irrigation and Drainage District" or "the District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

2.27 "San Carlos Irrigation Project", or the "Project" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "San Carlos Irrigation Project" or "Project" includes any amendments and supplements to the act described in the preceding sentence.

2.28 "San Pedro Impact Zone" means the San Pedro Ag and New Large Industrial Use Impact Zone as shown in exhibit 2.146B of the Settlement Agreement, and in Attachment B.3.

2.29 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Settlement Agreement, including all Exhibits thereto (as that term is defined therein), authorized and approved by the Act and entered into among the

Community, the District, the Town, the United States, the State, and certain other named parties.

2.30 "Subparagraph" shall mean a subparagraph of this Agreement.

2.31 "Town Golf Course" shall mean the golf course located in the Town and which is owned by Asarco and operated by a third party.

2.32 "Town of Kearny" or "Town" shall mean the Town of Kearny, Arizona, a municipal corporation.

2.33 "Town Wells" shall mean the wells shown on Attachment A.2.

2.34 "Town's Decreed Lands" shall mean the 101.73 acres of Decreed Lands owned by the Town as of July 1, 2002 as depicted in Attachment F.

2.35 "United States" or "United States of America" shall mean the United States: (i) acting on behalf of the Community, Members and Allottees; (ii) to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the Project and Miscellaneous Flow Lands; and (iii) in no other capacity.

2.36 "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

2.37 "Water Budget" shall mean the Initial Water Budget and any modifications thereto as authorized by this Agreement that may be in effect from time to time.

2.38 "Water Use Plan" shall mean the plan to be adopted by the Town identifying projected water uses and permanent water source options in accordance with Subparagraph 4.4.

3.0 ATTACHMENTS

Following is a list that constitutes the attachments to this Agreement:

Attachment	Description
A.1	Map depicting location of Other Wells, pumps and pipelines
A.2	Map depicting location of Town Wells, pumps and pipelines
B.1	Map of Gila River Impact Zone
B.2	Map of Middle Gila River Impact Zone
B.3	Map of San Pedro Impact Zone
C	Effluent Credit Storage and Recovery Provisions
D	Sample Accounting Spreadsheet
E	General Nuisance Abatement Ordinance
F	Map depicting location of Towns Decreed Lands

4.0 WATER BUDGET

4.1 The Town shall be entitled to Divert and use the Initial Water Budget.

4.2 The Town warrants that it is the owner of the Town's Decreed Lands. All rights to water associated with the Town's Decreed Lands shall be deemed fully satisfied by the Initial Water Budget.

4.3 By the end of the fifth Year following the Enforceability Date, the Town shall have developed and provided to the Parties a Water Use Plan that identifies all projected water uses. If projected M&I Water uses in the Water Use Plan are in excess of the Initial Water Budget, the Town shall identify in the Water Use Plan one or more methods of Allocating water sources to increase the Water Budget as authorized by this Agreement. The Town shall implement such Water Use Plan by the beginning of the sixth (6th) Year following the Enforceability Date. The Town shall update such Water Use Plan as necessary to project future needs and ensure stable and reliable water sources to off-set potential future increased Diversions as provided in this Agreement. Each Water Use Plan shall also identify any sources of water that the Town has Allocated to the Water Budget and the total amount of the Water Budget then in effect for the period covered by such Water Use Plan. The total amount of the Water Budget identified in any given Water Use Plan shall be definitive for purposes of this Agreement for the period covered thereby and shall remain in effect for at least one Year.

4.4 The Town shall not Divert more water than the then applicable Water Budget as accounted for pursuant to Paragraph 11.0, except under the circumstances and pursuant to the mitigation requirements described in Paragraph 10.0.

5.0 MODIFICATIONS TO WATER BUDGET; TEMPORARY EXCEEDANCE OF WATER BUDGET

5.1 The Town may increase its Water Budget from time to time to the extent that the Town obtains and retains the right to Divert and use additional water as set forth in Paragraphs 6.0 through 8.0, and Allocates such additional water to its Water Budget, as described in the then current Water Use Plan. The Town shall amend its Water Use Plan

to reflect the Allocation of additional water and no increase in the Water Budget shall be effective until the Water Use Plan has been amended to reflect such Allocation. The following shall be acceptable methods for the Town to increase the Water Budget:

5.1.1 Subject to the requisite court approvals, the Town may obtain water from sources other than the Middle Gila River, including water obtained and delivered pursuant to a lease of CAP water, and exchange such water with the Community or the District. The Town shall be entitled to increase its Water Budget by one (1) acre-foot for each one (1) acre-foot of water contractually obligated for delivery to the Community or the District pursuant to such exchange.

5.1.2 The Town may convert Decreed Water Rights from Irrigation Use to M&I Use, in accordance with Paragraph 6.0.

5.1.3 The Town may convert water rights associated with lands not subject to the Globe Equity Decree from Irrigation Use to M&I Use; provided, however, that all such lands and waters in respect of such lands shall be fully subject to the requirements of subparagraph 26.8 of the Settlement Agreement.

5.1.4 In accordance with Paragraph 7.0, the Town may discharge Effluent into the Middle Gila River. This Subparagraph 5.1.4 shall not be construed as a restriction against the Town's use of Effluent for other purposes.

5.1.5 The Town may purchase or lease existing M&I water use facilities within the Middle Gila River Impact Zone for continued use in such Impact Zone if such water use facilities have an established water use that is not in violation of or contrary to applicable law or the Settlement Agreement.

The Town may purchase or lease existing M&I water use facilities within the San Pedro Impact Zone downstream from the confluence of Aravaipa Creek for use in the Middle Gila River Impact Zone if such water use facilities have an established water use that is not in violation of or contrary to applicable law or the Settlement Agreement. The Town may also substitute its water services for existing domestic uses of water within an Impact Zone to the extent that the existing use of water is extinguished. The Town shall be entitled to increase its Water Budget by the average amount shown to have been Diverted by such water use facilities over the five (5) Years immediately preceding the date of the Town's acquisition of such facilities. This Subparagraph 5.1.5 shall not be construed as a restriction against Diversions and use of water for M&I Uses by the Town from existing or new M&I water use facilities located outside of the Impact Zones.

5.1.6 Subject to the provisions of Subparagraph 8.3, the Town may Divert Underground Water from wells located outside of the Impact Zones. The Town shall be entitled to increase its Water Budget by one (1) acre-foot for each one (1) acre-foot of such Underground Water that is Allocated to the Water Budget. This Subparagraph 5.1.6 shall not be construed as a restriction against Diversions and use by the Town from wells located outside of the Impact Zones for M&I Uses. Whether, and the extent to which, Pumping from a well located outside the exterior boundary of the Impact Zones results in a cone of depression that extends into the Impact Zones and is considered to be Diverting water from within an Impact Zone shall be determined in accordance with the cone of depression test standard that is to be determined by the Gila River Adjudication Court.

5.1.7 The Town may obtain water through water salvage projects in accordance with applicable law.

5.1.8 The Town may increase its Water Budget pursuant to any other method mutually acceptable to the Town, the Community and the District.

5.2 To the extent that the acquisition or use of additional sources of water as described in Subparagraph 5.1 are subject to the approval of other persons or entities, or subject to compliance requirements imposed by other persons or entities, the burden of obtaining such approvals or meeting such compliance requirements is solely and exclusively the burden of the Town and no other Party.

5.3 All costs associated with the acquisition and delivery of water for the benefit of the Community and/or the District pursuant to Subparagraph 5.1 shall be borne by the Town.

5.4 The Parties recognize that from time to time, the Town's M&I Uses may fluctuate on a short-term basis (meaning an increase in need for water for a period of less than one (1) Year). Therefore, notwithstanding Paragraph 4.0 and Subparagraph 5.1 (and the Water Budget then in effect), the Town may exceed its applicable Water Budget in a given Year if:

5.4.1 The need for such increase is due to an unexpected contingency or emergency that would not have been reasonably foreseeable pursuant to prudent water management planning;

5.4.2 The need for such increase is not on a recurring basis; and

5.4.3 Within the Year immediately following such unexpected and nonrecurring use of water for M&I Uses, the Town mitigates the amount of such excess

use in accordance with an approved mitigation method described in Paragraph 10.0.

5.5 If the needed increase is to be on a recurring basis, the Town shall amend the Water Use Plan to ensure that in the Year immediately following such need, a water supply source is secured and Allocated to allow for an increase in the Water Budget pursuant to one of the methods set forth in Subparagraph 5.1

5.5.1 If the Town fails to amend the Water Use Plan in accordance with Subparagraph 5.5 and exceeds the Water Budget then in effect for two (2) or more consecutive Years, the Town shall mitigate in accordance with Subparagraph 10.2.1.

5.6 Notwithstanding the requirement that an Allocation of water be made for a period of two (2) years or more, as set forth in Subparagraph 2.2, the Town may substitute a water source authorized pursuant to this Agreement for any source previously Allocated to the Water Budget by Allocating such substitute water source pursuant to Subparagraph 4.3; provided, however, that the substitute water is Allocated to the Water Budget for a minimum of two (2) Years.

6.0 CONVERSION OF DECREED WATER RIGHTS TO M&I USE

6.1 For Decreed Lands other than the Town's Decreed Lands, the Town may seek to sever, transfer or convert to M&I Use any Decreed Water Rights appurtenant to any Decreed Lands; provided, however, that: (i) such acres have been irrigated (according to the records of the Water Commissioner) during any of the Years from 1997–2001, inclusive; and (ii) such acres have been reported (according to the records of the Water Commissioner) as having been irrigated for at least one (1) Year during the

five (5) Year period immediately preceding the date of application; and (iii) such acres have not been used as part of the UV acreage reduction program required pursuant to subparagraph 5.2 of exhibit 26.2 to the Settlement Agreement.

6.2 The Community, the District, and the United States shall not contest the Town's change of use application submitted to the Globe Equity Enforcement Court to convert a right to Divert Decreed Water Rights appurtenant to Decreed Lands to a right to Divert for M&I Use, provided that the application complies with the provisions of Subparagraph 6.1.

6.3 For any right to Divert that is severed, transferred or converted to M&I Uses by the Town or on the Town's behalf, and for any rights to Divert that have previously been converted and that are conveyed to the Town, the Town may increase its Water Budget by the lesser of the converted amount or two and one-half (2.5) AFY per acre.

6.4 The Town shall not seek to transfer any converted right to any other entity or person in an amount greater than the lesser of the converted amount or two and one-half (2.5) AFY per acre. The Town shall not retain any portion of any converted right so transferred.

7.0 EFFLUENT

7.1 The Town shall have the right, but not the obligation, to lawfully: (i) Allocate Effluent to the Water Budget in accordance with this Agreement; (ii) discharge Effluent into the Middle Gila River; and (iii) use Effluent for recharge or any other lawful purpose.

7.2 The Town shall be entitled to Effluent Credits only after the Town's Diversion of water has reached a total of six hundred (600) AFY. Subject to the sentence following the immediately subsequent sentence, the Town shall not receive any such Effluent credits for the first one hundred seventy-eight (178) AFY of Effluent produced by the Town. In the event that the Town ceases using at least fifty (50) AFY of Effluent on the Town Golf Course, the Town shall not receive Effluent credits for the amount of Effluent produced by the Town equal to one hundred seventy-eight (178) AFY plus the difference between fifty (50) AFY and the amount of Effluent used on the Town Golf Course. The Town's entitlement to Effluent Credits shall be calculated as follows:

7.2.1 If the Town discharges Effluent to the Middle Gila River, the Town shall receive an Effluent Credit in the amount of one (1) acre-foot for each one (1) acre-foot of Effluent so discharged in the Year in which such discharge occurs;

7.2.2 If the Town uses Effluent for irrigation on a new: (i) golf course; (ii) park; or (iii) other similar area within the Middle Gila River Impact Zone, the Town shall be entitled to receive an Effluent Credit in the amount of thirty-five one hundredths (35/100) acre-foot for each one (1) acre-foot of Effluent so applied in the Year in which such application occurs.

7.2.3 If the Town sells a portion of its Effluent to a third party, the Town shall not receive Effluent Credit for any Effluent sold.

7.3 Except for Effluent Allocated to the Water Budget pursuant to Subparagraph 5.1.4, the Parties expressly agree that any discharge of Effluent at any time

to the Middle Gila River shall not create any continuing obligation on the part of the Town to discharge Effluent at any other time.

7.4 The Town shall provide reasonable notice to the Community and the District with a reasonable opportunity to comment on any proposed plans for significant Effluent use. The Town may provide such notice to the Community and the District by summarizing the Town's proposed use of Effluent in the Town's Water Use Plan.

7.5 The Community, the District and the United States shall not assert any right, title, interest or claim to Effluent produced from Town Diversions, and acknowledge that the Town has full authority and control to determine the use and disposition of the Effluent.

7.6 Recharged Effluent and Recovered Effluent.

7.6.1 The Town may recharge Effluent outside the Impact Zones in accordance with applicable State law and such recharge shall not be subject to the terms of this Agreement. The Town shall not be entitled to Divert water from within any Impact Zone on account of any groundwater storage credits that it might receive under State law for having recharged Effluent or water of any nature outside of the Impact Zones. The Town may Divert any water recovered from a recharge facility located outside the Impact Zones in accordance with State law, but only to the extent that such law is at least as restrictive for recharge as the terms and conditions set forth in Attachment C.

7.6.2 The Town may recharge Effluent within the Middle Gila River Impact Zone in accordance with State law, but only to the extent that such law is

at least as restrictive for recharge as the terms and conditions set forth in Attachment C. Effluent thus recharged shall be considered Recharged Effluent for purposes of Subparagraph 7.6.3.

7.6.3 The Town shall recover Recharged Effluent in accordance with State law, but only to the extent that such law is at least as restrictive for recharge as the terms and conditions set forth in Attachment C. Recharged Effluent thus recovered shall be considered Recovered Effluent for purposes of this Agreement.

7.6.3.1 The location of withdrawals of Recharged Effluent shall be determined in accordance with State law, but only to the extent that such law is at least as restrictive for locating such withdrawals as are required in Attachment C;

7.6.3.2 The Town shall be entitled to withdraw Recharged Effluent in an amount not to exceed the lesser of: (i) the amount authorized pursuant to State Law; (ii) 90% of the amount of Recharged Effluent; or (iii) the amount of the Effluent Storage Credits for such Recharged Effluent to which the Town is entitled as calculated pursuant to the terms and conditions of Attachment C; and

7.6.3.3 Effluent shall not count as a Diversion for purposes of the Town's Water Budget.

8.0 NEW WELLS IN THE MIDDLE GILA RIVER IMPACT ZONE.

8.1 The Community, the District and the United States shall not object to the Town's drilling new or replacement wells within the Middle Gila River Impact Zone or use of water from Other Wells depicted in Attachment A.1, provided, however, that the Town shall not Divert more water from within the Impact Zones than is consistent with the terms and conditions of this Agreement.

8.2 The Town shall file a notice of intention to drill any well or wells.

8.3 The Town's notice of intention to drill a well shall be: (i) served upon the Community and the District not less than ninety (90) days prior to the date that the Town issues a notice to proceed with the drilling of such well, and (ii) if required, filed with ADWR. The Community and the District may object to the construction of the well only on the grounds that the operation of the well would violate the terms of this Agreement; provided, however, that if it is determined that the Pumping of water from such well or from Other Wells would result in a cone of depression that takes water from within the an Impact Zone, then to the extent that the well takes such water from within such Impact Zone, the water Pumped from the well shall be counted against the Town's Water Budget. Failure of the Community or the District to object to the drilling of any well within forty-five (45) days after receipt of notice shall constitute a waiver of that Party's objection to the drilling of that well.

9.0 OTHER WATER PROVISIONS

9.1 The Community, the District and the United States shall not object to the Town's: (i) construction, modification, relocation, and maintenance of conveyance

facilities; or (ii) maintenance, operation, repair, deepening and replacement of existing wells.

9.2 The Town shall, if necessary or required, agree to join a water augmentation authority.

9.3 The Town shall not obstruct the flow of the Gila River or the San Pedro River, and, except as provided for in this Agreement, shall not Divert from the Impact Zones.

9.4 The Town agrees to implement reasonable conservation measures in accordance with Town public policy objectives and existing State law.

10.0 MITIGATION

10.1 The Town shall provide mitigation to the Community and the District for the following:

10.1.1 Any exceedance of the Water Budget in any given Year other than a temporary exceedance pursuant to Subparagraph 5.4;

10.1.2 A temporary exceedance of the Water Budget in any given Year pursuant to Subparagraphs 5.4.1 through 5.4.3;

10.1.3 A temporary exceedance of the Water Budget in any given Year pursuant to Subparagraph 5.5.

10.1.4 Failure to control Phreatophytes in accordance with the provisions of Paragraph 12.0.

10.2 Terms and conditions of mitigation.

10.2.1 For mitigation required pursuant to Subparagraphs 10.1.1 and 10.1.3, during the Year following the Year in which the event requiring mitigation occurred, the Town shall provide to the Community and the District no less than one and one-tenth (1.1) acre-feet of water for each one (1) acre-foot of water Diverted in excess of the Water Budget in effect at the time of the exceedance as determined pursuant to this Agreement.

10.2.2 For mitigation required pursuant to Subparagraph 10.1.2, during the Year following the Year in which the event requiring mitigation occurred, the Town shall provide to the Community and the District no less than one (1) acre-foot of water for each one (1) acre-foot of water Diverted in excess of the Water Budget in effect at the time of the exceedance as determined pursuant to this Agreement.

10.2.3 For mitigation required pursuant to Subparagraph 10.1.4, the Town shall provide to the Community and the District no less than six (6) acre-feet for each acre of land on which Phreatophytes are growing (as measured by the extent of the Phreatophyte canopy).

10.2.4 The Community and the District shall not be required to accept Effluent for mitigation pursuant to this Paragraph 10.0 except for Effluent provided as mitigation that is discharged into the Middle Gila River.

10.2.5 To the extent that the acquisition or use of a source of water to be used for mitigation pursuant to this Paragraph 10.0 is subject to the approval of other persons or entities, or subject to compliance requirements by third parties, the burden of obtaining such approvals or meeting such

compliance requirements is solely and exclusively the burden of the mitigating party and not of any other party.

10.2.6 If the Town acquires or obtains a right to use water pursuant to a method authorized in Subparagraphs 5.1.1, 5.1.3 or 5.1.5 but does not Allocate such water to increase the Water Budget, the Town may use such water to fulfill its mitigation requirements as set forth in Subparagraph 10.1. With the exception of mitigation required pursuant to Subparagraph 10.1.2, the non-use of any portion of a then existing Water Budget shall not be deemed mitigation for purposes of this Agreement.

11.0 ACCOUNTING

11.1 The following shall be counted in any given Year by the Town as a Diversion against the Town's Water Budget:

11.1.1 Any water Diverted by the Town from within the Impact Zones, including any water that is determined to be water Diverted from within any Impact Zone by a well located outside of any Impact Zone;

11.1.2 Any water that is Allocated to the Water Budget in the Water Use Plan, whether or not Diverted, for so long as such Allocation remains in effect;

11.1.3 Any water Diverted from within any Impact Zone by any person or entity, other than the Town, for any use within the Town's service area other than those authorized by subparagraph 26.8 of the Settlement Agreement; and

11.1.4 Any water Diverted from the Town Wells.

11.1.5 Any water sold, exchanged or transferred by the Town to a third party if such Diversion would otherwise have been counted against the Water Budget, notwithstanding such sale, exchange or transfer.

11.2 The following shall be reported, but not be counted, by the Town in any given Year as a Diversion against the Town's Water Budget:

11.2.1 Any source of water from outside of the Impact Zones that is not Allocated to the Water Budget in any given Year that does not create a cone of depression that extends into any Impact Zone;

11.2.2 Any Effluent used for irrigation of the Town Golf Course; and

11.2.3 Recovered Effluent.

11.3 Effluent Credits to which the Town is entitled pursuant to Subparagraph 7.2 shall be used in the Year in which the Town earns such credits.

11.4 For illustrative purposes only, the Parties have developed a sample accounting spreadsheet to demonstrate the accounting for Diversions that count against the Water Budget pursuant to this Paragraph 11.0, a copy of which is attached as Attachment D.

11.5 In the event of any ambiguity in calculating the amount of water Diverted by the Town pursuant to Subparagraph 11.1, or in calculating the amount of water excluded pursuant to Subparagraph 11.2, the Parties' intention is that such ambiguity be resolved so as to avoid counting against the Water Budget any particular source of water more than once in any given Year.

12.0 PHREATOPHYTE CONTROL

12.1 The Town shall manage any agricultural lands it owns or acquires in a manner to keep them reasonably free of Phreatophytes.

12.2 The Town shall manage lands within the Town limits through weed control ordinances to keep them reasonably free of Phreatophytes and to an extent at least as stringent as is required by the General Nuisance Abatement Ordinance in effect as of the Effective Date, a copy of which is attached hereto as Attachment E.

12.3 The Phreatophyte control requirements set forth in Subparagraphs 12.1 and 12.2 shall not apply to: (i) Phreatophytes shown by the town to exist as of the Enforceability Date; or (ii) ornamental trees or plants used for urban landscaping.

13.0 REPORTING

13.1 No later than the Enforceability Date, the Town shall commence installation of metering devices, whose accuracy meets industry standards, on all pumps and other Diversion facilities owned or operated by or for the Town, including all metering of Effluent production and discharges. Such metering devices must be fully installed and operational no later than one (1) year after the Enforceability Date. Thereafter the Town shall operate and maintain the metering devices in accordance with industry standards.

13.2 Beginning on the Enforceability Date, the Town shall keep records of all pumping from all wells and other Diversions, Effluent production, discharges and credits accrued, and shall deliver to the Community and the District a copy of such records together with a summary of the total Diversions within thirty (30) days of the end of each

quarter for the preceding quarter. The fourth quarter report for any given Year shall be an annual report for such Year.

14.0 AGREEMENT NOT TO CHALLENGE

14.1 The Community, the District, and the United States hereby agree not to challenge in the Gila River Adjudication, or in any other judicial or administrative proceeding, including the Globe Equity Decree proceedings, the rights of the Town to Divert and use water pursuant to the terms of this Agreement.

15.0 WAIVER, RELEASE OF CLAIMS AND COVENANT NOT TO SUE

15.1 The Town shall be entitled to the waivers and releases described in paragraph 25.0 of the Settlement Agreement and be subject to the limitations on waivers described therein; provided, however, that the Town and any successor in interest to the Town shall be entitled to such waivers only to the extent that the Town and any successor in interest to the Town complies with the terms, limitations, and obligations provided for in this Agreement.

16.0 ENFORCEMENT

16.1 The rights and obligations under this Agreement may be enforced in the Gila River Adjudication Court, or the Globe Equity Enforcement Court, whichever may have jurisdiction.

16.2 The sovereign immunity of the Community and the United States is waived as provided in section 213(a) of the Act.

17.0 MISCELLANEOUS

17.1 Waiver. No waiver of any breach of any of the terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Agreement.

17.2 Severability. If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that if the severance would deprive any Party to this Agreement of its material benefits under this Agreement, that Party to this Agreement shall be released from this Agreement.

17.3 Construction and effect. This Agreement and each of its provisions are to be construed fairly and reasonably. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

17.4 Successors and assigns. Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

17.5 Benefits of agreement. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise from this Agreement.

17.6 Third party beneficiaries. The Parties do not intend that there be any third party beneficiaries of this Agreement.

17.7 Good faith negotiations. This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and no information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party to this Agreement hereto in any legal or administrative proceeding other than a proceeding for the approval of this Agreement and the Settlement Agreement.

17.8 Conflict with Settlement Agreement. If there is a conflict between the provisions of this Agreement and the provisions of the Settlement Agreement, for purposes of interpreting or enforcing this Agreement only, the provisions of this Agreement shall control.

17.9 Entire Agreement. This Agreement is the entire agreement among the Parties. All previous agreements, statements, contracts and representations by or among the Parties and their agents relating to the subject matter of this Agreement are hereby merged into this Agreement and no evidence of any such agreement, contract, representation or statement shall be admissible to interpret this Agreement. The Parties warrant that they are not relying on any such agreement, contract, representation or statement as a reason for entering this Agreement. Any modification of this Agreement shall be void unless it is in writing and signed by all the Parties.

17.10 No major Federal action. Execution of this Agreement by the Secretary shall not constitute a major Federal action under the National Environmental Policy Act (42 U.S.C. 1531, *et seq*.).

17.11 [Intentionally not used.]

17.12 No admission by Town. By entering this Agreement, the Town is not admitting and hereby denies that water Pumped from within any Impact Zone constitutes appropriable subflow or that such Pumping, absent this Agreement, would violate the Globe Equity Decree or applicable law.

17.13 No admission by the Community, the District or the United States. The Community, the District and the United States, by entering this Agreement, do not admit that water Pumped from within any Impact Zone does not constitute appropriable subflow, asserts that such Pumped water does constitute appropriable subflow and asserts that such Pumping, absent this Agreement, would be subject to objection by the Community, the District, and the United States.

17.14 Counterparts. This Agreement may be executed in multiple originals, each of which shall constitute an original Agreement.

17.15 No prohibition on objections. Except as expressly provided for in this Agreement, nothing in this Agreement or the Settlement Agreement shall be construed to prohibit or in any limit any of the Parties from objecting to, or opposing, or placing conditions on any severance, transfer, change of use or exchange of the water of the Gila River.

17.16 Governing Law. This Agreement shall be construed in accordance with applicable federal and State law.

17.17 Applicability. Nothing in this Agreement shall be construed so as to limit the Parties from entering into additional written agreements for the use of water in excess

of the rights set forth herein to the extent that such agreements do not violate the terms and conditions of this Agreement, the Settlement Agreement or applicable law.

17.18 Approval, consent and ratification. Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement.

17.19 Town Golf Course.

17.19.1 Total water use on the Town Golf Course is estimated to be approximately two hundred fifty (250) AFY. Of this total, the Town currently uses approximately fifty (50) of Effluent on the Town Golf Course. The balance of Water used on the Town Golf Course is supplied by the Asarco Well, which pumps water from within the Middle Gila River Impact Zone.

17.19.2 The Town and Asarco have discussed the acquisition of the Town Golf Course and the Asarco Well by the Town. In the event the Town acquires the Town Golf Course and the Asarco Well, the Town shall be entitled to increase its Water Budget by the average amount of water pumped from the Asarco Well in the five (5) Years immediately preceding the date upon which the Town acquires the Asarco Well.

17.19.3 Water Diverted from the Asarco Well prior to the Town's acquisition of such well shall not count against the Water Budget.

17.20 The Parties note the existence of a document entitled "Kennecott Minerals Company, Water Rights Settlement and Exchange Agreement

With the Gila River Indian Community, January 1, 1977". That document references in at least two separate places that Kennecott has transferred certain rights to the John W. Galbraith Development Corporation for municipal use by Kearny.

17.21 Enforceability. This Agreement shall become enforceable on the Enforceability Date of the Settlement Agreement, or upon the execution of this Agreement by all Parties to this Agreement, whichever occurs later.

17.22 Notices. Any notice to be given hereunder shall have been properly given when received by the Officer or Manager designated herein or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows:

AS TO THE TOWN:	Town of Kearny Post Office Box 639 Kearny, Arizona 85237 Attn: Town Manager
AS TO THE COMMUNITY:	Gila River Indian Community Office of the Governor Post Office Box 97 Sacaton, Arizona 85247
AS TO THE DISTRICT:	General Manager San Carlos Irrigation and Drainage District Post Office Box 218 Coolidge, Arizona 85228
AS TO THE UNITED STATES:	Secretary of the Interior Department of the Interior Washington, D.C. 20240 and

Regional Director
Western Regional Office
Bureau of Indian Affairs
Post Office Box 10
Phoenix, Arizona 85001

Or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Paragraph 17.22.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year indicated below.

GILA RIVER INDIAN COMMUNITY

By: _____
Its: _____
Dated: _____

Attest: _____

Approved as
To Form: _____
Its: _____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By: _____
Its:

Dated: _____

Attest: _____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

TOWN OF KEARNY

By: _____
Mayor
Dated: _____

Attest: _____
Clerk

Approved as
To Form:_____
Town Attorney for the Town of Kearny

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Town of Kearny.

_____
Notary Public

My commission expires:
_____

This Agreement is approved pursuant to the Arizona Water Rights Settlement Act and, to the extent applicable, 25 U.S.C. §81.

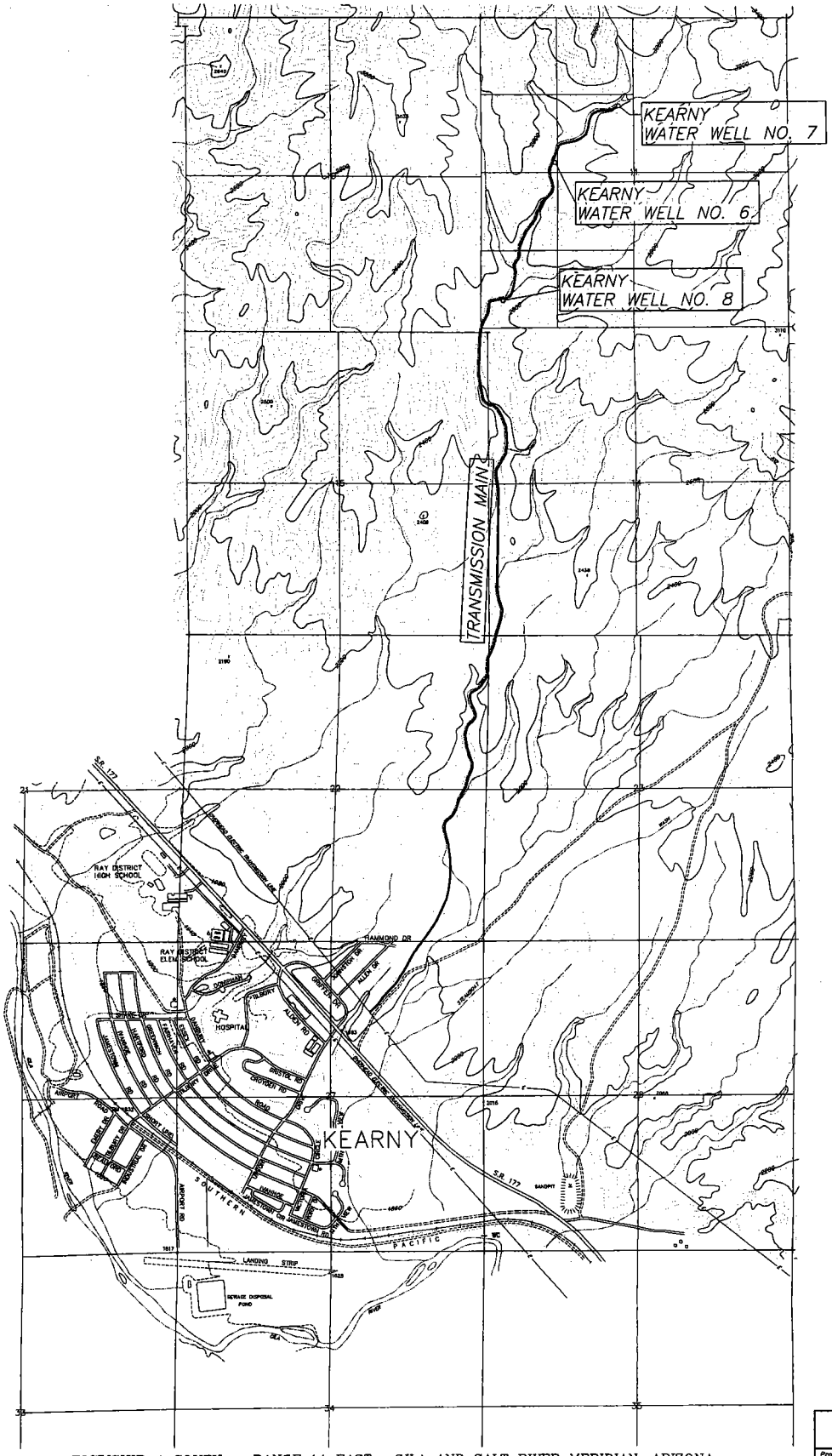
THE UNITED STATES OF AMERICA

By: _____
Secretary of the Interior

Dated: _____

ATTACHMENT A.1

MAP DEPICTING LOCATION OF OTHER WELLS, PUMPS AND PIPELINES



TOWNSHIP 4 SOUTH – RANGE 14 EAST, GILA AND SALT RIVER MERIDIAN, ARIZONA

NOTE: THE TOPOGRAPHIC DATA SHOWN ON THIS MAP HAS BEEN DIGITIZED OFF U.S.G.S. QUADRANGLE "KEARNY, ARIZONA", 1984; 1:24,000; 40 FEET CONTOUR INTERVAL. MAP ACCURACY IS BASED ON THE ORIGINAL ACCURACIES OF THE QUADRANGLE.

CONTOUR INTERVAL 40'

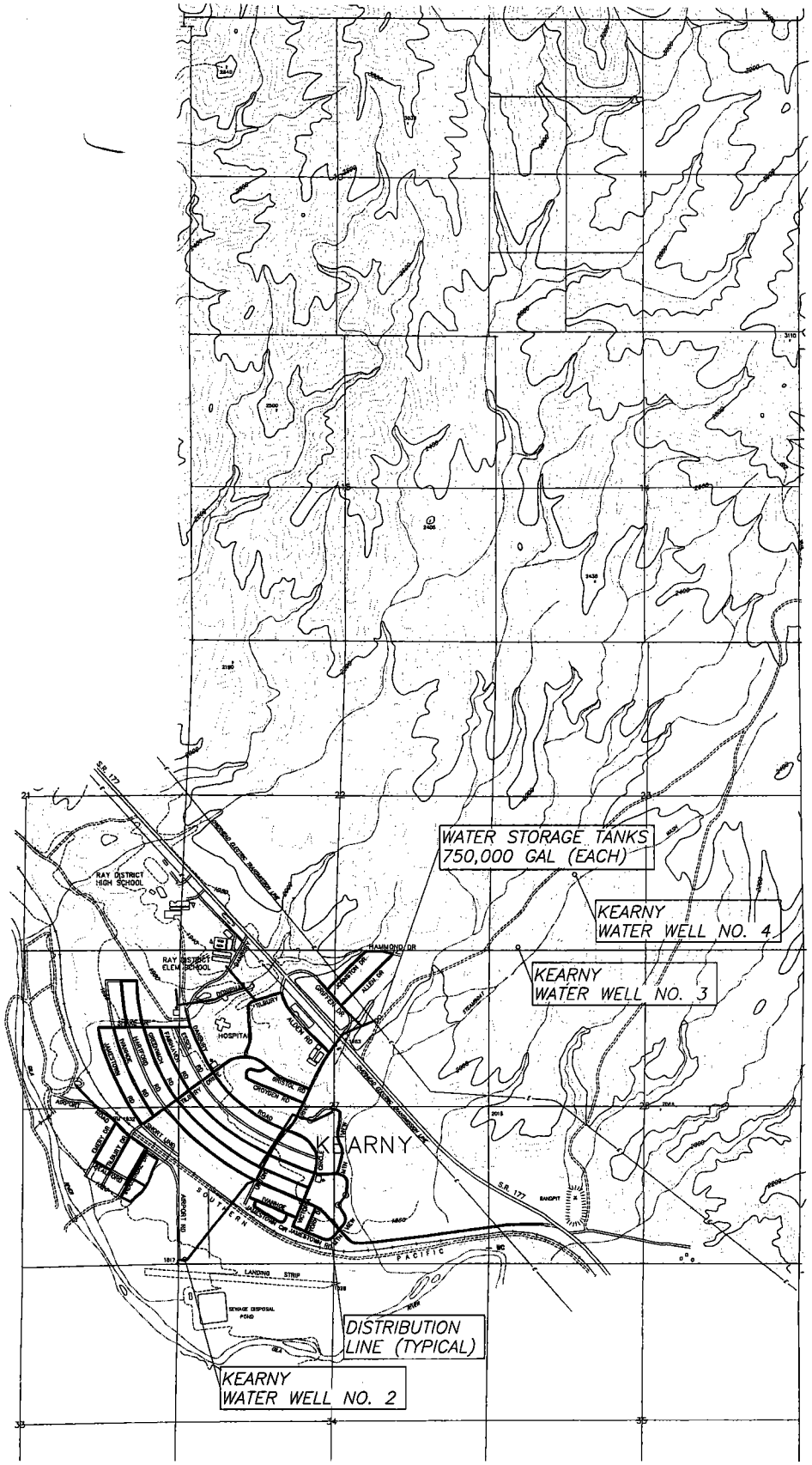
0 400' 800' 1800'

KENNEY AERIAL MAPPING INC.

TOWN OF KEARNY WATER SYSTEM MAP		
Project No. 22076	Date Nov. 2002	Sheet No. A1
Design –	Drawn T.G.H.	Check D.K.H.

HUBBARD ENGINEERING
Civil Engineers & Land Surveyors
625 N Gilbert Rd., Suite 106
Gilbert, Arizona 85234
Phone: (480) 892-3313 Fax: (480) 892-7051

MAP DEPICTING LOCATION OF TOWN WELLS, PUMPS AND PIPELINES



TOWNSHIP 4 SOUTH – RANGE 14 EAST, GILA AND SALT RIVER MERIDIAN, ARIZONA

NOTE: THE TOPOGRAPHIC DATA SHOWN ON THIS MAP HAS BEEN DIGITIZED OFF U.S.G.S. QUADRANGLE "KEARNY, ARIZONA", 1964; 1:24,000; 40 FEET CONTOUR INTERVAL. MAP ACCURACY IS BASED ON THE ORIGINAL ACCURACIES OF THE QUADRANGLE.

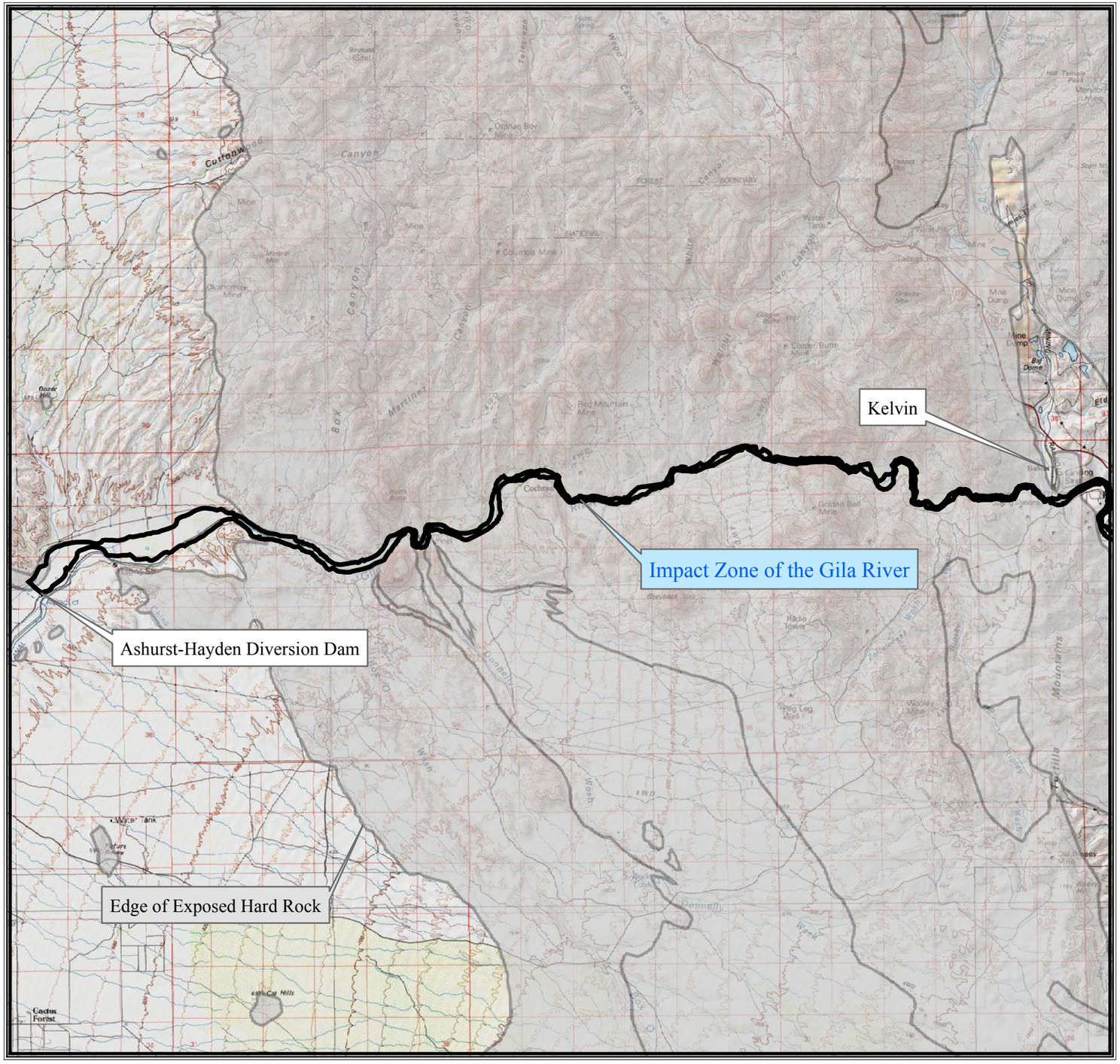
CONTOUR INTERVAL 40'

0 400' 800' 1600'

KENNEY AERIAL MAPPING INC.

TOWN OF KEARNY WATER SYSTEM MAP		
Project No. 22076	Date Nov. 2002	Sheet No. A2
Design –	Drawn T.G.H.	Check D.K.H.

HUBBARD ENGINEERING
Civil Engineers & Land Surveyors
625 N Gilbert Rd., Suite 106
Gilbert, Arizona 85234
Phone: (480) 892-5313 Fax: (480) 892-7051



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Notice to Viewer of this Exhibit:

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More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

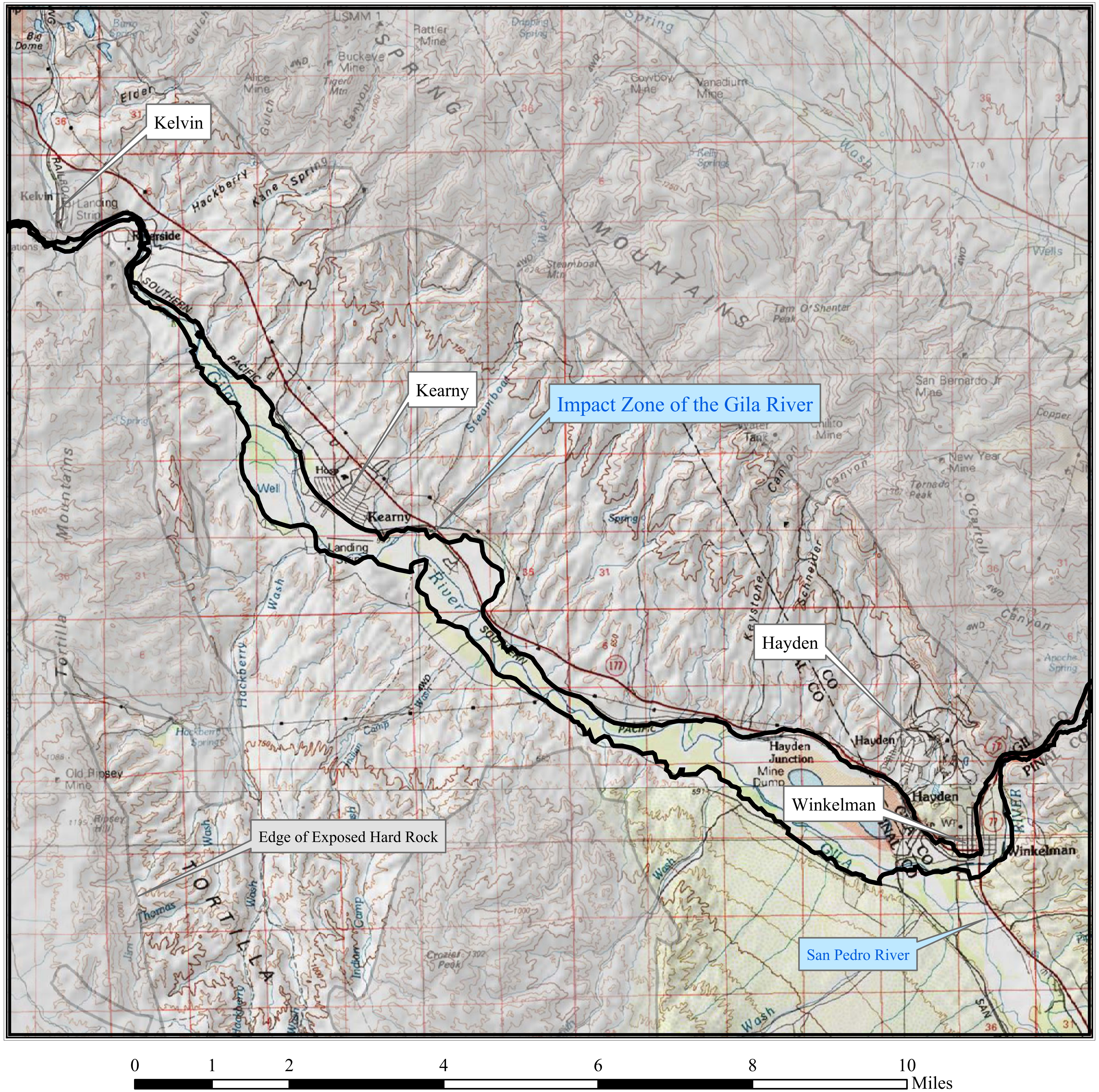
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.1-1
Map of Gila River Impact Zone
Lower Portion - 1 of 3 for Middle Gila River



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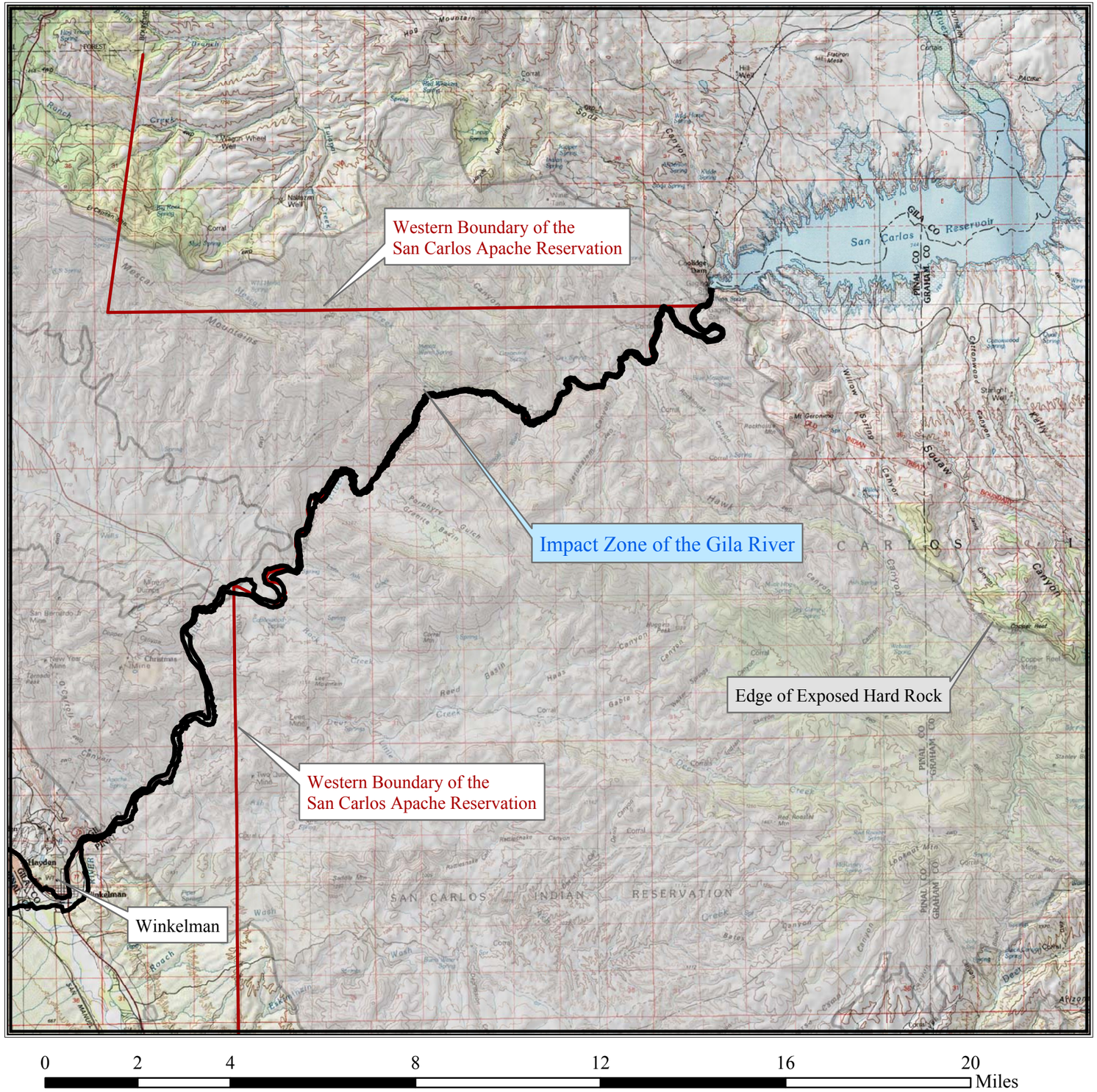
Attachment B.1-2
Map of Gila River Impact Zone
Central Portion - 2 of 3 for Middle Gila River



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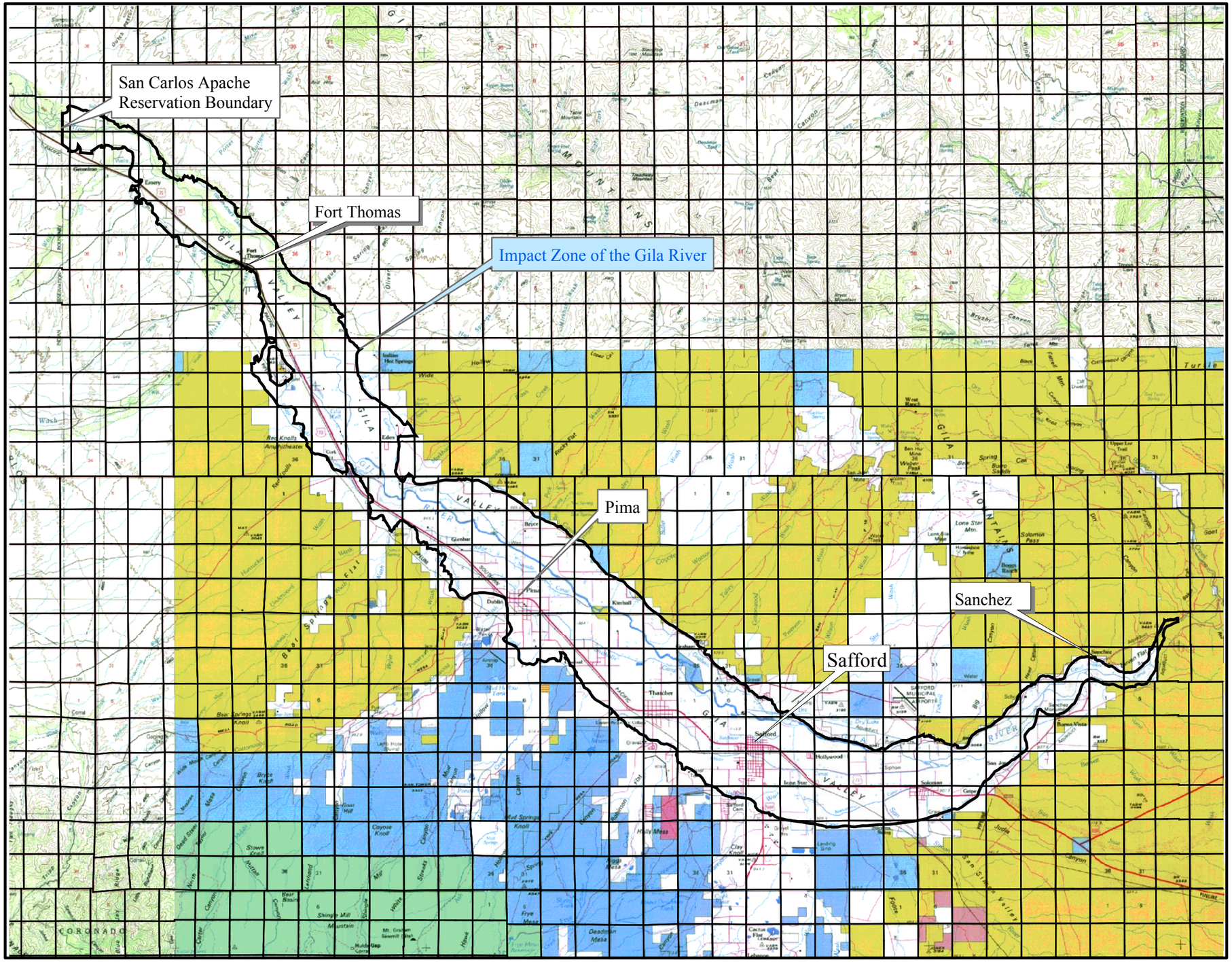
Attachment B.1-3
Map of Gila River Impact Zone
Upper Portion - 3 of 3 for Middle Gila River



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Explanation:

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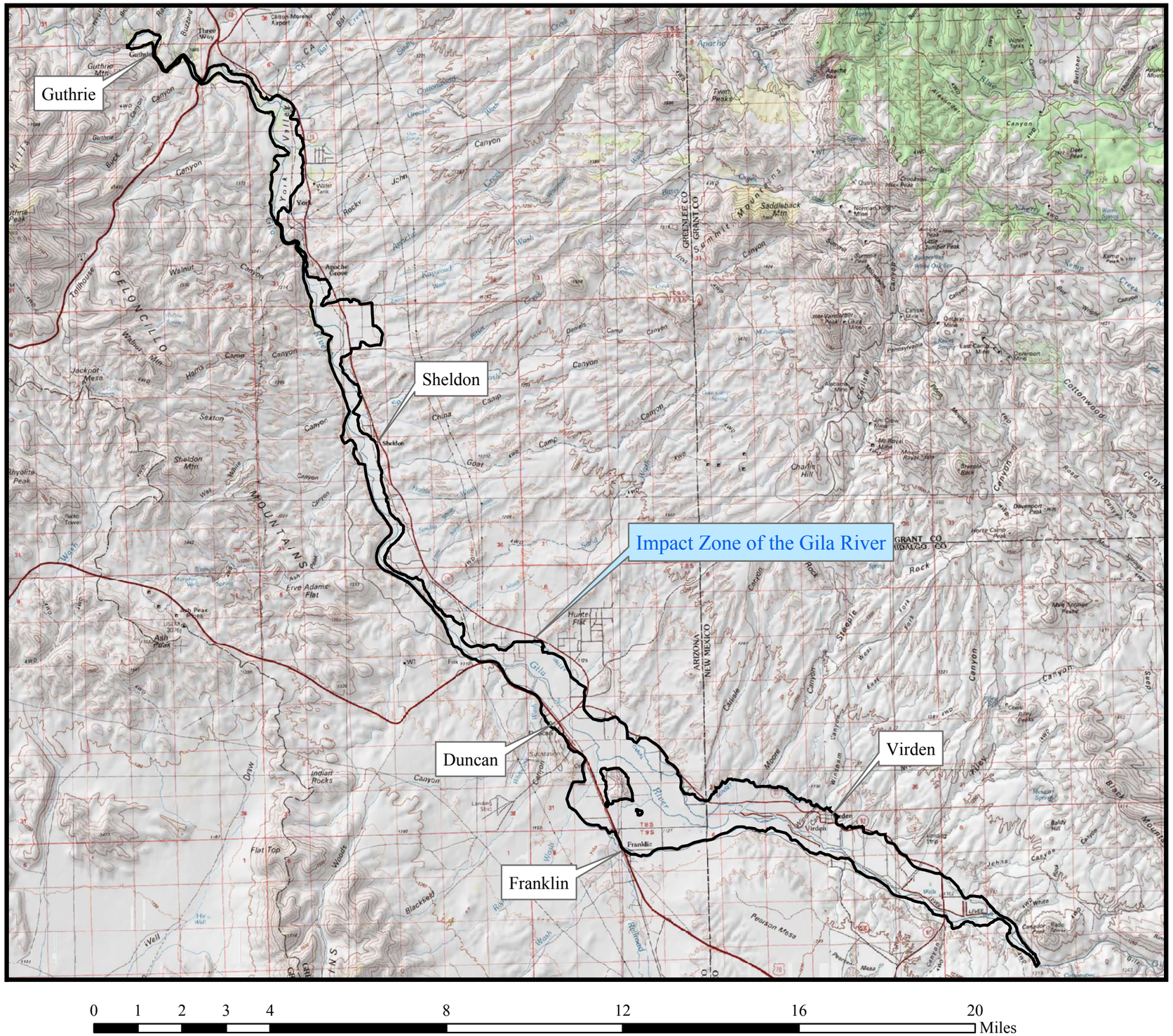
One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.1-4
Map of Gila River Impact Zone in Vicinity of Safford, Arizona



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Explanation:

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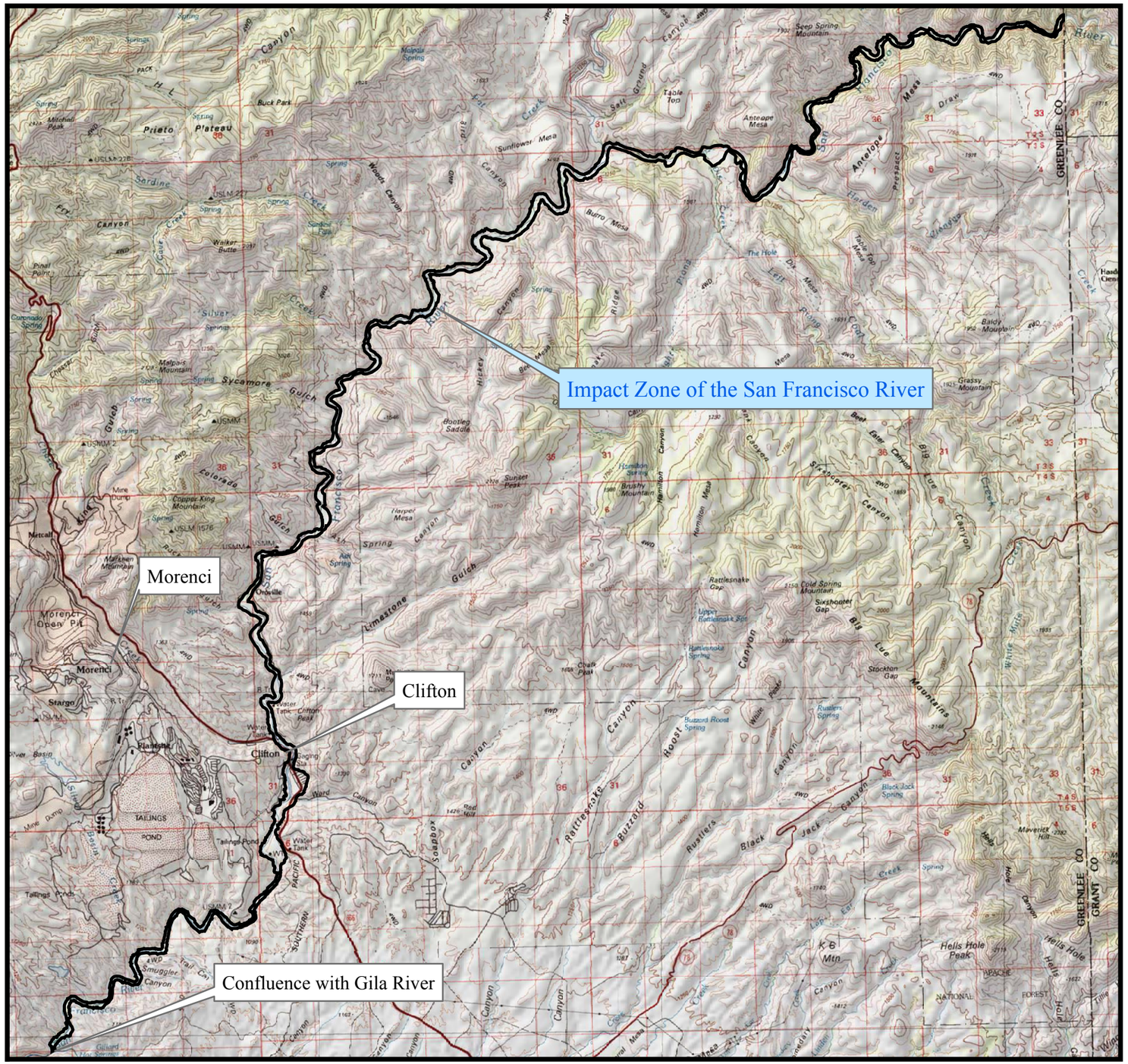
One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.1-5
Map of Gila River Impact Zone in Vicinity of Duncan Valley, Arizona and Virden Valley, New Mexico



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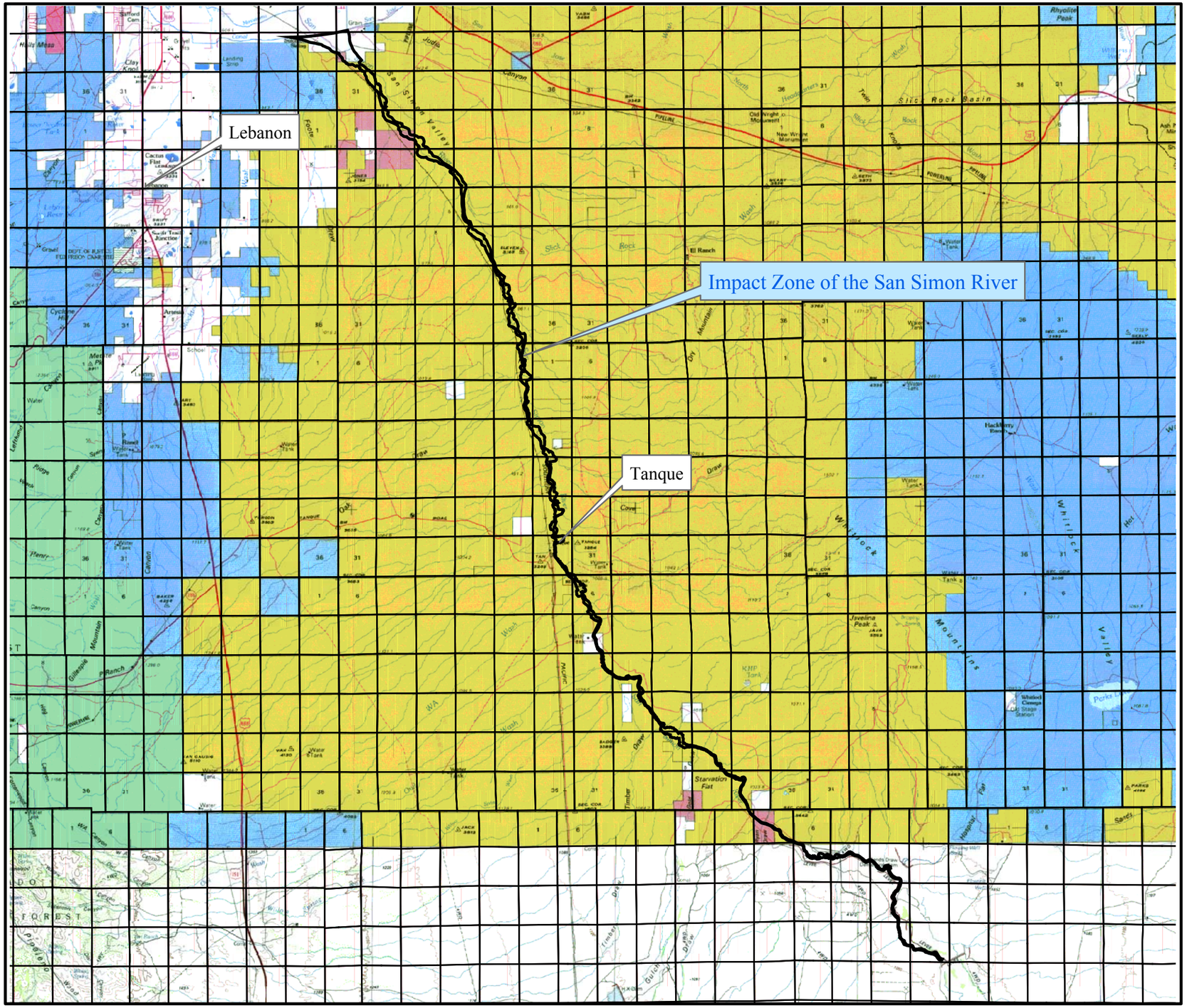
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Francisco River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.1-6
Map of Gila River Impact Zone
San Francisco River, Arizona



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Explanation:

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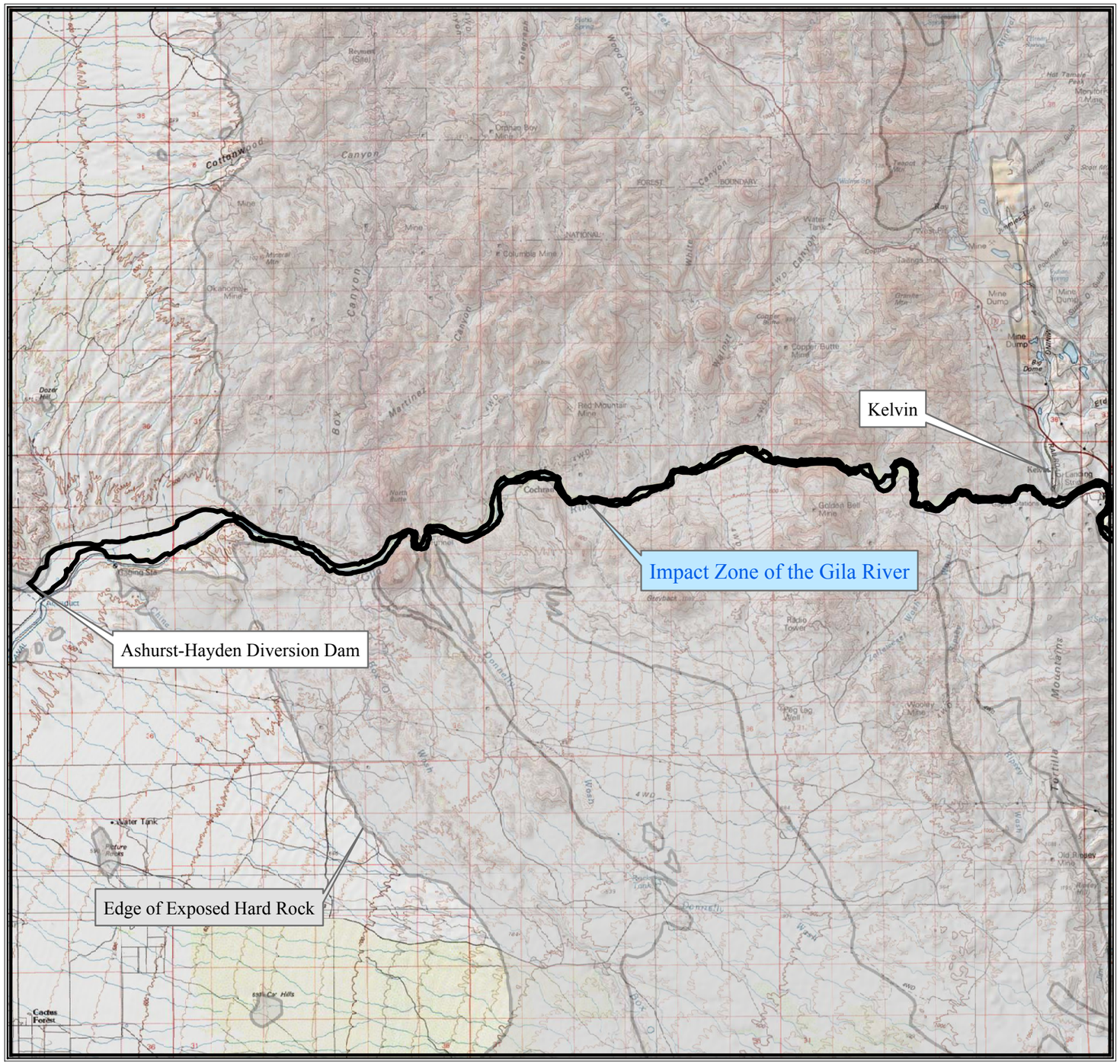
One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Simon River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.1-7
Map of Gila River Impact Zone
San Simon River, Arizona



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Explanation:

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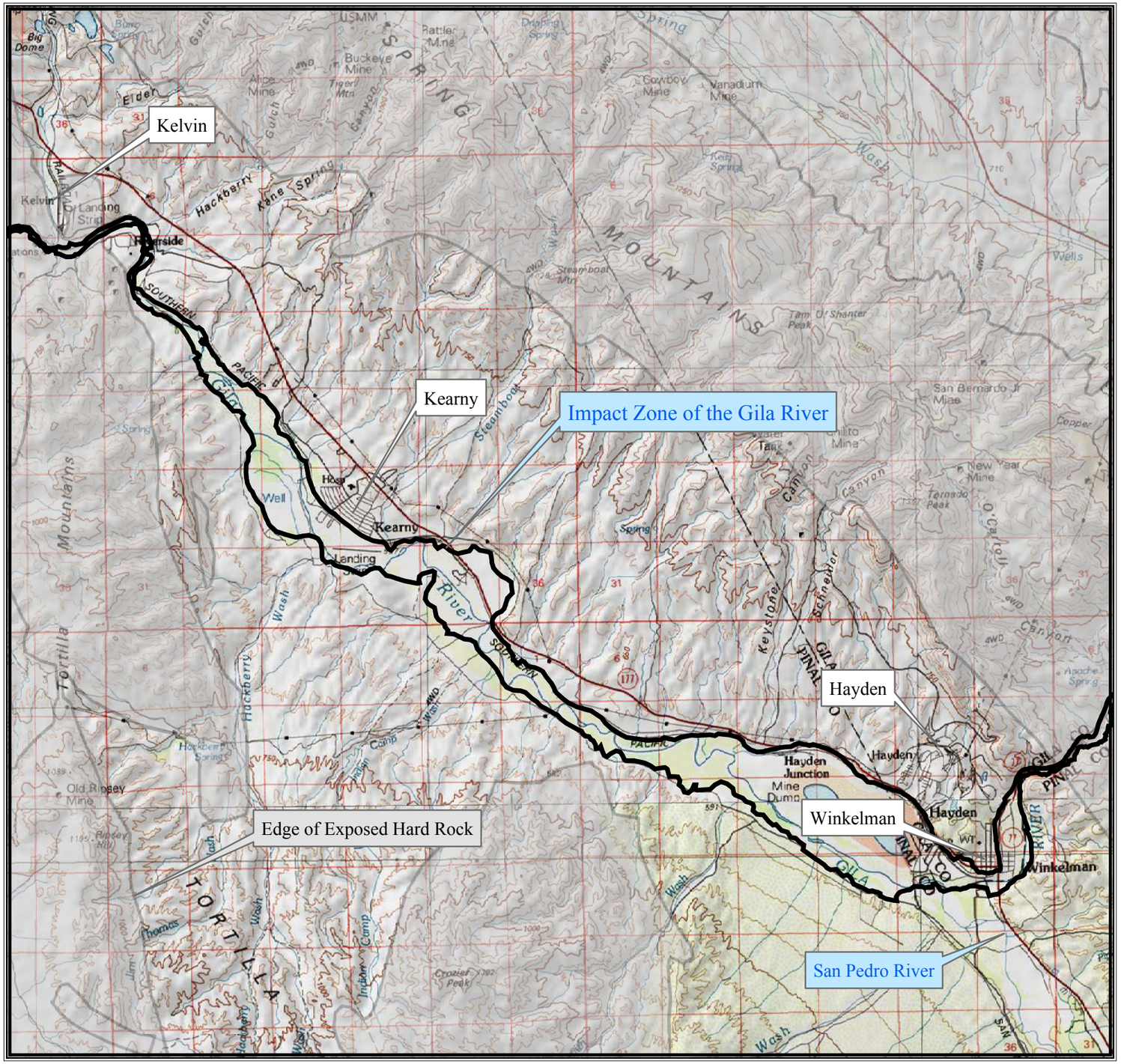
One - mile squares are sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.2-1
Map of Middle Gila River Impact Zone
Lower Portion - 1 of 3 for Middle Gila River



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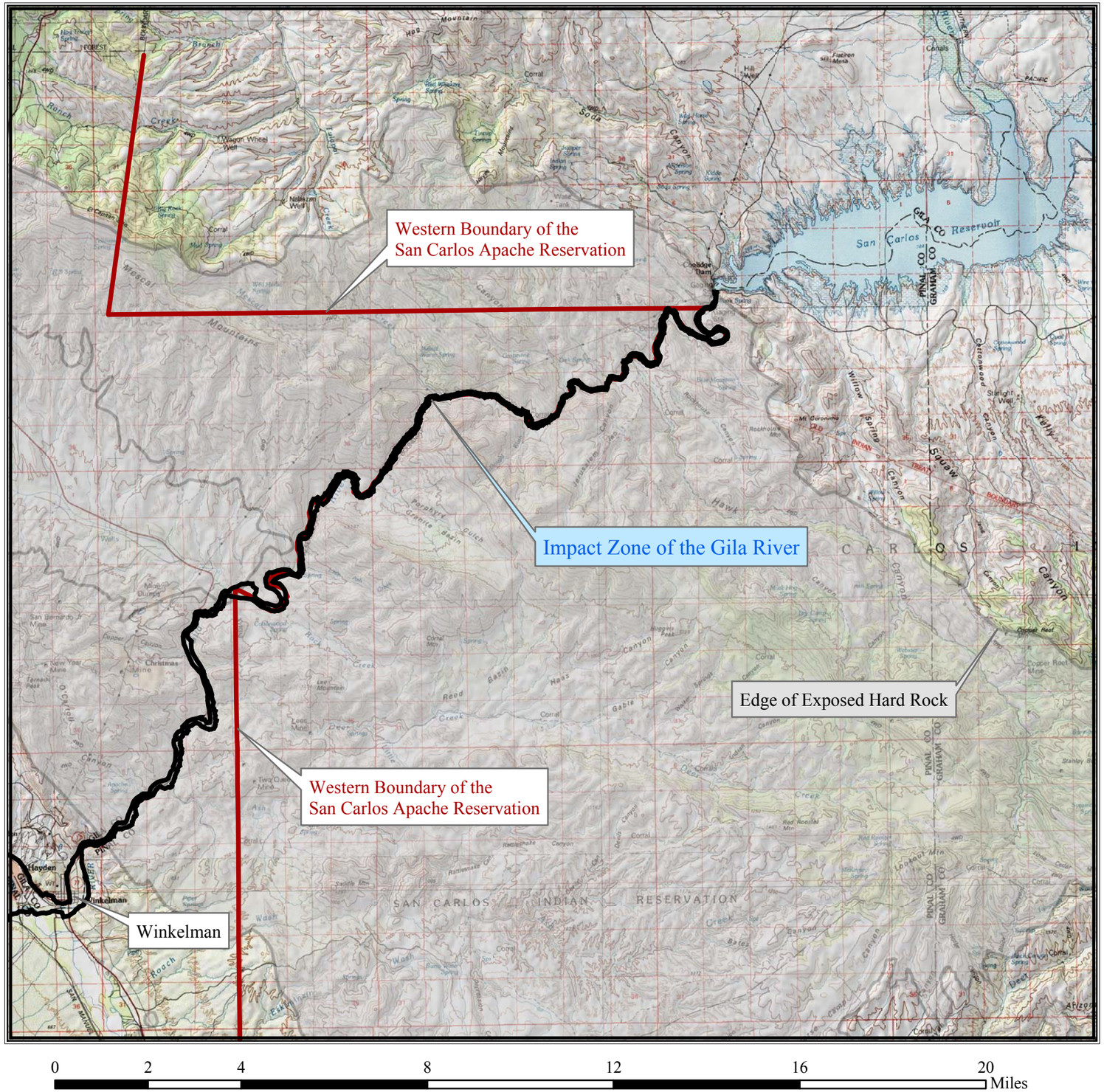
Explanation:

Map Base is from 1:100,000 Scale
USGS Topographic Quadrangles

One - mile squares are sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.2-2
Map of Middle Gila River Impact Zone
Central Portion - 2 of 3 for Middle Gila River



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Explanation:

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One - mile squares are sections

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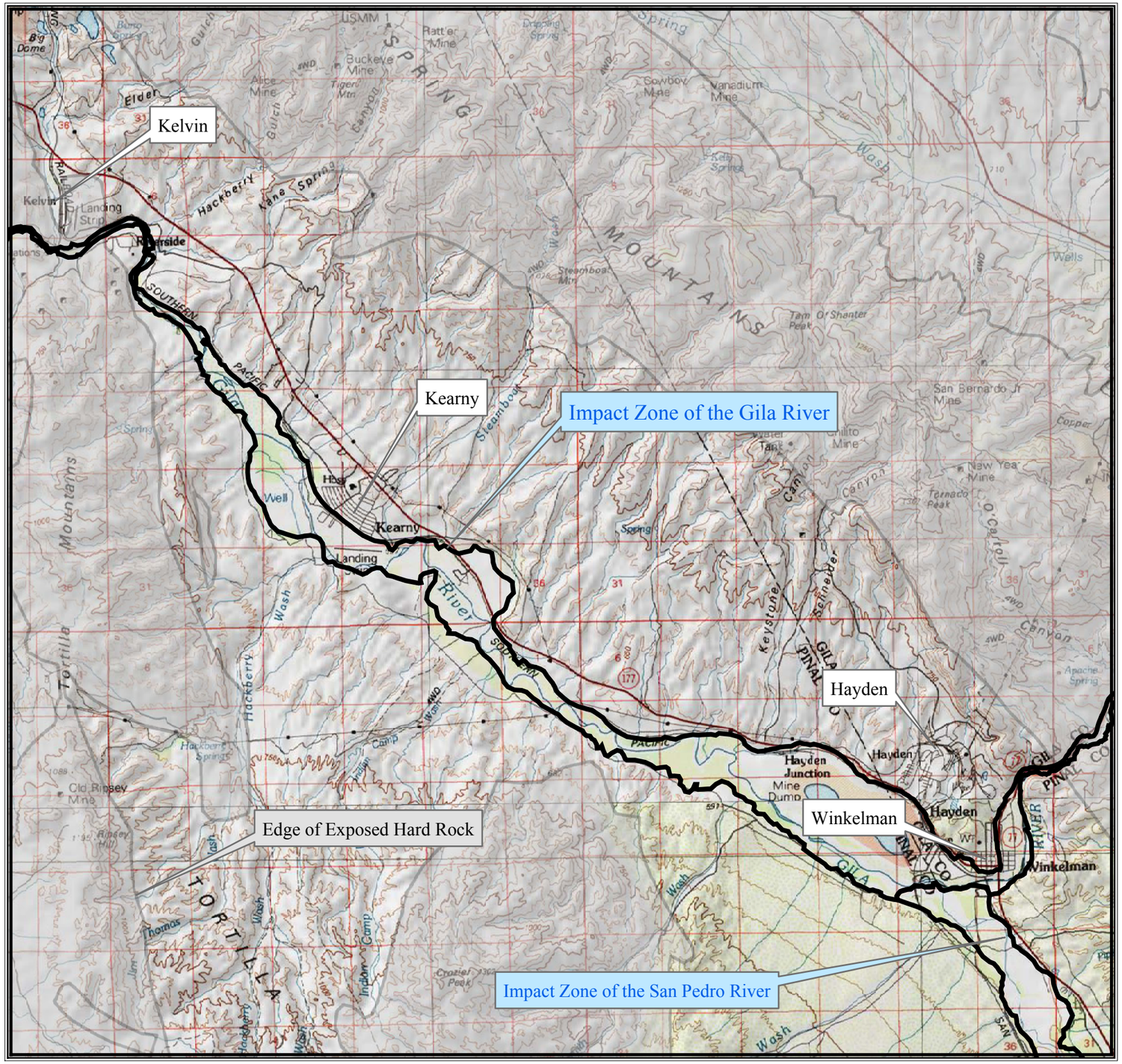
Attachment B.2-3
Map of Middle Gila River Impact Zone
Upper Portion - 3 of 3 for Middle Gila River



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Explanation:

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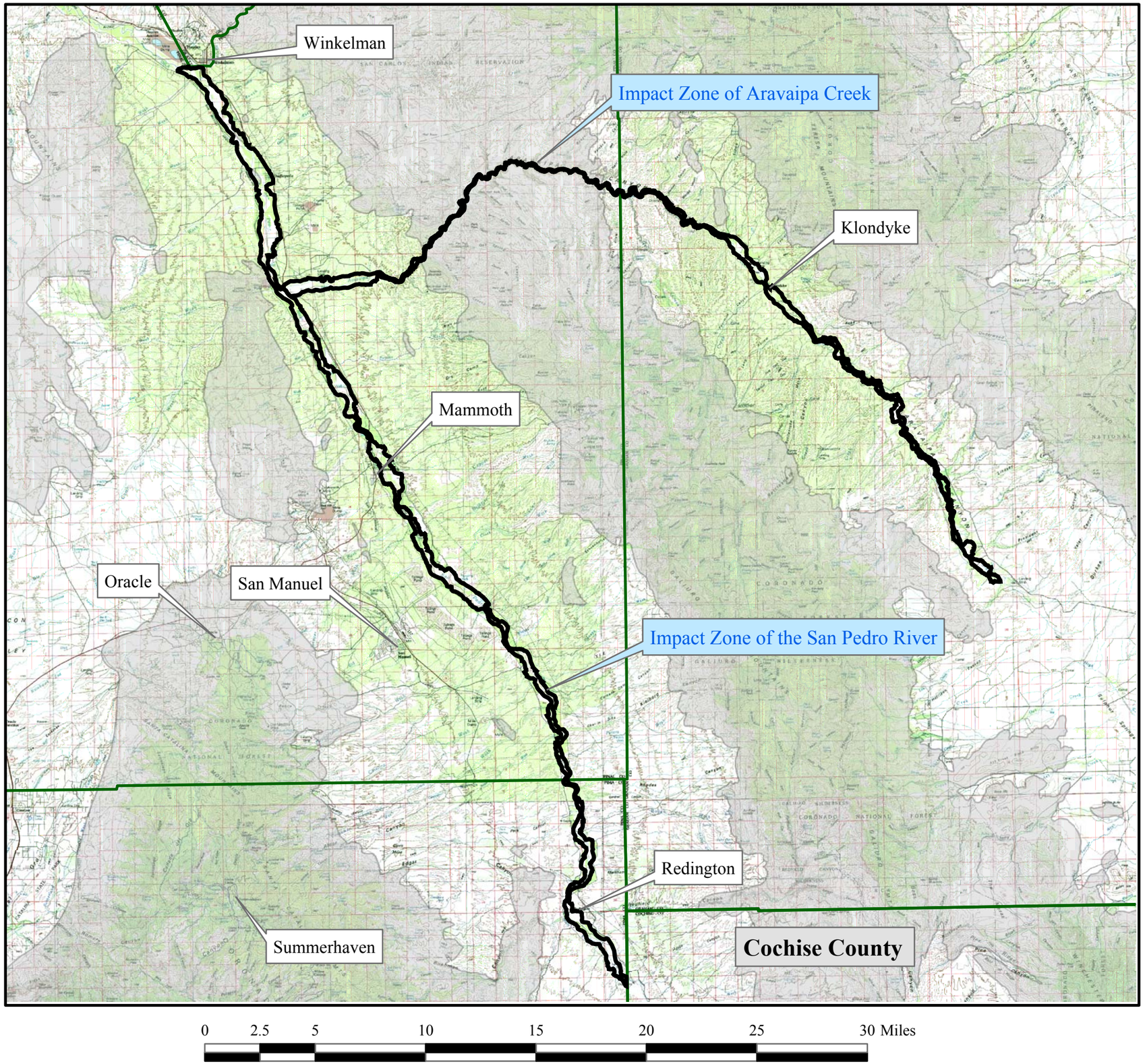
One - mile squares are sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila and San Pedro Rivers as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.2-4
Map of Middle Gila River Impact Zone in the Vicinity of Kearny, Arizona



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Explanation:

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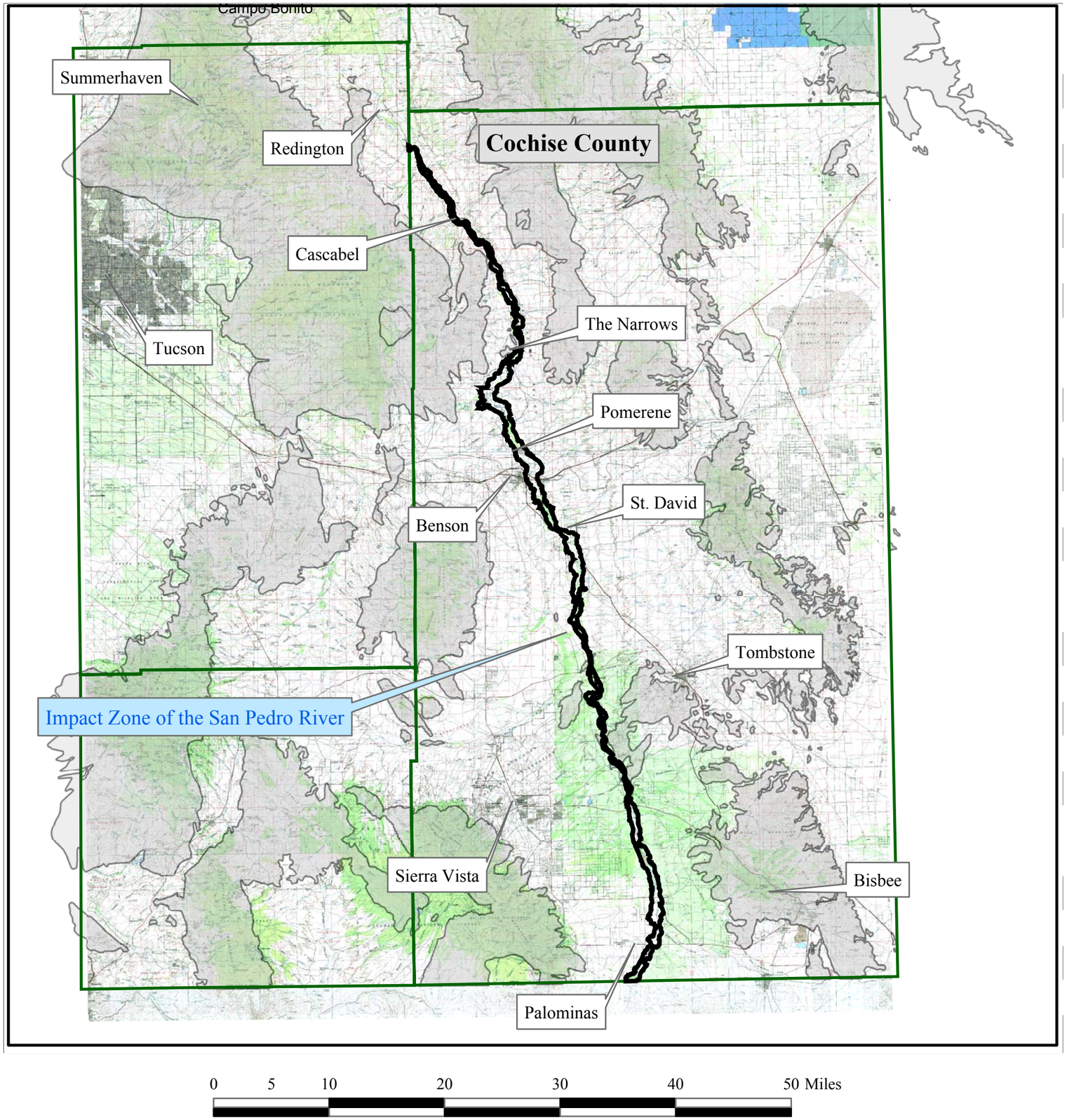
One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River and Aravaipa Creek as interpreted from inspection of Digital OrthoPhoto Quadrangle Quarters (DOQQs)

Light gray shading is the boundary of exposed hard rock (from ADWR)

Attachment B.3-1
Map of San Pedro Impact Zone and Map of San Pedro Agricultural and New Large Industrial Use Impact Zone
Pima, Pinal and Graham Counties, Arizona



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Explanation:

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One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Thin black line is the boundary of exposed hard rock (from ADWR)

County boundaries are also shown

Attachment B.3-2
Map of San Pedro Impact Zone and Map of San Pedro Agricultural and New Large Industrial Use Impact Zone Cochise County, Arizona

ATTACHMENT C

Effluent Credit, Storage and Recovery Provisions Based Upon Arizona Revised Statutes, Title 45, Waters, Chapter 3.1

For purposes of this Agreement, the Town shall be treated as an entity located within an Active Management Area and subject to the provisions below relating to the same; provided, however, that if applicable state law would allow the Town to store or recover less recharged water than would be allowed under this Attachment, then such law shall apply.

ARIZONA REVISED STATUTES

TITLE 45

WATERS

CHAPTER 3.1

UNDER GROUND WATER STORAGE, SAVINGS AND REPLENISHMENT

ARTICLE 1 – General Provisions

45-801.01. Declaration of policy

The public policy of this state and the general purposes of this chapter are to:

1. Protect the general economy and welfare of this state by encouraging the use of renewable water supplies, particularly this state's entitlement to Colorado river water, instead of groundwater through a flexible and effective regulatory program for the underground storage, savings and replenishment of water.

2. Allow for the efficient and cost-effective management of water supplies by allowing the use of storage facilities for filtration and distribution of surface water instead of constructing surface water treatment plants and pipeline distribution systems.

45-802.01. Definitions

Unless the context otherwise requires, the terms defined in section 45-402 have the same meanings in this chapter and:

1. "Aquifer" means a geologic formation that contains sufficient saturated material to be capable of storing water and transmitting water in usable quantities to a well.

2. "Area of impact" means, as projected on the land surface, the area where the stored water has migrated or is located.

3. "CERCLA" means the comprehensive environmental response, compensation, and liability act of 1980, as amended (P.L. 96-510; 94 Stat. 2767; 42 United States Code sections 9601 through 9657), commonly known as "superfund".

4. "Constructed underground storage facility" means a facility that meets the requirements of section 45-811.01 and that is designed and constructed to store water underground pursuant to permits issued under this chapter.

5. "District" means a groundwater replenishment district established under title 48, chapter 27.

6. "District member" means a member of the groundwater replenishment district as provided by title 48, chapter 27.

7. "Electrical district" means a corporate body established pursuant to title 48, chapter 12.

8. "Groundwater savings facility" means a facility that meets the requirements of section 45-812.01 in an active management area or an irrigation non-expansion area at which groundwater withdrawals are eliminated or reduced by recipients who use in lieu water on a gallon-for-gallon substitute basis for groundwater that otherwise would have been pumped from within that active management area or irrigation non-expansion area.

9. "In lieu water" means water that is delivered by a storer to a groundwater savings facility pursuant to permits issued under this chapter and that is used in an active management area or an irrigation non-expansion area by the recipient on a gallon-for-gallon substitute basis for groundwater that otherwise would have been pumped from within that active management area or irrigation non-expansion area.

10. "Long-term storage account" means an account established pursuant to section 45-852.01.

11. "Long-term storage credit" means stored water that meets the requirements of section 45-852.01 and that has been credited to a long-term storage account.

12. "Managed underground storage facility" means a facility that meets the requirements of section 45-811.01 and that is designed and managed to utilize the natural channel of a stream to store water underground pursuant to permits issued under this chapter through artificial and controlled releases of water other than surface water naturally present in the stream. Surface water flowing in its natural channel is not a managed underground storage facility.

13. "Master replenishment account" means an account established pursuant to section 45-858.01 for a groundwater replenishment district.

14. "Recipient" means a person who receives in lieu water for use at a groundwater savings facility.

15. "Recoverable amount" means the amount of water, as determined by the director, that will reach the aquifer through water storage.

16. "Replenishment" means the storage of water or use of long-term storage credits by a groundwater replenishment district to fulfill its duties under title 48, chapter 27, article 3, by a multi-county water conservation district to fulfill its duties under title 48, chapter 22, article 4 or by an active management area water district to fulfill its duties under title 48, chapter 28, article 7.

17. "Storage facility" means a groundwater savings facility or an underground storage facility.

18. "Stored water" means water that has been stored or saved underground pursuant to a storage permit issued under this chapter.

19. "Storer" means the holder of a water storage permit issued pursuant to section 45-831.01 or a person to whom a water storage permit has been conveyed pursuant to section 45-831.01, subsection F.

20. "Underground storage facility" means a constructed underground storage facility or a managed underground storage facility.

21. "Water that cannot reasonably be used directly" means water that the storer cannot reasonably put to a direct use during the calendar year, including:

(a) Except as provided in subdivision (b) of this paragraph, if the storer is a municipal provider, the amount of central Arizona project water that exceeds the amount of mined groundwater withdrawn during the calendar year by the storer in the active management area in which the storer's service area is located. If the storer withdrew mined groundwater during a calendar year in which the storer stored central Arizona project water underground pursuant to the storage permit, the amount of central Arizona project water stored underground during that year equal to the amount of mined groundwater withdrawn from the active management area in which the storer's service area is located shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis under section 45-851.01. In calculating the amount of mined groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision,

"mined groundwater" and "municipal provider" have the same meanings as prescribed by section 45-561.

(b) If the storer is a municipal provider that has been designated as having an assured water supply pursuant to section 45-576, the amount of central Arizona project water that exceeds the amount of deficit groundwater withdrawn during the calendar year by the storer in the active management area in which the storer's service area is located. If the storer withdrew deficit groundwater during a calendar year in which the storer stored central Arizona project water underground pursuant to the storage permit, the amount of the central Arizona project water stored underground during that year equal to the amount of deficit groundwater withdrawn from the active management area in which the storer's service area is located shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis pursuant to section 45-851.01. In calculating the amount of deficit groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision, "municipal provider" has the same meaning as prescribed by section 45-561 and "deficit groundwater" means that amount of groundwater withdrawn within an active management area for delivery and use within a service area by a municipal provider in excess of the amount of groundwater that may be withdrawn by the municipal provider consistent with the achievement of the active management area's management goals as prescribed by rules adopted by the director pursuant to section 45-576.

(c) If the storer is not a municipal provider, the amount of central Arizona project water stored in an active management area that exceeds the amount of groundwater withdrawn during the calendar year by the storer in that active management area. If the storer withdrew groundwater in an active management area during a calendar year in which the storer stored central Arizona project water underground in that active management area pursuant to the storage permit, the amount of central Arizona project water stored underground during that year equal to the amount of groundwater withdrawn from the active management area shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis under section 45-851.01. In calculating the amount of groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision, "municipal provider" has the same meaning as prescribed by section 45-561.

(d) Surface water made available by dams constructed or modified after August 13, 1986.

(e) Until the year 2025:

(i) Effluent.

(ii) If the storage facility is in an active management area, water from outside the active management area that would not have reached the active management area without the efforts of the storer.

(iii) If the storage facility is outside of an active management area, water from outside the groundwater basin in which the storage facility is located that would not have reached the groundwater basin without the efforts of the storer.

(f) Water delivered through the central Arizona project that is acquired by the Arizona water banking authority.

22. "Water storage" means adding water to an aquifer or saving water in an aquifer pursuant to permits issued under this chapter.

23. "Water storage permit" means a permit issued pursuant to section 45-831.01 to store water at a storage facility.

45-803.01. Effect on vested water rights; effect in other proceedings

A. This chapter shall not be construed to affect vested water rights.

B. Any determination made by the director for purposes of this chapter regarding the validity, invalidity, nature, legal character, extent or relative priority of a water right or source of water is not binding for any other purpose, and shall not create a presumption of the validity, invalidity, nature, legal character, extent or relative priority of a water right or water source in any other administrative proceeding or any judicial proceeding.

ARTICLE 2 – Storage Facility Permits

45-811.01. Underground storage facility permit

A. A person may apply to the director for a constructed underground storage facility permit or a managed underground storage facility permit and may operate an underground storage facility only pursuant to a permit.

B. A person applying to the director for a managed underground storage facility permit may request to have the facility designated as a facility that could add value to a national park, national monument or state park if that park or monument includes any portion of a natural channel of a stream or adjacent floodplain that would benefit from the facility.

C. The director may issue a permit to operate an underground storage facility if the director determines that all of the following apply:

1. The applicant has the technical and financial capability to construct and operate the facility.

2. Storage of the maximum amount of water that could be in storage at any one time at the facility is hydrologically feasible.

3. Storage at the facility will not cause unreasonable harm to land or other water users within the maximum area of impact of the maximum amount of water that could be in storage at any one time at the underground storage facility over the duration of the permit.

4. The applicant has applied for and has received any required floodplain use permit from the county flood control district.

5. The director of environmental quality has determined that the facility is not in a location that will promote either the migration of a contaminant plume or the migration of a poor quality groundwater area so as to cause unreasonable harm or is not in a location that will result in pollutants being leached to the groundwater table so as to cause unreasonable harm, if the proposed water storage at the underground storage facility is exempt from the requirement for an aquifer protection permit under section 49-250, subsection B, paragraph 12, 13 or 24. For any facility exempt under section 49-250, subsection B, paragraph 24, the director, after consultation with the director of the department of environmental quality, may include in any such permit any requirements, including operation, maintenance, monitoring, record keeping, reporting, contingency plan or remedial action requirements, as the director deems necessary.

D. The director may designate a managed underground storage facility as one that could add value to a national park, national monument or state park if the director finds that all of the following apply:

1. The applicant has agreed in writing to maintain a quantified, minimum base flow and annual discharge to the stream for the duration of the permit.

2. The project will benefit the groundwater basin as a whole.

45-812.01. Groundwater savings facility permit

A. A person may apply to the director for a groundwater savings facility permit and may operate a groundwater savings facility only pursuant to a permit.

B. The director may issue a permit to operate a groundwater savings facility if the director determines that all of the following apply:

1. Operation of the facility will cause the direct reduction or elimination of groundwater withdrawals in an active management area or an irrigation non-expansion area by means of delivery of water other than groundwater pumped from within that active management

area or irrigation non-expansion area that the recipient will use in lieu of groundwater that the recipient would otherwise have used.

2. The applicant will deliver water other than groundwater pumped from within the active management area or irrigation non-expansion area in which the groundwater savings facility is located to an identified groundwater user who will use and agrees in writing to use the water delivered to the facility on a gallon-for-gallon substitute basis directly in lieu of groundwater that otherwise would have been pumped from within the active management area or irrigation non-expansion area.

3. The in lieu water is the only reasonably available source of water for the recipient other than groundwater pumped from within the same active management area or irrigation non-expansion area in which the groundwater savings facility is located.

4. The water delivered as in lieu water would not have been a reasonable alternative source of water for the recipient except through the operation of the groundwater savings facility.

5. The water delivered to the recipient as in lieu water was not delivered before October 1, 1990.

6. The applicant has submitted a plan satisfactory to the director that describes how the applicant will prove the quantity of groundwater saved at the facility each year and what evidence will be submitted with the applicant's annual report as required by section 45-875.01 to prove the groundwater savings. The plan may rely on the following factors:

(a) The recipient's cost of pumping groundwater relative to the cost of in lieu water and alternative sources of water available to the recipient.

(b) The historic quantity of groundwater pumped by the recipient at the location of the intended use of the in lieu water.

(c) The recipient's anticipated demand for groundwater and anticipated total demand for water, including groundwater.

(d) The recipient's legal right to withdraw or use groundwater pursuant to chapter 2 of this title.

(e) The amount of central Arizona project water for which the recipient anticipates accepting delivery.

(f) The historic amount of power used to pump groundwater at the groundwater savings facility compared to the power used during a year in which the recipient received in lieu water.

(g) The factors that prevent the recipient from using the water delivered as in lieu water without the operation of the groundwater savings facility.

(h) Any other criteria the director may deem to be relevant.

45-813.01. Land use ordinances

If any storage facility is to be located within a city or town, the director may consider for purposes of issuing the storage facility permit any land use ordinance provision addressing public health and safety and the aesthetics otherwise governing the use of land where that facility is to be located.

45-814.01. Contents of storage facility permit

A. A storage facility project permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The name of the active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which the facility will be located.

3. The design capacity of the facility and the plan of operation of the facility.

4. The maximum annual amount of water that may be stored at the facility.

5. Any monitoring required under subsection F of this section.

6. Any conditions consistent with this chapter.

7. The duration of the permit.

8. Any other information as determined by the director.

B. If the storage facility will be a groundwater savings facility, the permit shall include the following information in addition to the information required by subsection A of this section:

1. The plan by which the applicant will prove the quantity of groundwater saved at the storage facility each year.

2. The name of the recipient and the location and registration number of the well or wells from which groundwater withdrawals will be curtailed.

C. If the storage facility will be a managed underground storage facility and will be designated as a facility that could add value to a national park, national monument or

state park, the permit shall include the following information in addition to the information required by subsection A of this section:

1. The quantified, minimum base flow and annual discharge to the stream that the applicant has agreed to maintain.

2. The annual quantity of water eligible for long-term storage credits for the facility and the annual quantity of water projected to be consumptively used by the enhancement of the national park, national monument or state park.

3. A description of the national park, national monument or state park that would benefit from the project.

D. The director may issue a storage facility permit for a period of not more than fifty years, except that on request of the holder of the permit the director may renew the permit if the director determines that the requirements of section 45-811.01, subsections C and D and section 45-812.01, subsection B apply, if those requirements applied at the time of issuance. In making this determination, the director shall not consider land uses and water uses in the area of impact of the water stored at the storage facility that were not in existence when the permit was issued.

E. The holder of a storage facility permit may apply to the director for approval to convey the permit to another person. The director may approve the conveyance if the director determines that the person to whom the permit is to be conveyed and the storage facility will continue to meet the applicable requirements of sections 45-811.01 and 45-812.01.

F. The director may require the holder of a storage facility permit to monitor the operation of the facility and the impact of water storage at the facility on land and other water users within the area of impact of water stored at the storage facility. In determining any monitoring requirements, the director of water resources shall cooperate with the department of environmental quality and, to the extent possible, shall coordinate monitoring requirements with those required by the department of environmental quality.

G. The director, on the director's initiative or on request of the holder of the storage facility permit, may modify the conditions of the storage facility permit. In determining whether modifications are necessary, the director shall not consider land uses and water uses in the area of impact of the water stored at the storage facility that were not in existence when the permit was issued.

H. Nothing in this article shall be construed as modifying or infringing on any existing water rights or private property rights nor shall anything in this article prevent any person or entity, whether governmental or private, from undertaking any flood control projects, including removal of vegetation within the channel of the stream or on the adjacent floodplain or diverting the permitted flow from the natural stream channel at the end of the permitted period.

45-815.01. Facilities not qualifying as storage facilities

The following shall not be permitted as underground storage facilities:

1. A body of water, as defined by section 45-131, unless it has been designed, constructed or altered so that water storage is a principal purpose of the body of water.

2. Aqueducts, irrigation canals and other man-made water conveyance systems.

3. Water that incidentally recharges an aquifer during the course of its use for agricultural, municipal, mining or industrial purposes.

ARTICLE 3 – Water Storage Permits and Recovery Well Permits

45-831.01. Water storage permits

A. A person may apply to the director for a water storage permit and may store water at a storage facility only pursuant to a water storage permit.

B. The director may issue a water storage permit to store water at a storage facility if the director determines that all of the following apply:

1. The applicant has a right to use the proposed source of water. Any determination made by the director for purposes of this subsection regarding the validity, nature, extent or relative priority of a water right claimed by the applicant or another person is not binding in any other administration proceeding or in any judicial proceeding.

2. The applicant has applied for any water quality permit required by the department of environmental quality under title 49, chapter 2, article 3 and by federal law.

3. The water storage will occur at a permitted storage facility.

C. In addition to the requirements of subsection B of this section, if the applicant has applied for a water storage permit to store water at a groundwater savings facility, the director shall not issue the water storage permit unless the applicant has agreed in writing to comply with the plan by which the quantity of groundwater saved at the facility will be proved each year.

D. If the director issues a water storage permit, the director may make, if possible, the following determinations:

1. Whether the water to be stored is water that cannot reasonably be used directly by the applicant and otherwise meets the requirements of section 45-852.01 for long-term storage credits.

2. If use of the water to be stored is appurtenant to a particular location, and if so, where the water may be legally used after recovery. Any determination made by the director for purposes of this subsection regarding the validity, nature, extent or relative priority of a water right claimed by the applicant or another person is not binding in any other administrative proceeding or in any judicial proceeding.

E. The director may issue a water storage permit for a period of not more than fifty years, except that:

1. On request of the holder of the permit, the director may renew the permit if the director determines that the requirements of subsection B of this section apply and, if the requirement of subsection C of this section applied at the time of issuance, that the requirement of subsection C of this section applies at the time of renewal.

2. Subject to the provisions of this chapter, the holder of long-term storage credits earned pursuant to the permit may recover the water over a period longer than the duration of the permit.

F. The holder of a water storage permit may apply to the director for approval to convey the permit to another person. The director may approve the conveyance if the director determines that the person to whom the permit is to be conveyed and the water storage will continue to meet the applicable requirements of this section. If long-term storage credits accrued pursuant to the water storage permit are being assigned pursuant to section 45-854.01 with the water storage permit, the director shall be given notice of the impending assignment of long-term storage credits at the time the holder of the water storage permit applies to convey the permit.

G. A person who holds a water storage permit may apply to the director on a form approved by the director for a modification of that water storage permit. The director may modify the permit within twenty days of receiving the application without complying with section 45-871.01 if all of the following apply:

1. The holder of the storage facility permit with which the water storage permit is affiliated has consented to the modification.

2. The modification to the water storage permit does not require a modification of the affiliated water storage facility permit.

3. The only modification requested is to add an amount of Colorado river water as a type of water to be stored under the water storage permit.

4. Water storage of Colorado river water has previously been permitted at the affiliated storage facility.

5. The person requesting the modification has the right to use the Colorado river water.

H. A water storage permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The storage facility where the water storage will occur and the name of the active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which that facility is located.

3. The maximum annual amount of water that may be stored.

4. If the applicable finding of subsection D of this section has been made, whether the water to be stored is water that cannot reasonably be used directly by the applicant.

5. If the applicable finding of subsection D of this section has been made, any restrictions on where the water to be stored may legally be used.

6. Other conditions consistent with this chapter.

7. The duration of the permit.

I. If the water storage will occur at a groundwater savings facility, the water storage permit shall include, in addition to the information required by subsection H of this section, the requirements of the plan by which the quantity of groundwater saved at the storage facility will be proved each year.

J. If the director of the department of water resources decides to issue a water storage permit and the applicant has not received a water quality permit required by the department of environmental quality under title 49, chapter 2, article 3 and by federal law, the director of the department of water resources shall make receipt of the water quality permit a condition of the water storage permit and the holder of the water storage permit shall not store water until receiving the water quality permit.

45-832.01. Use of stored water

A. Water that has been stored pursuant to a water storage permit may be used or exchanged only in the manner in which it was permissible to use or exchange the water before it was stored.

B. Water that has been stored pursuant to a water storage permit may be used only in the location in which it was permissible to use the water before it was stored.

C. Water that has been stored pursuant to a water storage permit may be used for replenishment purposes only in the active management area in which the water is stored, unless the water is recovered and transported to another active management area.

D. Stored water may be used only as follows:

1. The water may be recovered by the storer and used on an annual basis in accordance with section 45-851.01.

2. The water may be credited to the storer's long-term storage account, if the water meets the requirements of section 45-852.01, and the long-term storage credits may be used in accordance with the provisions of this chapter.

3. A district that is storing water may have the stored water credited to its master replenishment account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

4. A conservation district that is storing water may have the stored water credited to its conservation district account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

5. A water district that is storing water may have the stored water credited to its water district account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

45-833.01. Designation of nonrecoverable water

A. At the request of the applicant, the director may designate a water storage permit as storing nonrecoverable water. If the water storage occurs within an active management area, the water storage permit may be designated in this manner only if the storage is consistent with the active management area's augmentation program.

B. Water stored pursuant to a water storage permit that has been designated as storing nonrecoverable water may not be recovered on an annual basis, may not be credited to a long-term storage account and may not be used for replenishment purposes.

45-834.01. Recovery of stored water; recovery well permit; emergency temporary recovery well permit; well construction

A. A person who holds long-term storage credits or who may recover water on an annual basis may recover the water stored pursuant to a water storage permit only:

1. If the person seeking to recover stored water has applied for and received a recovery well permit under this article.

2. For water stored within an active management area, from wells that are located:

(a) Within the area of impact of the stored water, as determined by the director, if the person recovering the water is the storer, subject to the following if the stored water to be recovered is effluent that is stored in a managed underground storage facility if the proposed recovery well is not an already constructed well owned by the person recovering the water and is located within the exterior boundaries of the service area of a

city, town, private water company or irrigation district, that city, town, private water company or irrigation district must be notified by the person recovering the stored water and have the right to offer to recover the water stored on behalf of that person. If the city, town, private water company or irrigation district offers to recover the water on behalf of the person seeking recovery and the water that is offered for recovery is of comparable quality to the water that the person could recover, the person seeking to recover the water shall consider accepting the best offer from the city, town, private water company or irrigation district overlying the area of impact that has offered to recover the stored water.

(b) Within the same active management area as storage, if the director determines that recovery at the proposed location is consistent with the management plan and achievement of the management goal for the active management area subject to the following:

(i) If the proposed recovery well is located within the exterior boundaries of the service area of a city, town, private water company or irrigation district, that city, town, private water company or irrigation district is the person seeking to recover the water or has consented to the location of the recovery well.

(ii) If the proposed recovery well is located outside, but within three miles of, the exterior boundaries of the service area of a city, town, private water company or irrigation district, the closest city, town, private water company or irrigation district has consented to the location of the recovery well.

3. For water stored outside of an active management area, if recovery will occur within the same irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which the water was stored.

B. Before recovering from any well water stored pursuant to a water storage permit, a person shall apply for and receive a recovery well permit from the director. The director shall issue the recovery well permit if the director determines that:

1. If the application is for a new well, as defined in section 45-591, or except as provided in paragraph 2 of this subsection for an existing well, as defined in section 45-591, the proposed recovery of stored water will not unreasonably increase damage to surrounding land or other water users from the concentration of wells. The director shall make this determination pursuant to rules adopted by the director.

2. If the applicant is a city, town, private water company or irrigation district in an active management area and the application is for an existing well within the service area of the city, town, private water company or irrigation district, the applicant has a right to use the existing well.

3. If the applicant is a conservation district and the application is for an existing well within the conservation district and within the groundwater basin or sub-basin in which the stored water is located, the applicant has a right to use the existing well.

C. A city, town, private water company or irrigation district in an active management area may apply with a single application to the director to have all existing wells, as defined in section 45-591, that the applicant has the right to use within its service area listed as recovery wells on the recovery well permit, if those wells otherwise meet the requirements of this section.

D. If the applicant is a conservation district, the director may issue an emergency temporary recovery well permit without complying with section 45-871.01, subsection F if the director determines that all of the following apply:

1. The conservation district cannot reasonably continue to supply central Arizona project water directly to a city, town, private water company or irrigation district due to an unplanned failure of a portion of the central Arizona project delivery system.

2. The emergency temporary recovery well permit is necessary to allow the conservation district to provide immediate delivery of replacement water to the city, town, private water company or irrigation district.

3. The application is for an existing well as defined in section 45-591 that is within the groundwater basin or groundwater sub-basin in which the stored water is located, is within the conservation district and is within the service area of the city, town, private water company or irrigation district.

E. An emergency temporary recovery well permit issued pursuant to subsection D of this section may be issued for a period of up to ninety days and may be extended for additional ninety day periods if the director determines that the conditions prescribed in subsection D of this section continue to apply.

F. If the application for a recovery well permit is approved, the director shall issue a permit and the applicant may proceed to construct or use the well. If the application is rejected, the applicant shall not proceed to construct or use the well. A new well shall be completed within one year of receipt of the permit, unless the director in granting the permit approves a longer period to complete the well. If the well is not completed within one year or the longer period approved by the director, the applicant shall file a new application before proceeding with construction.

G. A recovery well permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The legal description of the location of the existing well or proposed new well from which stored water may be recovered pursuant to the permit.

3. The purpose for which the stored water will be recovered.

4. The depth and diameter of the existing well or proposed new well from which stored water may be recovered pursuant to the permit.

5. The legal description of the land on which the stored water will be used.

6. The maximum pumping capacity of the existing well or proposed new well.

7. If the permit is for a proposed new well, the latest date for completing the proposed new well.

8. Any other information as the director may determine.

45-835.01. Simultaneous applications

A person may apply to the director for a storage facility permit, a water storage permit to store water at the storage facility and a recovery well permit to recover the water stored at the storage facility at the same time and the director shall process the applications for the permits simultaneously.

45-836.01. Effect of storage facilities, water storage and recovery on service areas

A. In an active management area, if a city, town or private water company operates a constructed underground storage facility and stores water at a constructed underground storage facility pursuant to a permit issued under this chapter, any portion of the area of impact of the stored water that is located within the exterior boundaries of the service area of the city, town or private water company but is not part of the service area of any other city, town, private water company or irrigation district is deemed to be part of the service area of the city, town or private water company.

B. In an active management area, if a city, town, private water company or irrigation district operates a storage facility or stores water outside its service area or recovers stored water outside its service area pursuant to a permit issued under this chapter, the area of land that contains the storage facility, the recovery facilities or a system for the transportation of water is not part of the service area of the city, town, private water company or irrigation district.

ARTICLE 3.1 – Indian Water Rights Settlements

45-841.01. Accrual of long-term storage credits; Indian water rights settlements

A. To further the implementation of Indian water rights settlements in this state, an Indian community may accrue long-term storage credits as prescribed by this section.

B. This section applies only to the settlement of a water rights claim by a federally recognized Indian community in this state if the settlement provides for off-reservation storage of its central Arizona project water and only after the settlement results in a

dismissal with prejudice of a class action claim that has been pending in the United States district court for more than five years.

C. Before accruing any long-term storage credits under this section, both of the following conditions apply:

1. A party seeking to participate in the accrual of long-term storage credits under this section shall file written notice with the director that the requirements of subsection B of this section have been met.

2. The director shall find that the requirements of subsection B of this section have been met.

D. Before accruing any long-term storage credits under this section, a party seeking to participate in the accrual of long-term storage credits under this section shall file with the director all of the following information:

1. A written notice of the parties' intent to begin the delivery of central Arizona project water that was made available to the Indian community by the water rights settlement to the holder of grandfathered groundwater rights in an active management area.

2. A sworn statement by the holder of the grandfathered groundwater rights that the holder will use the water delivered off of Indian community lands on a gallon-for-gallon substitute basis instead of groundwater that otherwise would have been pumped pursuant to the grandfathered groundwater rights from within an active management area.

3. A listing and description of the grandfathered groundwater rights that will not be exercised by the holder because of the delivery of the water that is delivered by the Indian community.

4. A hydrologic report assessing the effect of nonexercise of grandfathered groundwater rights under this section on any underground storage facility that was constructed as a state demonstration project and that is located within ten miles of the point of withdrawal for the grandfathered groundwater rights.

E. The director shall review the hydrologic report filed pursuant to subsection D, paragraph 4 of this section and shall make such modifications to the state demonstration project's underground storage facility permit as the director deems appropriate.

F. If the director determines that the parties have complied with subsection D of this section, the Indian community may begin accruing long-term storage credits for the delivery of central Arizona project to the holder of the grandfathered groundwater rights, but only if the following apply:

1. By March 31 of each year, the holder of the grandfathered groundwater rights files an annual report with the director for the preceding calendar year. The annual report shall include the following information:

(a) The total quantity of water received from the Indian community during the year for use by the holder under this section.

(b) A listing of those grandfathered groundwater rights that were not exercised during the year by the holder because of the receipt of central Arizona project water delivered by the Indian community.

(c) Such other information as the director may reasonably require.

2. The director finds that the water reported as received by the grandfathered groundwater right holder was used on a gallon-for-gallon substitute basis for groundwater.

3. The Indian community has offered to sell the Arizona water banking authority ten per cent of any long-term storage credits accruable by the Indian community under this section at a price per acre-foot at the time of sale equal to the authority's cost of delivering and storing water at an underground storage facility that was constructed as a state demonstration project and that is located within ten miles of the point of withdrawal of any of the grandfathered groundwater rights identified in the list filed with the director pursuant to subsection D, paragraph 3 of this section, except that any credits purchased pursuant to such offer may not be recovered within five miles of the exterior reservation boundary of the Indian community.

G. The water that is received under this section by the holder of the grandfathered groundwater right is deemed to be groundwater for all purposes of chapter 2 of this title as if the holder had withdrawn it from a well. The holder is responsible for all records, reports and fees required by chapter 2 of this title relating to the water received.

H. The director shall establish a long-term storage account for the Indian community in accordance with section 45-852.01 and each year shall credit to that long-term storage account ninety-five per cent of the water received by the holder of the grandfathered groundwater right during the preceding year that meets the requirements of subsection F of this section.

I. Long-term storage credits accrued pursuant to this section may be used or assigned in any manner that is consistent with this chapter.

J. The maximum amount of long-term storage credits that may be accrued by an Indian community under this section in any year is ten thousand acre-feet.

ARTICLE 4 – Accounting

45-851.01. <u>Recovery of stored water on an annual basis</u>

A. Except as provided in subsections B and E of this section, a storer may recover the recoverable amount of water stored after January 1 of a calendar year on or before December 31 of the same calendar year.

B. If water is stored pursuant to a water storage permit and its use is based on a decreed or appropriative water right, the approximate recoverable amount of water stored in a month shall be recovered on or before the last day of the following month or within the same calendar year, whichever is earlier, unless the water is credited to a long-term storage account as prescribed by section 45-852.01.

C. Water stored after January 1 of a calendar year and not recovered on or before December 31 of the same calendar year may be credited to the storer's long-term storage account to the extent that the stored water is eligible for long-term storage credits as prescribed by section 45-852.01.

D. Water that is stored after January 1 of a calendar year, that is not recovered on or before December 31 of the same calendar year and that is not eligible to be credited to the storer's long-term storage account may not be recovered at any other time.

E. If the water stored was effluent stored at a managed underground storage facility that has not been designated as a facility that could add value to a national park, national monument or state park, the storer may recover during a year only fifty per cent of the recoverable amount of water stored between January 1 and December 31 of that year. If the storer recovers during the year less than fifty per cent of the recoverable amount of the water stored during that year, the difference between fifty per cent of the recoverable amount and the amount of stored water recovered during the year may be credited to the storer's long-term storage account to the extent that the stored water is eligible for long-term storage credits as prescribed by section 45-852.01.

45-852.01. Long-term storage accounts

A. The director shall establish one long-term storage account for each person holding long-term storage credits. The director shall establish subaccounts within the long-term storage account according to each active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin in which the person's stored water is located. The long-term storage account shall be further subdivided by type of water, if the person holds long-term storage credits for more than one type of water.

B. Water stored pursuant to a water storage permit at a storage facility may be credited to a long-term storage account if the director determines that all of the following apply:

1. The water that was stored was water that cannot reasonably be used directly.

2. If the stored water was stored at a storage facility within an active management area, either:

(a) The water would not have been naturally recharged within the active management area.

(b) If the water was stored at a managed underground storage facility that has been designated as a facility that could add value to a national park, national monument or state park and the water stored is effluent, the water stored is water that could have been used or disposed of by the storer by means other than discharging the effluent into the stream.

3. The stored water was not recovered on an annual basis pursuant to section 45-851.01.

C. The director shall credit ninety-five per cent of the recoverable amount of stored water that meets the requirements of subsection B of this section to the storer's long-term storage account, except that:

1. If the water was stored at a managed underground storage facility that had not been designated at the time of storage as a facility that could add value to a national park, national monument or state park and the water stored is effluent, the director shall credit to the storer's long-term storage account fifty per cent of the recoverable amount of water that meets the requirements of subsection B of this section.

2. If the water was stored at a groundwater savings facility and the storer has not met the burden of proving that one hundred per cent of the in lieu water was used on a gallon-for-gallon substitute basis for groundwater, the director shall credit to the storer's long-term storage account only the percentage of the in lieu water that meets the requirements of subsection B of this section and that was proven to the director's satisfaction as being used on a gallon-for-gallon substitute basis for groundwater.

3. Except as otherwise provided in paragraphs 1 and 2 of this subsection, the director shall credit to the storer's long-term storage account one hundred per cent of the recoverable amount of water that meets the requirements of subsection B of this section if any of the following apply:

(a) The water stored was effluent.

(b) The water was stored in an active management area and the stored water is water from outside the active management area that would not have reached the active management area without the efforts of the holder of the long-term storage credits.

(c) The water was stored outside an active management area and the stored water is water from outside the groundwater basin in which the water was stored that would not have reached the groundwater basin without the efforts of the holder of the long-term storage credits.

D. The director shall credit a person's long-term storage account by the amount of long-term storage credits assigned to that person by another holder of long-term storage credits pursuant to section 45-854.01.

E. The director shall debit the appropriate subaccount of a person's long-term storage account:

1. One hundred per cent of the amount of stored water that the holder of the long-term storage credits has recovered during the calendar year pursuant to the permit.

2. The amount of long-term storage credits that the person has assigned to another person or transferred to a master replenishment account, conservation district account or water district account.

3. If the water was stored in an active management area, the amount of water during the calendar year that migrates to a location outside the active management area or to a location within the active management area where it cannot be beneficially used within a reasonable period of time by persons other than the storer with rights to withdraw and use groundwater.

4. If the water was stored outside of an active management area, the amount of water during the calendar year that migrates to a location outside the groundwater basin in which the storage facility is located or to a location in the groundwater basin where it cannot be beneficially used within a reasonable period of time by persons other than the storer with rights to withdraw and use groundwater.

5. The amount of long-term storage credits that the storer, pursuant to section 45-853.01, subsection B, has applied to offset groundwater withdrawn or used in excess of the storer's per capita municipal conservation requirements under the second management plan.

6. The amount of long-term storage credits that are held by the Arizona water banking authority and that the authority has chosen to extinguish.

F. To the extent the total amount of water withdrawn by a person from wells designated as recovery wells pursuant to section 45-834.01 during a calendar year exceeds the amount of stored water recovered by the person on an annual basis pursuant to section 45-851.01 and the amount of long-term storage credits recovered by the person, the excess amount of water recovered shall be considered groundwater withdrawn pursuant to chapter 2 of this title.

45-853.01. <u>Restricted uses of long-term storage credits</u>

A. If the director has included an amount of long-term storage credits under section 45-855.01:

1. In determining whether to issue a certificate of assured water supply to the holder of the long-term storage credits, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to the subdivision to which the certificate of assured water supply applies.

2. In designating or redesignating a city, town or private water company as having an assured water supply, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to that city, town or private water company.

3. In determining whether to issue a report of adequate water supply for a subdivision to the holder of long-term storage credits, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to the subdivision to which the report of adequate water supply applies.

4. In designating a city, town or private water company as having an adequate water supply, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to that city, town or private water company.

B. The storer of long-term storage credits may apply those long-term storage credits to offset any amount of groundwater that the storer withdraws or uses before 2000 in excess of the storer's per capita municipal conservation requirement in violation of the second management plan if the storer proves to the satisfaction of the director that the following conditions are met:

1. The storer stored the water at a storage facility that is located in the same active management area as the storer's service area.

2. The long-term storage credits used to offset the storer's per capita municipal conservation requirements violation were earned before 2000.

3. The water stored was effluent or central Arizona project water.

C. Long-term storage credits may not be used to demonstrate an assured water supply or an adequate water supply if the long-term storage credits were accrued by storing effluent at a managed underground storage facility that has not been designated as a facility that could add value to a national park, national monument or state park.

45-854.01. <u>Assignability of long-term storage credits</u>

A. Except as provided in section 45-855.01, subsection C, the holder of long-term storage credits may assign by grant, gift, sale, lease or exchange all or part of the holder's long-term storage credits.

B. Except as provided in subsection C of this section, an assignment of long-term storage credits from one person to another is valid on receipt by the director of notification of the

assignment in writing on a form that is provided by the director and that has been signed by both the assignor and assignee.

C. The director may reject and invalidate any assignment of long-term storage credits in which the stored water would not have met the requirements for long-term storage credits as prescribed by section 45-852.01 if the assignee had stored the water.

45-855.01. Effect of long-term storage credits on assured water supply and adequate water supply

A. In an active management area, except as provided in section 45-853.01, subsection C, and on the request of a person who holds long-term storage credits, the director shall include the amount of long-term storage credits requested by the person in determining whether to issue a certificate of assured water supply to the person pursuant to section 45-576, or if the person is a city, town or private water company, whether to designate or redesignate the city, town or private water company as having an assured water supply. This subsection shall not be construed to prohibit or require the director to include projected additions to a long-term storage account in determining whether to issue a certificate of assured water supply to the person, or if the person is a city, town or private water company, whether to designate or redesignate the city, town or private water company as having an assured water supply.

B. Outside an active management area, except as provided in section 45-853.01, subsection C and on the request of a person who holds long-term storage credits, the director shall include the amount of long-term storage credits requested by the person in determining whether to issue a report of adequate water supply pursuant to section 45-108 for a subdivision to the person, or if the person is a city, town or private water company, whether to designate the city, town or private water company as having an adequate water supply. This subsection shall not be construed to prohibit or require the director to include projected additions to a long-term storage account in determining whether to issue a report of adequate water supply for a subdivision to the person, or if the person who holds the long-term storage account is a city, town or private water company, whether to designate the city, town or private water company as having an adequate water supply.

C. Long-term storage credits included by the director in making the determinations and designations in subsections A and B of this section are not assignable by the person holding the credits, unless the director has determined that the credits will continue to be used for the subdivision for which the certificate of assured water supply or certificate of adequate water supply has been issued or for the service area that has been designated as having an assured water supply or an adequate water supply.

45-856.01. Protection of the stored water

A. Except as provided in subsection B or E of this section, in an active management area the director shall not issue any of the following permits, certificates or designations

unless the applicant demonstrates that the application for the permit, certificate or designation would have satisfied the requirements for issuance of the permit, certificate or designation if water stored pursuant to this chapter did not exist:

1. An application for a groundwater withdrawal permit under chapter 2, article 7 of this title, if a proposed point of withdrawal for the permit is located within the area of impact of the stored water.

2. An application for designation of a city, town or private water company as having an assured water supply under section 45-576, if any portion of the city, town or private water company that is proposed to be designated is located within the area of impact of the stored water.

3. An application for a certificate of assured water supply under section 45-577, if a proposed point of withdrawal for a proposed source of water is located within the area of impact of the stored water.

4. An application for a permit to construct a new well or a replacement well under section 45-599, if the proposed well is located within the area of impact of the stored water.

B. Subsection A, paragraphs 2 and 3 of this section do not apply to the holder of long-term storage credits who, pursuant to section 45-855.01, has requested that the director include stored water in determining whether to issue a certificate of assured water supply or designate or redesignate a city, town or private water company as having an assured water supply.

C. Except as provided in subsection D or E of this section, outside an active management area the director shall not issue any of the following decisions of adequate water supply under section 45-108 unless the applicant demonstrates that the application would have satisfied the requirements for issuance of the decision if the stored water did not exist:

1. A decision stating that an adequate water supply exists for a subdivision, if a proposed point of withdrawal for a proposed source of water is located within the area of impact of the stored water.

2. A decision designating a city, town or private water company as having an adequate water supply, if any portion of the city, town or private water company that is proposed to be designated is located within the area of impact of the stored water.

D. Subsection C of this section does not apply to the holder of long-term storage credits who has requested pursuant to section 45-855.01 that the director include stored water in determining whether to issue a decision stating that an adequate water supply exists for a subdivision or designating a city, town or private water company as having an adequate water supply.

E. Subsections A and C of this section do not apply if the director determines that the water stored pursuant to this chapter will not be recovered from within the area of impact of the stored water.

45-857.01. Groundwater replenishment district incidental replenishment factor; definitions

A. With respect to a groundwater replenishment district and not later than the first day of each reporting year, the director shall determine the incidental replenishment factor for the reporting year and shall report that ratio to the groundwater replenishment district.

B. For purposes of this section:

1. "Incidental replenishment" means water that percolates to an aquifer after being used for municipal purposes in the groundwater replenishment district, except for water that is added to an aquifer pursuant to this chapter.

2. "Incidental replenishment factor" means the ratio of the amount of incidental replenishment in the groundwater replenishment district that the director estimates will occur in the reporting year to the amount of water that the director estimates will be used in the district by the district members in the reporting year.

45-858.01. Master replenishment account; debits and credits

A. The director shall establish a long-term storage account and a master replenishment account for each groundwater replenishment district.

B. The director shall compute the master replenishment account debit for a reporting year for the district as follows:

1. For each district member, compute the replenishment obligations as prescribed by section 48-4463.

2. Add the amounts computed under paragraph 1 of this subsection for all district members.

C. For each reporting year, the amount computed under subsection B of this section for the district shall be debited from the district's master replenishment account.

D. On application by a district to the director, credits in the district's long-term storage account, including credits that are registered for water stored pursuant to article 6 of this chapter and for which a district has assumed responsibility pursuant to section 45-896.01, shall be transferred and credited to the district's master replenishment account.

E. For each reporting year, the director shall credit the district's master replenishment account by the amount of water stored by the district during the reporting year, if the

district has requested the director to credit the stored water directly to its master replenishment account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. Credits in a master replenishment account may not be assigned or transferred out of the master replenishment account.

G. If the director, either through an audit of the records of the district or a district member pursuant to section 45-880.01 or otherwise, establishes a misstatement or error regarding information relevant to the determination of master replenishment account debits or credits, the director may adjust accordingly the credits or debits for the appropriate year.

45-859.01. Conservation district account; debits and credits

A. The director shall establish a long-term storage account and a conservation district account for each active management area in which a member land or member service area is or may be located.

B. For each reporting year, the groundwater replenishment obligation as defined in section 48-3701 for each active management area shall be debited from the conservation district account for that active management area.

C. For each reporting year, the contract replenishment obligation as defined in section 48-3701 for each active management area shall be debited from the conservation district account for that active management area.

D. On application by a conservation district to the director, credits in the conservation district's long-term storage account for an active management area, including credits earned through the use of excess capacity of each project permitted under article 6 of this chapter, shall be transferred and credited to its conservation district account for the same active management area.

E. For each reporting year, the director shall credit the conservation district's conservation district account by the amount of water stored by the conservation district during the reporting year, if the conservation district has requested the director to credit the stored water directly to its conservation district account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. By October 31 of each year, the director shall determine whether the conservation district has completed the groundwater replenishment obligation for each active management area as prescribed by section 48-3771.

G. Credits in a conservation district account may not be assigned or transferred out of the conservation district account.

45-860.01. Water district account; debits and credits

A. The director shall establish a long-term storage account and a water district account for the active management area in which a water district member land or water district member service area is or may be located.

B. For each reporting year, the water district groundwater replenishment obligation, as defined in section 48-4801, shall be debited from the water district account.

C. For each reporting year, the contract replenishment obligation, as defined in section 48-4801, shall be debited from the water district account.

D. On application by a water district to the director, credits in the water district's long-term storage account for an active management area, including credits earned from a state demonstration project permitted pursuant to article 6 of this chapter, shall be transferred and credited to the water district's water district account for the same active management area.

E. For each reporting year, the director shall credit the water district's water district account by the amount of water stored by the water district during the reporting year, if the water district has requested the director to credit the stored water directly to its water district account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. By October 31 of each year, the director shall determine whether the water district has completed the water district groundwater replenishment obligation for the active management area as prescribed by section 48-4972.

G. Credits in a water district account may not be assigned or transferred out of the water district account.

ARTICLE 5 – Permit Application Procedures, Financial Provisions and Enforcement

45-871.01. Permit application; fee; notice of application; objections; hearing; appeal

A. The director shall prescribe and furnish application forms for the permits prescribed by articles 2 and 3 of this chapter. The application forms shall require the applicant to submit the information needed by the director to determine whether the permit may be issued. The director shall establish and collect a reasonable fee from the applicant to cover the cost of administrative services and other expenses associated with evaluating and issuing each permit. All fees collected pursuant to this subsection shall be remitted pursuant to section 45-615, paragraph 1.

B. On receipt of an application for a permit pursuant to this chapter, the director shall endorse on the application the date of its receipt and shall keep a record of the application. The director shall conduct a review of the application within one hundred days of receipt of the application. If the director determines in the review that the

application is incomplete or incorrect, the director shall notify the applicant and the review period is extended by fifteen days. The application is incomplete or incorrect until the applicant files the information requested in the application. The director may conduct independent investigations as necessary to determine whether the application should be approved or rejected.

C. If the application is for water storage at an underground storage facility that is exempt from the requirement for an aquifer protection permit under section 49-250, subsection B, paragraph 12, 13 or 24, the director of water resources shall consult with the director of environmental quality and shall develop a coordinated and unified permit review process, which conforms to the time schedule prescribed by this section, to determine whether the permit application is correct and whether the development of a plan of action for monitoring and data analysis shall be required.

D. Except as provided in subsection E of this section, if the application is determined to be complete and correct and the application is for a storage facility permit or a water storage permit, the director, within fifteen days of that determination or a longer period if requested by the applicant, shall give notice of the application once each week for two consecutive weeks in a newspaper of general circulation in the county or counties in which persons reside who could reasonably be expected to be affected by the water storage. The director shall also give notice by first class mail to each city, town, private water company, irrigation district and electrical district that serves land within the area of impact of the stored water. The notice shall state that persons who may be adversely affected by the water storage may file written objections to the issuance of the permit with the director for fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth the reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing the permit being requested as prescribed by articles 2 and 3 of this chapter.

E. If the application is determined to be complete and correct and the application is for a water storage permit to store Colorado river water at a storage facility where storage of Colorado river water has previously been permitted, the director may issue the permit within twenty days of that determination if all of the following apply:

1. The holder of the storage facility permit with which the water storage permit will be affiliated has consented to the water storage.

2. The water storage permit will not require a modification of an affiliated water storage facility permit.

3. Colorado river water will be the only type of water stored under the water storage permit.

4. The applicant has the right to use the Colorado river water.

F. Except as provided in section 45-834.01, subsection D, if the application is determined to be complete and correct and the application is for a recovery well permit, the director, within fifteen days of the determination or a longer period if requested by the applicant, shall give notice of the application once each week for two consecutive weeks in a newspaper of general circulation in the county in which the applicant proposes to recover stored water. If the application is for a well located inside of or within three miles of the exterior boundaries of the service area of a city, town, private water company or irrigation district, the applicant shall give notice of the application by first class mail to each city, town, private water company or irrigation district within that distance. The applicant shall file proof of the notice with the director. The notice shall state that persons who may be adversely affected by the recovery well may file written objections to the issuance of the permit with the director for fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing a recovery well permit as set forth in section 45-834.01, subsection B. For the purposes of this subsection, if the proposed recovery well is located within three miles outside of the exterior boundaries of the service area of a city, town, private water company or irrigation district, a city, town, private water company or irrigation district within that distance shall be considered a person who may be adversely affected by the recovery well.

G. In appropriate cases, including cases in which a proper objection to the permit application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. At least thirty days before the hearing, the director shall notify the applicant and any person who filed a proper objection to the issuance of the permit. The hearing shall be scheduled for at least sixty days but not more than ninety days after the expiration of the time in which to file objections.

H. If a hearing is not held, the director shall issue a decision and order within six months of the date notice of the application is first given pursuant to subsection D or F of this section, or within ninety days in the case of an application under article 6 of this chapter. The director shall record and endorse the approval or rejection of the application on the application. If the permit is denied, the director shall return a copy of the application to the applicant specifically stating the reasons for denial.

I. The applicant or any person who filed a proper objection to the application may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in superior court as provided in section 45-405.

J. Section 45-114, subsections A and B govern administrative proceedings, rehearings or review and judicial review of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the active management area in which the storage or recovery is located.

K. On receipt of an application for a permit pursuant to this section, the director shall provide written notice of the proposed permit to the city, town or county that has land use jurisdiction over the site that is the subject of the permit. The notice shall be given at the same time and in the same manner as the notices prescribed by subsections D and F in order to provide the city, town or county with the opportunity to comment on the proposed facility's or well's compliance with site planning and operational requirements of the city, town or county. This subsection shall not be construed to limit the exclusive authority of the director to determine the issuance of the permit or the site of the facility or well or to reduce the authority of the city, town or county to enforce its applicable ordinances governing site planning and operational requirements.

45-872.01. Water measuring devices

A person who stores water at an underground storage facility, who delivers in lieu water to a recipient at a groundwater savings facility or who recovers stored water pursuant to a recovery well permit shall use a water measuring device approved by the director and shall comply with the rules setting forth the requirements and specifications for water measuring devices adopted pursuant to section 45-604.

45-873.01. In lieu water reporting requirements; withdrawal fees

The in lieu water that is delivered pursuant to a groundwater savings facility permit and a water storage permit issued under this chapter is deemed to be groundwater for all purposes of chapter 2 of this title as if the recipient of the in lieu water had withdrawn it from a well. The recipient is responsible for all records, reports and fees required by chapter 2 of this title relating to the in lieu water received.

45-874.01. Long-term storage credit recovery fee; amount; notice; payment; penalty

A. The director shall levy and collect a long-term storage credit recovery fee from each person who recovers long-term storage credits pursuant to a recovery well permit issued under section 45-834.01. The amount of the long-term storage credit recovery fee is equal to the amount of the groundwater withdrawal fee levied for administration and enforcement of chapter 2 of this title pursuant to section 45-611, subsection A, paragraph 1.

B. Not later than October 1 of each year the director shall file in the department an order setting the long-term storage credit recovery fee for the following calendar year.

C. Within thirty days after the director sets the long-term storage credit recovery fee for the following calendar year, the director shall give written notice of the fee to all holders of recovery well permits issued under this chapter.

D. A person shall pay the long-term storage credit recovery fee to the department at the time the person holding a recovery well permit files an annual report pursuant to section 45-875.01. If a person who is required to pay a long-term storage credit recovery fee fails

to pay the fee when due, the director may assess and collect a penalty of ten per cent of the unpaid fee, without compounding, for each month or portion of a month that the fee is delinquent. The total penalty assessed under this subsection shall not exceed sixty per cent of the unpaid fee.

E. The director shall deposit, pursuant to sections 35-146 and 35-147, all monies collected pursuant to this section in the state general fund.

45-875.01. Annual reports; penalty

A. Each person who holds a storage facility permit shall file an annual report with the director that includes the following information:

1. The total quantity of water stored at the facility during the year.

2. The name, address and water storage permit number of each person storing water at the storage facility during the year.

3. Such other information as the director may reasonably require.

B. Each person who holds a water storage permit shall file an annual report with the director that includes the following information:

1. The quantity of water from each source stored under the permit during the year.

2. The quantity of stored water recovered on an annual basis.

3. The quantity of stored water to be credited to a long-term storage account.

4. Other information as the director may reasonably require.

C. In addition to the requirements of subsections A and B of this section, each person who holds a groundwater savings facility permit or who holds a water storage permit for water storage at a groundwater savings facility shall include with the annual report all evidence required to be submitted by that person pursuant to the plan by which the quantity of groundwater saved at the storage facility will be proved.

D. Each person who holds a recovery well permit shall file an annual report with the director that includes the following information:

1. The registration number and location of each well used to recover stored water.

2. The quantity of fuel or electricity consumed by the pump for each well during the year.

3. The total quantity and source of stored water recovered by each well during the year.

4. The quantity and source of stored water recovered on an annual basis during the year.

5. The quantity and source of stored water recovered from a long-term storage account during the year.

6. Other information as the director may reasonably require.

E. The annual reports shall be maintained on a calendar year basis and shall be filed with the director no later than March 31 of each year for the preceding calendar year. If a person who is required to file an annual report under this section fails to file a report when due, the director may assess and collect a penalty of twenty-five dollars for each month or portion of a month that the annual report is delinquent. The total penalty assessed under this subsection shall not exceed one hundred fifty dollars. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected under this subsection in the state general fund.

45-876.01. Annual report; groundwater replenishment district and replenishment district members; penalties

A. Each groundwater replenishment district shall file an annual report with the director that includes:

1. The total amount of water that was stored by the district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the district during the reporting year to be credited to the master replenishment account.

3. The amount of water stored by the district during the reporting year to be credited to the district's long-term storage account.

4. The amount of long-term storage credits the district has transferred and credited to its master replenishment account during the reporting year.

5. If the reporting year was a drought year, as defined in section 48-4401, for any district member:

(a) The amount of any debit that was registered to the district's drought relief account for the reporting year, as provided in section 48-4467.

(b) Each district member's share of the debit.

(c) The ending balance of the account.

(d) The historic annual per acre surface water deliveries, as defined in section 48-4401, for the reporting year of each irrigation district and water users' association that delivered surface water for non-irrigation use on land in the district during the reporting year.

6. Each district member's replenishment obligation determined pursuant to section 48-4463.

7. Other information as the director may require.

B. The annual report shall be maintained on a calendar year basis and shall be filed no later than May 15 of each year for the preceding year, which is the reporting year.

C. In addition to the annual report required by this section and section 45-632, each groundwater replenishment district member shall file an annual report with the director that includes the information prescribed by section 48-4463, subsection A. The annual report required by this subsection shall be maintained on a calendar year basis and shall be filed with the director no later than March 31 of each year for the preceding calendar year which is the reporting year.

D. The director may assess and collect a penalty of up to one thousand dollars for each day that a report is delinquent for a groundwater replenishment district or one of its members that is required to file an annual report and that fails to file the report when due. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this section in the state general fund.

45-877.01. Annual reports by conservation districts; penalties

A. Each conservation district shall file an annual report with the director that includes for each active management area in which a member land or member service area is or may be located:

1. The total amount of water that was stored by the conservation district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the conservation district during the reporting year to be credited to the conservation district's conservation district account.

3. The amount of water stored by the conservation district during the reporting year to be credited to the conservation district's long-term storage account.

4. The amount of long-term storage credits the conservation district has transferred and credited to its conservation district account during the reporting year.

5. The groundwater replenishment obligation as defined in section 48-3701 for the reporting year.

6. The contract replenishment obligation as defined in section 48-3701 for the reporting year.

7. The information required under section 48-3775.

8. Other information as the director may require.

B. The annual report required under subsection A of this section shall be maintained on a calendar year basis and shall be filed with the director no later than August 31 of each year for the preceding calendar year, which is the reporting year.

C. If the conservation district fails to file the report when due, the director may assess and collect a penalty of up to one hundred dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

D. If a municipal provider as defined in section 48-3701 does not timely file the annual report required by section 48-3775, the director may assess and collect a penalty of up to one thousand dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

45-878.01. Annual reports by water districts; penalties

A. Each water district shall file an annual report with the director that includes for the active management area in which a water district member land or water district member service area is or may be located:

1. The total amount of water that was stored by the water district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the water district during the reporting year to be credited to the water district's water district account.

3. The amount of water stored by the water district during the reporting year to be credited to the water district's long-term storage account.

4. The amount of long-term storage credits the water district has transferred and credited to its water district account during the reporting year.

5. The water district groundwater replenishment obligation as defined in section 48-4801 for the reporting year.

6. The contract replenishment obligation as defined in section 48-4801 for the reporting year.

7. The information required under section 48-4976.

8. Other information as the director may require.

B. The annual report required under subsection A of this section shall be maintained on a calendar year basis and shall be filed with the director no later than August 31 of each year for the preceding calendar year, which is the reporting year.

C. If the water district fails to file the report when due, the director may assess and collect a penalty of up to one hundred dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

D. If a municipal provider as defined in section 48-3701 does not timely file the annual report required by section 48-4876, the director may assess and collect a penalty of up to one thousand dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

45-879.01. Annual reports certification; records

A. Each annual report required by this article shall contain either a sworn statement or a certification under penalty of perjury that the information contained in the report is true and correct according to the best belief and knowledge of the person filing the report.

B. Each person who is required to file an annual report under this article shall maintain current, accurate records of the information required to be included in the annual report.

C. The records and reports required to be kept and filed under this article shall be in a form prescribed by the director. The director shall prepare blank forms and furnish them on request. Failure to receive or obtain the forms does not relieve any person from the obligation to keep required records or make any required report.

45-880.01. Inspections, investigations and audits

A. The director or the director's authorized representative may enter at reasonable times on private or public property where any facilities used for the purposes of water storage, stored water recovery or stored water use are located and the owner, manager or occupant of the property shall permit such entry to:

1. Inspect any facility that is used for the purposes of water storage, stored water recovery or stored water use and that is subject to this chapter.

2. Obtain factual data or access to records required to be kept by this article.

3. Ascertain compliance with this chapter.

B. Inspections and investigations under this section shall be on reasonable notice to the owner, manager or occupant of the property unless reasonable grounds exist to believe that this notice would frustrate the enforcement of this chapter or if entry is sought for the sole purpose of inspecting water measuring devices required pursuant to section 45-872.01. The director shall adopt rules for conducting inspections, examining records and obtaining warrants pursuant to this section. The director may, and if required by law, shall, apply for and obtain warrants for entry and inspection to carry out the administrative and enforcement purposes of this chapter.

C. The director may require a person who is required to keep records under this article to appear, at reasonable times and on reasonable notice, at the director's office and produce the records and information that are specified in the notice to determine whether the records and annual reports required by this article are complete, true and correct.

D. The director shall provide a written report of each inspection, investigation and audit under this section to the person who is subject to such action.

45-881.01. Cease and desist order; temporary cease and desist order; hearing; injunctive relief

A. Except as provided by subsection B of this section, if the director has reason to believe that a person is violating or has violated a provision of this chapter or a permit, rule or order issued or adopted pursuant to this chapter, the director may give the person written notice that the person may appear and show cause at an administrative hearing at least thirty days from the date of service of the notice why the person should not be ordered to cease and desist from the violation. The notice shall inform the person of the date, time and place of the hearing and the consequences of failure to appear.

B. If the director finds that a person is constructing a storage facility or storing water in violation of this chapter, the director may issue a temporary order for the person to cease and desist the construction or storage pending final action by the director pursuant to subsection C of this section. The order shall include written notice to the person of the date, time and place where the person may appear at an administrative hearing before the department to show cause why the temporary order should be vacated. The hearing shall be held within fifteen days of the date of the order unless the person consents to a longer period.

C. The decision and order of the director under subsections A and B of this section may be in a form that the director determines to be reasonable and appropriate and may include a determination of violation, a cease and desist order, the recommendation of a civil penalty and an order directing that positive steps be taken to abate or ameliorate any harm or damage arising from the violation. The person affected may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in the superior court in the county in which the violation is alleged to have occurred.

D. If the person continues the violation after the director has issued a final decision and order pursuant to subsection C of this section or a temporary order pursuant to subsection B of this section, the director may apply for a temporary restraining order or preliminary or permanent injunction from the superior court pursuant to the rules of civil procedure. Filing for injunctive relief does not preclude other forms of relief or enforcement against the violator.

E. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section.

45-882.01. Violation; civil penalties

A. A person who is determined pursuant to section 45-881.01 to be in violation of this chapter or a permit, rule or order issued or adopted pursuant to this chapter may be assessed a civil penalty in an amount not exceeding:

1. One hundred dollars per day of violation that is not directly related to illegal storage, recovery or use of stored water.

2. Ten thousand dollars per day of violation that is directly related to illegal storage, recovery or use of stored water.

B. An action to recover penalties under this section shall be brought by the director in the superior court in the county in which the violation occurred.

C. In determining the amount of the penalty, the court shall consider the degree of harm to the public, whether the violation was knowing or wilful, the past conduct of the defendant, whether the defendant should have been on notice of the violation, whether the defendant has taken steps to cease, remove or mitigate the violation and any other relevant information.

D. The director shall deposit, pursuant to sections 35-146 and 35-147, all civil penalties assessed under this section in the state general fund.

ARTICLE 6 – State Demonstration Projects

45-891.01. Purposes

It is declared that the public policy of this state and the general purposes of this article are:

1. To protect the general economy and welfare of this state and its citizens by wise resource management of the water of the central Arizona project.

2. To store for future needs or use for replenishment purposes the central Arizona project water not now utilized by central Arizona project subcontractors.

3. To provide an additional source of water for times of serious water shortage due to a substantial reduction in the supply of central Arizona project water available for delivery to central Arizona project subcontractors or a prolonged interruption of deliveries of central Arizona project water.

45-892.01. Definitions

In this article, unless the context otherwise requires:

1. "Excess central Arizona project water" means central Arizona project water that in any year would otherwise not be delivered to central Arizona project subcontractors or their designees.

2. "Project permits" means permits obtained under articles 2 and 3 of this chapter for the purposes of operating a state demonstration project.

3. "State demonstration project" means a project for the storage of excess central Arizona project water at an underground storage facility pursuant to permits issued under this chapter and in accordance with this article.

45-893.01. Application for project permits; application requirement; permit specifications

A. A conservation district may apply to the director pursuant to articles 2 and 3 of this chapter for project permits for one or more state demonstration projects to be funded by account A of the state water storage fund established by section 45-897.01 and one or more projects to be funded by account B of the fund. Each project shall be located in a county for the benefit of which the account that funds the project was established.

B. In addition to the information required by articles 2 and 3 of this chapter, the conservation district's permit application shall contain plans for the state demonstration project and projections of the capital, operation and maintenance costs of the project, exclusive of water recovery costs. The plans and projections shall contain information adequate to permit the director to determine whether sufficient monies will be available from the state water storage fund to cover the projected costs of the proposed state demonstration project, considering all other obligations of the fund.

C. If the director approves the conservation district's project permit applications, the director shall specify in the permit or in a written memorandum of understanding between the director, the conservation district and the state treasurer the conditions under which and the timing pursuant to which monies shall be disbursed by the state treasurer to the conservation district from the state water storage. The permit or the memorandum of understanding:

1. Shall provide for the advancement to the conservation district of the capital, operation and maintenance costs of the project, exclusive of water recovery costs, and the

advancement of additional necessary monies to the conservation district, if the monies initially advanced are insufficient to cover those costs.

2. Shall provide for the continuing disbursement from the fund of monies for the purchase of excess central Arizona project water.

3. May provide for the use of monies in the fund to cover the conservation district's costs of recovering, transporting and delivering the stored water and the costs of dismantling the project.

D. If the director approves the conservation district's application for the project permits, the conservation district may contract for excess central Arizona project water for storage in the state demonstration project and may enter into agreements with the director for the disposition of such water as provided in section 45-895.01.

45-894.01. Use for replenishment purposes

A. After the qualification of any real property as member land pursuant to section 48-3774 or the qualification of any service area as a member service area pursuant to section 48-3780, a conservation district may use the facilities and excess storage capacity of any state demonstration project located in the active management area in which the member land or a member service area is located for replenishment purposes. The groundwater replenished by the conservation district using the facilities and excess storage capacity of a state demonstration project shall not be water stored in the state demonstration project.

B. A conservation district may operate and maintain a state demonstration project and may simultaneously store water for other purposes, including replenishment, at the same storage facility.

45-895.01. Storage of water; availability and disposition of stored water

A. Water stored in a state demonstration project that is eligible for credits in a long-term storage account pursuant to section 45-852.01 shall be credited to a state demonstration subaccount of the conservation district's long-term storage account. The credits in this subaccount shall be used only for municipal and industrial purposes and shall be used only in the county for the benefit of which the state demonstration project was constructed by the conservation district.

B. Water stored in a state demonstration subaccount shall be available for disposition by the director during any time when the director determines either of the following applies:

1. The amount of central Arizona project water available for delivery to central Arizona project municipal and industrial subcontractors is insufficient to meet the contractual entitlements of the subcontractors.

2. There is a significant interruption of the conservation district's ability to make deliveries of central Arizona project water in the county for the benefit of which the state demonstration project was constructed.

C. The director may dispose of water stored pursuant to this article only when one of the conditions described in subsection B of this section exists. The director may dispose of the water to a person, including a person who is not an existing central Arizona project municipal and industrial subcontractor, who has filed a request for the water. In disposing of the water, the director shall take into account the reasonable water needs of persons who have filed requests for the water and the applicable provisions of the state water plan, if any, in effect at the time of the request. The director shall require as a condition of the disposition of water that:

1. The person who receives the water shall pay the conservation district's costs, if any, of recovering, transporting and delivering the water to the person, but the person is not required to pay any other costs of construction, operation or maintenance of the state demonstration project. If monies from the state water storage fund established by section 45-897.01 are used to cover the conservation district's cost of recovering, transporting or delivering the water stored, the person who receives the water shall reimburse the fund for those costs.

2. The person who receives the water shall agree to be bound by the relevant terms and conditions of any applicable contract between the conservation district and the United States.

3. The water disposed of to a person pursuant to this section shall be used only by the person for municipal and industrial purposes in the county for the benefit of which the state demonstration project was constructed.

45-896.01. Assumption of responsibility for stored water

A. Notwithstanding section 45-895.01, if a groundwater replenishment district is established pursuant to title 48, chapter 27 on or before July 1, 1996 in the Phoenix active management area:

1. The multi-county water conservation district and the groundwater replenishment district shall share equally any water that is stored in a state demonstration project in that active management area. The shares shall be calculated after the director has determined the amount of stored water to be reserved pursuant to paragraph 2 of this subsection.

2. The director shall determine the quantity of any water that is stored for the benefit of municipal and industrial users that are not member lands or member service areas of the multi-county water conservation district and that are located in Maricopa county and the right to use that amount of water is reserved to those municipal and industrial users. Those municipal and industrial users may recover and use the water as otherwise

provided by statute or rule but shall apply to the multi-county water conservation district for the use of the water.

3. On or before December 31, 1996, unexpended and unencumbered monies, liabilities, facilities and equipment of a state demonstration project shall be transferred to the multi-county water conservation district and the groundwater replenishment district in equal shares.

B. Notwithstanding section 45-895.01, if a permanent active management area water district is established pursuant to title 48, chapter 28 on or before July 1, 1996 in the Tucson active management area:

1. The multi-county water conservation district and the active management area water district shall share equally any water that is stored in a state demonstration project located in that active management area. The shares shall be calculated after the director has determined the amount of stored water to be reserved pursuant to paragraph 2 of this subsection.

2. The director shall determine the quantity of any water that is stored for the benefit of municipal and industrial users that are not member lands or member service areas of the multi-county water conservation district and that are located in Pima county and the right to use that amount of water is reserved to those municipal and industrial users. Those municipal and industrial users may recover and use the water as otherwise provided by statute or rule but shall apply to the multi-county water conservation district for the use of the water.

3. On or before December 31, 1996, unexpended and unencumbered monies, liabilities, facilities and equipment of a state demonstration project shall be transferred to the multi-county water conservation district and the active management area water district in equal shares.

C. Notwithstanding section 45-895.01 and only to the extent that subsection A or B of this section does not apply:

1. Not later than December 31, 1996, facilities, equipment and liabilities of a state demonstration project located in a multi-county water conservation district shall be transferred to the multi-county water conservation district.

2. The multi-county water conservation district shall use the monies in the state water storage fund established by section 45-897.01 to expediently store water and construct underground storage facilities until that fund is exhausted.

3. On July 1, 1996 the multi-county water conservation district shall assume responsibility for water that is stored by that date in a state demonstration project located in the district. Before July 1, 1996 the director shall determine the quantity of water that has been stored for the benefit of municipal and industrial users that are located in

Maricopa or Pima counties but that are not member lands or member service areas of the multi-county water conservation district. The right to use that quantity of water is reserved for the benefit of those municipal and industrial users. The water not reserved for this purpose shall be used for the benefit of member lands or member service areas of the multi-county water conservation district.

4. Periodically after July 1, 1996, until the state water storage fund is exhausted, the director shall determine the quantity of water that has been stored with the use of monies from the state water storage fund for the benefit of municipal and industrial users that are located in Maricopa or Pima county but that are not member lands or member service areas of the multi-county water conservation district. The director shall transfer those quantities of long-term storage credits to the Arizona water banking authority. The Arizona water banking authority shall use the long-term storage credits transferred pursuant to this paragraph in accordance with section 45-2457, subsection B, paragraph 7.

5. Long-term storage credits earned after July 1, 1996 with the use of monies in the state water storage fund established by section 45-897.01 that are not transferred to the Arizona water banking authority pursuant to paragraph 4 of this subsection shall be transferred to the multi-county water conservation district and shall be used for the benefit of member lands or member service areas of the multi-county water conservation district.

45-897.01. <u>State water storage fund; disbursement of monies</u>

A. A state water storage fund is established to be administered by the director as provided in this article. The fund shall be divided into two accounts, one account for the benefit of counties having a population of more than five hundred thousand persons but less than one million five hundred thousand persons and one account for the benefit of counties having a population of one million five hundred thousand persons or more, according to the most recent United States decennial census. The accounts shall be referred to respectively as account A and account B. The fund and the accounts within the fund consist of monies appropriated by the legislature and taxes levied by a conservation district pursuant to section 48-3715.02. Monies appropriated by the legislature shall be credited to the separate accounts as provided by the legislature. Taxes levied by the conservation district shall be credited to the separate accounts as provided in section 48-3715.02. Monies in the fund are exempt from lapsing under section 35-190. Interest earned on monies in the fund shall be credited to the fund and to the separate accounts in proportion to the balance of each account.

B. The fund shall be used to pay the capital, operation, maintenance and other costs, including the costs of excess central Arizona project water, of state demonstration projects constructed by the conservation district pursuant to this article. Monies shall be distributed from the fund to the conservation district on the direction of the director, in the manner provided for in section 45-893.01.

45-898.01. Indemnification and insurance

For purposes of this article only, when proposing, obtaining permits for, acquiring property for or constructing, operating, maintaining, terminating or dismantling a state demonstration project, a conservation district is an agent of the state, and the state shall indemnify and insure against all liability for acts or omissions of any nature under section 41-621, subsection A, paragraph 3. The state shall be named as an additional insured on any contracts entered into under this article between the conservation district and outside consultants or contractors, and the conservation district shall consult with the department of administration as to appropriate insurance to be specified in any contracts.

Attachment D
Town of Kearny Sample Accounting Spreadsheet

WATER TREATED AS DIVERTED BY THE TOWN

Diversions from within an Impact Zone	**Acre-feet**
Any water Diverted by the Town from within an Impact Zone, including any water Diverted from within an Impact Zone by a well located outside of an Impact Zone. (11.1.1)	
Any water Diverted from within an Impact Zone by any person or entity other than the Town for use within the Town's service area other than as authorized by 26.8 of the Settlement Agreement. (11.1.3)	
Total water Diverted by the Town from within an Impact Zone	

Other Water	
Any water allocated to the Water Budget in the Water Use Plan, whether Diverted or not. (11.1.2)	
Diversions from the Town Wells (11.1.4)	
Any water sold, exchanged or transferred by the Town to a third party, that would have otherwise counted against the Water Budget (11.1.5)	
Total Other Water Diverted by the Town	
Total Water Diverted by the Town	

WATER NOT TREATED AS DIVERTED BY THE TOWN

Water Diverted from wells outside an Impact Zone that is not allocated to the Water Budget and that does not create a cone of depression that extends into an Impact Zone. (11.2.1)	
Any Effluent used for irrigation of the Town Golf Course (11.2.2)	
Any Recovered Effluent (11.2.3)	
Total Water not treated as Diverted by the Town	

CHAPTER 10 OFFENSES

Article 10-1 OFFENSES[1]

10-1-1 Burning Regulations
10-1-2 Dangerous Constructions
10-1-3 Disobedience to a Peace Officer
10-1-4 Excavations to be Covered
10-1-5 Explosives; Hazardous Materials
10-1-6 Fences - Barbed Wire or Electric
10-1-7 Junk Storage
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10-1-11 Noise
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10-1-23 Water - Flow Upon Streets Prohibited
10-1-24 Weapons

Section 10-1-1 Burning Regulations

It is unlawful for any person to burn or incinerate rubbish, grass, garbage or any other flammable material without a permit from the fire chief or his authorized deputies.

Section 10-1-2 Dangerous Constructions

It is unlawful for any person to maintain or allow any signs, billboards, awnings and other similar structures over or near streets, sidewalks, public grounds or places frequented by the public, so situated or constructed as to endanger the public safety.

Section 10-1-3 Disobedience to a Peace Officer

It is unlawful for a person to disobey a peace officer by knowingly failing to obey an order of a person reasonably known to him to be a peace officer acting under such officer's official authority while engaged in necessary police activity.

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[1] A.R.S. § 9-240 B.

OFFENSES

Section 10-1-4 Excavations to be Covered

A. It is unlawful for any person to make any excavation or dig any hole, drain or ditch in any highway or thoroughfare in the town without providing a sufficient light at night and a temporary fence or suitable obstruction around or in front of such excavation at all times.

B. It is unlawful for any person to maintain a well, cellar, pit or other excavation of more than two feet in depth on any unenclosed lot, without substantial curbing, covering or protection.

Section 10-1-5 Explosives; Hazardous Materials

A. It is unlawful for any person within the limits of the town to blast or use powder, fireworks or other explosives without a written permit from the town manager.

B. It is unlawful for any person to store, transport or cause any regulated hazardous materials to be transported within the town limits without first obtaining a permit for such storage or transportation from the police department.

C. It is unlawful for any person to spill, release, omit or otherwise disburse any hazardous materials on the grounds within the town or down any drains, sewer system, etc., without the express permission of the police or fire department and within the constraints of state, federal and local laws.

Section 10-1-6 Fences - Barbed Wire or Electric

It is unlawful for any person to erect or maintain within the developed part of town any electric fence or any fence constructed in whole or in part of barbed wire. Any such fence is hereby declared a public nuisance and subject to abatement by order of the town court.

Section 10-1-7 Junk Storage

It is unlawful to store or keep any old articles or materials which may be classed as junk adjacent to or in close proximity to any school, church, public park, public grounds, business building or residence without first providing for proper and tight buildings for the storage of same.

Section 10-1-8 Loitering

It is unlawful for any person other than the owner, manager or his authorized representative to interfere individually or collectively with free enjoyment of such property by the owners thereof; or to interfere with the conduct of any lawful business by obstructing entrance to such business or by obstructing free passage of persons or merchandise or commodities within such place of business, or by obstructing service rendered by such business to its customers.

OFFENSES

Section 10-1-9 Minors; Curfew

A. It is unlawful for any person under eighteen years of age to be upon any of the streets, alleys or public places in the town between the hours of ten o'clock p.m. and five o'clock a.m., unless such person is accompanied by a parent, guardian, adult relative or an adult friend approved by a parent or guardian, unless such person is attending to employment or urgent business. If such unaccompanied minor is upon any of the streets, alleys or public places, between the hours stated above, and is attending to employment or urgent business, for which he or she can give a satisfactory explanation, it is unlawful for that minor to loiter, linger or ride aimlessly about the town. Such person must transact such urgent business as speedily as possible.

B. It is unlawful for the parent or guardian of a person under the age of eighteen years to permit such minor to be upon any of the streets, alleys or public places in the town between the hours of ten o'clock p.m. and five o'clock a.m. The provisions of this section do not apply when the minor is accompanied by a parent, guardian, adult relative or an adult friend approved by a parent or guardian, or if such person is attending to employment or urgent business and can give a satisfactory account of why he is absent from home. It shall not constitute a defense that such parent or guardian did not have knowledge of the whereabouts of the minor.

C. Curfew is extended until 11:30 p.m. on Thursday, Friday and Saturday for minors between fourteen and eighteen years of age.

Section 10-1-10 Motor Vehicles on Private Property

A. It is unlawful for any person to operate, drive or leave any motor vehicle, motorcycle, motor scooter, minibike, trailbike, dune buggy, jeep or other form of transportation propelled by an internal combustion engine, upon private property of another without a written permit issued by the owner of the property or the person entitled to immediate possession thereof, or the authorized agent of either.

B. The permit shall specify the period for which permission is granted, and shall set forth the name of the grantee, shall be signed by the grantor, shall state grantor's interest in the property and, if the grantor is not the owner thereof, the owner's name.

C. Any person operating, driving or leaving a vehicle described in this section on private property shall, upon request of any peace officer, display the permit issued under the terms of this article.

D. It is the intent of this section to prevent the unauthorized use of vacant lots or other privately owned areas by motor vehicles which unauthorized use results in the creation of excessive dust, noise or other annoyances to such an extent as to interfere with the comfortable enjoyment of life or property by the surrounding property owners.

OFFENSES

Section 10-1-11 Noise

A. It is hereby declared to be a public nuisance, and it is unlawful for any person, to play or permit to be played any music or musical instruments whether played by individuals, orchestra, radio, phonograph, music box or other mechanical device or means in such a loud or unusual manner as to be offensive to the senses, or so as to disturb the slumber, peace and quiet, or otherwise interfere with or annoy the comfortable enjoyment of life or property of any person and is no less a nuisance because the extent of the annoyance inflicted is unequal.

B. It is unlawful to play, operate or use any device known as a sound truck, loud speaker or sound amplifier, radio or any instrument of any kind or character which emits loud and raucous noises and is attached to and upon any vehicle unless such person in charge of such vehicle shall have first applied to and received permission from the chief of police to operate any such vehicle so equipped.

Section 10-1-12 Obstruction of Pedestrian Traffic

All trees with branches extending out over the public sidewalks shall be trimmed to a height of seven feet from said sidewalk. If the trees are not trimmed to a height of seven feet, the town is authorized to trim the tree and charge the cost of trimming to the property owner on whose property the tree is growing.

Section 10-1-13 Obstruction of Streets, Sidewalks or Public Grounds

A. It is unlawful for any person to obstruct any public street or alley, sidewalk or park or other public grounds within the town by committing any act of, or doing anything which is injurious to the health, or indecent or offensive to the senses, or to do in or upon any such streets, alleys, sidewalks, parks or other public grounds, any act or thing which is an obstruction or interference to the free use of property or with any business lawfully conducted by anyone, in or upon, or facing or fronting on any of such streets, alleys, sidewalks, parks or other public grounds in the town.

B. It is unlawful for any person to erect or maintain upon the street or sidewalk a stand, movable booth or wheel vehicle for the purpose of trade or barter unless such person has a license or contract with the town.

C. It is unlawful for any person to sweep, scrub or push the dust, dirt, accumulations, refuse or deposits from any building or private property onto or upon any public sidewalk or street in the town. The sweepings shall be gathered up and deposited in a suitable receptacle.

Section 10-1-14 Obstruction of View

It is unlawful for any person to maintain or allow any tree, hedge, billboard or other obstruction which prevents persons driving vehicles on public streets, alleys or highways from obtaining a clear view of traffic or street signs when approaching an intersection or pedestrian crosswalk.

OFFENSES

Section 10-1-15 Offensive Premises

A. It is unlawful for any person to suffer or permit any premises belonging to, or occupied by him, or any cellar, privy, vault, pool, sewer, or private drain therein to become nauseous, foul, offensive to the senses or prejudicial to the public health or comfort.

B. It is unlawful to a maintain a residence or lot in such a cluttered, unsightly or unkempt condition that it offends the accepted community standards. This includes, but is not limited to, unkept yards, open storage in carports or in front of residences, the parking or storing of inoperable vehicles in other than a fenced rear or side yard, or any other general physical appearance that could be found offensive or degrading to the appearance of the neighborhood.

C. Written notice of violation will be served on the owner or current resident of the property. That person may appeal the requirement to comply with this section within fourteen calendar days. The appeal shall be filed in writing with the town clerk. The appeal will be reviewed by the council at their next regular meeting. Non-compliance within thirty days of receiving the notice of violation (if it is not appealed) or thirty days from date of denial of appeal, will result in a citation for failure to maintain acceptable residential appearance.

D. It is unlawful to park recreational vehicles, travel trailers, boats, etc. in the front yard of a residence. If parked in a side yard they can not extend closer to the street than the front edge of the house.

Exception: Recreational vehicles, travel trailers, boats, etc. may be placed to the side portion of the front yard, not to exceed the width of the side yard of the residence in which it is parked and if the housing structure does not allow parking in the rear or side yard as previously described. Any article listed in this section may not be closer than five feet to the sidewalk.

Variances may be requested and obtained through the board of adjustment when the geographical and physical conditions allow, and safety is not an issue. This provision does not supersede the adopted fire code or the duties and powers of the fire chief.

Section 10-1-16 Prohibited Activities in Parks

A. No person shall bring any bottles onto the municipal parks, lake areas or ball fields or the parking area adjacent thereto. Beverage bottles are prohibited in these areas. The breaking or scattering of any type of glass or bottles in the parks, lake areas or ball fields or the parking areas adjacent thereto is also prohibited.

B. No person shall dump, spill, deposit, place, throw or leave refuse, rubbish, filthy or odor causing objects, substances or other trash in the parks or ball fields.

C. Damaging, tampering with buildings, fencing, toilets, water or sewer facilities, drinking fountains, equipment and other park, lake or ball field facilities is prohibited. Tampering with, or causing the power or lighting facilities of the town parks or ball fields to be turned on without prior approval of the town manager is prohibited.

D. No person shall drive or ride, at any time, any automobile, truck, motorcycle, motor scooter or other motor vehicle or animal upon the grounds at any town park, ball field or playground except in public streets running through or adjacent to such premises or within designated parking areas located upon the premises, without the express written permission of the town manager.

OFFENSES

Section 10-1-17 Register to be Kept by Second-Hand Dealers

Every pawnbroker, second-hand dealer or junk collector within the town shall keep a well-bound book at their place of business in which a complete record of all business transactions shall be entered, in the English language, in a clear and legible manner, at the time the transaction takes place. The book shall contain a description of the items bought or sold, the name of the person buying or selling the item and the date and time each transaction took place. The book shall be available at all times for inspection by the chief of police or any police officer designated by the chief of police.

Section 10-1-18 Searchlights

It is unlawful for any person to operate within the town any incandescent or arc-type searchlight, beacon light or similar lighting device designed to and capable of projecting a beam of light into the sky for a distance in excess of one-half mile unless permission is obtained from the council. The provisions of this section shall not apply to emergency searchlights or beacons operated pursuant to public authority.

Section 10-1-19 Signs and Banners

It is unlawful for any person to place any banner or sign upon any town property, streetlight pole, traffic signal pole or utility pole within the town without first obtaining authorization from the council.

Section 10-1-20 Skateboards

It is unlawful for anyone to ride a skateboard, roller skates, rollerblades or other type of operator powered wheeled device on the sidewalks in front of the business establishments on Alden, if such riding creates a hazard or nuisance to either the operators of such businesses or to pedestrians using the sidewalks. Enforcement of this section will be based upon specific incident complaints.

Section 10-1-21 Unhealthful Premises

It is unlawful for any person to live in any house, building, mobile home, trailer, etc., unless it has properly connected and operating water and sewer utilities. No residence shall be kept in such an unclean or unhealthful state that it may endanger the health of or offend the senses of other members of the community.

Section 10-1-22 Unsafe Buildings or Structures

It is unlawful for any person to maintain or allow any building or structure so old, dilapidated or out of repair as to be dangerous, unsafe, unsanitary or otherwise unfit for human use.

OFFENSES

Section 10-1-23 Water - Flow Upon Streets Prohibited

A. It is unlawful for any person to willfully or negligently permit or cause the escape or flow of water in such quantity as to cause flooding, or to impede vehicular or pedestrian traffic, to create a hazardous condition to such traffic, or to cause damage to the public streets of the town.

B. It is unlawful for any person to willfully or negligently permit or cause the escape or flow of irrigation water in such quantity as to cause flooding, to impede vehicular or pedestrian traffic, to create a hazardous condition to such traffic, or to cause damage to the public streets of the town through failure or neglect to properly operate or maintain any irrigation structure, delivery ditch or waste ditch in which said person had vested right or interest or through the willful or negligent failure of said person to accept irrigation water after it has been ordered by him.

C. No filthy or offensive water shall at any time be poured, thrown, sprinkled or put in or upon any street, ditch, land, court, square, alley, vacant lot or public place within the town.

Section 10-1-24 Weapons

A. It is unlawful to discharge a firearm within the limits of town except:

1. In necessary self-defense as defined by law.

2. On a properly supervised range.

3. In an area recommended as a hunting area by the Arizona Game and Fish Department, approved and posted as required by the chief of police; except that any such area may be closed when deemed unsafe by the chief of police or the director of the Game and Fish Department.

4. For the control of nuisance wildlife by permit from the Arizona Game and Fish Department of the United States Fish and Wildlife Service.

5. By special permit of the chief of police of the town.

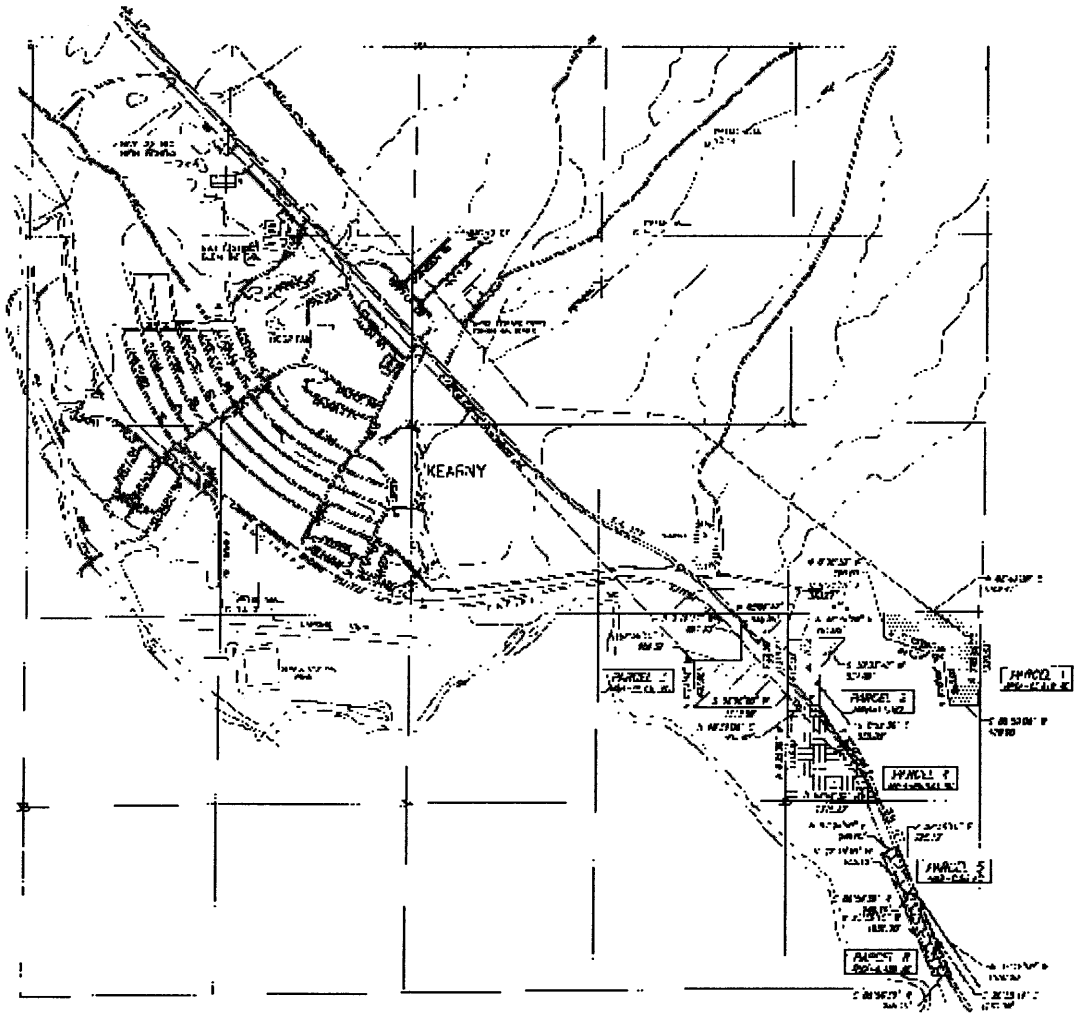
B. For the purposes of this section, a properly supervised range means a range operated by a club affiliated with the National Rifle Association of America, the amateur trapshooting association, the national skeet organization, or any other nationally recognized organization, any agency of the federal government, State of Arizona, county or city within which the range is located, or any public or private school. In the case of air or carbon dioxide gas operated guns or underground ranges on private or public property, such ranges may be operated with adult supervision.

C. For the purpose of this section, the term "firearm" means any device which expels a projectile by means of expanding gases.

D. It is unlawful for any person to discharge any spring or air gun of any description including BB guns within the town.

ATTACHMENT F

MAP DEPICTING LOCATION OF TOWN DECREED LANDS



PARCEL	LEGEND	ASSESSOR'S PARCELS
PARCEL 1		301-18-1C
PARCEL 2		ADOT R/W; 301-18-1C, & 19
PARCEL 3		ADOT R/W; 301-18-1C, & 19
PARCEL 4		ADOT R/W; 301-18-1B, 1C, & 5, 19
PARCEL 5		ADOT R/W; 301-18-7, 8, 15; 301-19-7A, 1C, 1D, 19
PARCEL 6		ADOT R/W; 301-18-2, 10

ASSESSOR'S PARCEL	2002 OWNER PER PINAL CO OR AZ TAX ASSESSOR
301-18-1D	CHARLES W. STEVENS; 5308 E TERENCE DRIVE T; KEARNY, AZ 85137
301-18-1C	ASARCO INC, PO BOX 8; HAYDEN, AZ 85135
301-18-7	ASARCO INC, PO BOX 8; HAYDEN, AZ 85235
301-18-8	COPPER BASIN RAILROAD; PO BOX 28302; PANAMA CITY BEACH, FL 32411
301-18-9	COPPER BASIN RAILROAD; PO BOX 28302; PANAMA CITY BEACH, FL 32411
301-18-15	COPPER BASIN RAILROAD; PO BOX 28302; PANAMA CITY BEACH, FL 32411
301-18-19	COPPER BASIN RAILROAD; PO BOX 28302; PANAMA CITY BEACH, FL 32411
301-19-5A	ASARCO INC; PO BOX 8; HAYDEN, AZ 85235
301-19-1C	FRANCISCO H. RODRIGUEZ; PO BOX 21; KEARNY, AZ 85137
301-19-1D	ASARCO INC, PO BOX 8; HAYDEN, AZ 85235
301-19-19	COPPER BASIN RAILROAD; PO BOX 28302; PANAMA CITY BEACH, FL 32411

TOWNSHIP 4 SOUTH – RANGE 14 EAST
GILA AND SALT RIVER MERIDIAN, ARIZONA

KENNEY AERIAL

N

CRESCENT RANCH AREA
WATER RIGHTS TRANSFER
PARCELS 1-6
PER DOCKET 336, P. 247, PCR

Project No.	Date	Sheet No.
28070	May 2002	1 of 1
Designer	Drawn	Checked
T.D.H.	T.S.H.	D.H.H.

HUBBARD ENGINEERING
Civil Engineers & Land Surveyors

Final Execution Version
October 21, 2005

EXHIBIT 26.5

AMENDED AND RESTATED AGREEMENT AMONG GILA RIVER INDIAN COMMUNITY, THE SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, THE UNITED STATES AND THE TOWN OF MAMMOTH

This Agreement is entered into as of the date executed below, by and among the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the Town of Mammoth, and the United States of America, in the capacity as set forth herein.

1.0 RECITALS

1.1 Proceedings to determine the nature and extent of the rights to water of the Community, the District, the Town, the United States, and other claimants are pending in the Gila River Adjudication Proceedings, and enforcement actions regarding the interpretation and enforcement of the Globe Equity Decree are pending before the Globe Equity Enforcement Court.

1.2 Recognizing that final resolution of these and other pending proceedings may take many years, entail great expense, prolong uncertainty concerning the availability of water supplies, and seriously impair the long-term economic well-being of all Parties to the Settlement Agreement, the Community, the District, the Town, and the United States have agreed to settle the disputes that are among them.

1.3 In fulfillment of its trust responsibility to Indian tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to settle water rights claims of Indian tribes without lengthy and costly litigation.

1.4 The Town asserts certain rights to use water for M&I Use within Pinal County.

1.5 The Town Diverts and delivers water for its M&I Uses through a system of wells, pumps and pipelines along the San Pedro River, which facilities are described and shown in Attachment A.

1.6 The Act provides for the settlement of water rights claims of the Community for agreement among the Town, the Community, the District, the United States, and certain other named parties.

1.7 Accordingly, the Parties to this Agreement have agreed to settle water rights and damage claims of the Community permanently as provided for in the Settlement Agreement and to resolve permanently any disputes between the Town, the Community, the District and the United States over the use of water by the Town as set forth in this Agreement.

NOW, THEREFORE, in consideration for the mutual promises contained in this Agreement and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Town, the Community, the District and the United States agree as follows:

2.0 DEFINITIONS

Capitalized terms in this Agreement that are not expressly defined herein shall have the same meaning as in the Settlement Agreement. The following terms shall have the following meanings when capitalized in this Agreement:

2.1 "Agreement" shall mean this amended and restated agreement and the attachments hereto, which are incorporated herein by reference.

2.2 "Allocates", "Allocated", "Allocating" or "Allocation" shall mean the dedication to the Water Budget by the Town of water from one or more of the sources authorized by this Agreement for a period of two (2) or more Years to justify an increase in the Water Budget pursuant to Subparagraph 5.1.

2.3 "Attachment" shall mean an attachment to this Agreement.

2.4 "Divert" or "Diverting" shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP water, or Effluent by means of a ditch, canal, flume, bypass, pipe line, pit, collection or infiltration gallery, conduit, well, Pump, turnout, or other mechanical device or any other human act.

2.5 "Effective Date" shall mean December 31, 2002.

2.6 "Effluent" shall mean water that has been used for domestic, municipal, or industrial purposes, and treated by the Town in a wastewater treatment facility, and that is available for reuse for any purpose; provided, however, that the Parties express no view herein as to whether Effluent retains its character as such once discharged into the San Pedro River.

2.7 "Effluent Credit" shall mean a credit against either: (i) Diversions counted against the Water Budget; or (ii) a mitigation requirement established pursuant to Paragraph 10.0, as calculated pursuant to Subparagraph 7.2.

2.8 "Effluent Storage Credits" shall mean the groundwater storage credits to which the Town is entitled for Recharged Effluent as calculated pursuant to the terms and conditions set forth in Subparagraph 7.6.3.2.

2.9 "Gila River Impact Zone" shall be that area so depicted on Attachment B.1.

2.10 "Gila River Indian Community" or "Community" shall mean the government, composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (25 U.S.C. 476).

2.11 "Impact Zones" shall mean the Gila River Impact Zone, Middle Gila River Impact Zone and the San Pedro Impact Zone.

2.12 "Initial Water Budget" shall mean the amount of water used by the Town that the Community, the District and the United States agree not to challenge pursuant to the terms of this Agreement. The Initial Water Budget is three hundred (300) AFY from Town Wells. Whether, and the extent to which, Pumping from a well located outside the exterior boundaries of the Impact Zones results in a cone of depression that extends into an Impact Zone and is considered to be Diverting water from within an Impact Zone shall be determined in accordance with the cone of depression test standard that is to be determined by the Gila River Adjudication Court.

2.13 "M&I Uses" shall mean the use of water for municipal, industrial, commercial, residential or other non-agricultural purposes within the area served by the Town.

2.14 "Middle Gila River" shall mean the Gila River and its tributaries upstream of Ashurst-Hayden Diversion Dam and downstream of Coolidge Dam.

2.15 "Middle Gila River Impact Zone" shall mean the area so depicted on Attachment B.3.

2.15A "Miscellaneous Flow Lands" shall mean those lands, if any, that are not a part of the Project, that have water rights that are recognized in the Globe Equity Decree to some portion of the Natural Flow, and whose water is diverted at the Ashurst-Hayden Diversion Dam or any successor diversion point that may be permitted pursuant to the Globe Equity Decree.

2.16 "Paragraph" shall mean a paragraph of this Agreement.

2.17 Party" shall mean an entity represented by a signatory to this Agreement and "Parties" shall mean all such entities. The United States participation as a Party shall be in the capacity as described in Subparagraph 2.30.

2.18 "Phreatophyte" shall mean a deep rooted plant that grows in locations in which the root system reaches the water table, or the capillary zone immediately above the water table, deriving a perennial and secure supply of water from such source.

2.19 "Pump", "Pumped" or "Pumping" shall mean the withdrawal of Underground Water from a well.

2.20 "Recharged Effluent" shall mean Effluent that the Town has recharged in accordance with Subparagraph 7.6.

2.21 "Recovered Effluent" shall mean Recharged Effluent that the Town has recovered in accordance with Subparagraph 7.6.

2.22 "San Carlos Irrigation and Drainage District" or "the District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

2.23 "San Carlos Irrigation Project" or the "Project" shall mean the San Carlos irrigation project authorized under the Act of June 7, 1924 (43 Stat. 475). The term "San Carlos Irrigation Project" or "Project" includes any amendments and supplements to the act described in the preceding sentence.

2.24 "San Pedro Impact Zone" means the San Pedro Ag and New Large Industrial Use Impact Zone as shown in exhibit 2.146B of the Settlement Agreement, and in Attachment B.3.

2.25 "Settlement Agreement" shall mean the Amended and Restated Gila River Indian Community Water Settlement Agreement, including all Exhibits thereto (as that term is defined therein), authorized and approved by the Act and entered into among the Community, the District, the Town, the United States, the State, and certain other named parties.

2.26 "Subparagraph" shall mean a subparagraph of this Agreement.

2.27 "Town of Mammoth" or "Town" shall mean the Town of Mammoth, Arizona, a municipal corporation.

2.28 "Town Wells" shall mean the wells shown on Attachment A.1.

2.29 "Underground Water" shall mean any water beneath the surface of the earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

2.30 "United States" or "United States of America" shall mean the United States of America: (i) acting as trustee on behalf of the Community, Members, and Allottees; (ii) to the extent the United States holds legal title to (but not the beneficial interest in) the Water Rights as described in article V or VI of the Globe Equity Decree (but not on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree) on behalf of lands within the Project and Miscellaneous Flow Lands; and (iii) in no other capacity.

2.31 "Water Budget" shall mean the Initial Water Budget and any modifications thereto as authorized by this Agreement that may be in effect from time to time.

2.32 "Water Use Plan" shall mean the plan to be adopted by the Town identifying projected water uses and permanent water source options in accordance with Subparagraph 4.4.

3.0 ATTACHMENTS

Following is a list that constitutes the attachments to this Agreement:

Attachment	Description
A.1	Map depicting location of Town Wells, pumps and pipelines
B.1	Map of Gila River Impact Zone
B.2	Map of Middle Gila River Impact Zone

B.3	Map of San Pedro Impact Zone
C	Effluent Credit Storage and Recovery Provisions
D	Sample Accounting Spreadsheet
E	General Nuisance Abatement Ordinance

4.0 WATER BUDGET

4.1 The Town shall be entitled to Divert and use the Initial Water Budget.

4.2 By the end of the fifth Year following the Enforceability Date, the Town shall have developed and provided to the Parties a Water Use Plan that shall identify all projected water uses. If the projected M&I Water uses in the Water Use Plan are in excess of the Initial Water Budget, the Town shall identify in the Water Use Plan one or more methods of Allocating water sources to increase the Water Budget as authorized by this Agreement. The Town shall implement such Water Use Plan by the beginning of the sixth (6th) Year following the Enforceability Date. The Town shall update such Water Use Plan as necessary to project future needs and ensure stable and reliable water sources to off-set potential future increased Diversions as provided in this Agreement. Each Water Use Plan shall also identify any sources of water that the Town has Allocated to the Water Budget and the total amount of the Water Budget then in effect for the period covered by such Water Use Plan. The total amount of the Water Budget identified in any given Water Use Plan shall be definitive for purposes of this Agreement for the period covered thereby and shall remain in effect for at least one Year.

4.3 The Town shall not Divert more water than the then applicable Water Budget as accounted for pursuant to Paragraph 11.0, except under the circumstances and pursuant to the mitigation requirements described in Paragraph 10.0.

5.0 MODIFICATIONS TO WATER BUDGET; TEMPORARY EXCEEDANCE OF WATER BUDGET

5.1 The Town may increase its Water Budget from time to time to the extent that the Town obtains and retains the right to Divert and use additional water as set forth in Paragraphs 6.0 through 8.0, and Allocates such additional water to its Water Budget, as described in the then current Water Use Plan. The Town shall amend its Water Use Plan to reflect the Allocation of additional water and no increase in the Water Budget shall be effective until the Water Use Plan has been amended to reflect such Allocation. The following shall be acceptable methods for the Town to increase the Water Budget:

5.1.1 Subject to the requisite court approvals, the Town may obtain water from sources other than the Impact Zones, including water obtained and delivered pursuant to a lease of CAP water, and exchange such water with the Community or the District. The Town shall be entitled to increase its Water Budget by one (1) acre-foot for each one (1) acre-foot of water contractually obligated for delivery to the Community or the District pursuant to such exchange.

5.1.2 In accordance with Paragraph 6.0, the Town may convert the use of any waters Diverted from with the San Pedro River Impact Zone from Irrigation Use to M&I Use; provided, however, that all such lands and

waters in respect of such lands shall be fully subject to the requirements of subparagraph 26.8 of the Settlement Agreement.

5.1.3 In accordance with Paragraph 7.0, the Town may discharge Effluent into the San Pedro River. This Subparagraph 5.1.3 shall not be construed as a restriction against the Town's use of Effluent for other purposes.

5.1.4 The Town may purchase or lease existing M&I water use facilities within the San Pedro Impact Zone downstream from the confluence of Aravaipa Creek for use in the San Pedro Impact Zone if such water use facilities have an established water use that is not in violation of or contrary to applicable law and is authorized by the Settlement Agreement. The Town may also substitute its water services for existing domestic uses of water within the San Pedro Impact Zone to the extent that the existing use of water is extinguished. The Town shall be entitled to increase its Water Budget by the average amount shown to have been Diverted by such water use facilities over the five (5) Years immediately preceding the date of the Town's acquisition of such facilities. This Subparagraph 5.1.4 shall not be construed as a restriction against Diversions and use of water for M&I Uses by the Town from existing or new M&I water use facilities located outside of the Impact Zones.

5.1.5 Subject to the provisions of Subparagraph 8.3, the Town may Divert Underground Water from wells located outside of the Impact Zones. The Town shall be entitled to increase its Water Budget by one (1) acre-foot for each one (1) acre-foot of such Underground Water that is Allocated to the Water Budget. This Subparagraph 5.1.5 shall not be construed as a restriction against Diversions and use by the Town from wells located outside of the Impact Zones for M&I Uses. Whether, and the extent to which, Pumping from a well located outside the exterior boundary of the

Impact Zones results in a cone of depression that extends into the Impact Zones and is considered to be Diverting water from within an Impact Zone shall be determined in accordance with the cone of depression test standard that is to be determined by the Gila River Adjudication Court.

5.1.6 The Town may obtain water through water salvage projects in accordance with applicable law.

5.1.7 The Town may increase its Water Budget pursuant to any other method mutually acceptable to the Town, the Community and the District.

5.2 To the extent that the acquisition or use of additional sources of water as described in Subparagraph 5.1 are subject to the approval of other persons or entities, or subject to compliance requirements imposed by other persons or entities, the burden of obtaining such approvals or meeting such compliance requirements is solely and exclusively the burden of the Town and no other Party.

5.3 All costs associated with the acquisition and delivery of water for the benefit of the Community and/or the District pursuant to Subparagraph 5.1 shall be borne by the Town.

5.4 The Parties recognize that from time to time, the Town's M&I Uses may fluctuate on a short-term basis (meaning an increase in need for water for a period of less than one (1) Year). Therefore, notwithstanding Paragraph 4.0 and Subparagraph 5.1 (and the Water Budget then in effect), the Town may exceed its applicable Water Budget in a given Year if:

5.4.1 The need for such increase is due to an unexpected contingency or emergency that would not have been reasonably foreseeable pursuant to prudent water management planning;

5.4.2 The need for such increase is not on a recurring basis; and

5.4.3 Within the Year immediately following such unexpected and nonrecurring use of water for M&I Uses, the Town mitigates the amount of such excess use in accordance with an approved mitigation method described in Paragraph 10.0.

5.5 If the needed increase is to be on a recurring basis, the Town shall amend the Water Use Plan to ensure that in the Year immediately following such need, a water supply source is secured and Allocated to allow for an increase in the Water Budget pursuant to one of the methods set forth in Subparagraph 5.1.

5.6 If the Town fails to amend the Water Use Plan in accordance with Subparagraph 5.5 and exceeds the Water Budget then in effect for two (2) or more consecutive Years, the Town shall mitigate in accordance with Subparagraph 10.2.1.

5.7 Notwithstanding the requirement that an Allocation of water be made for a period of two (2) years or more, as set forth in Subparagraph 2.2, the Town may substitute a water source authorized pursuant to this Agreement for any source previously Allocated to the Water Budget by Allocating such substitute water source pursuant to Subparagraph 4.3; provided, however, that the substitute water is Allocated to the Water Budget for a minimum of two (2) Years.

6.0 CONVERSION OF WATER RIGHTS TO M&I USE

6.1 For any right to Divert that is severed, transferred or converted to M&I Uses by the Town or on the Town's behalf, and for any rights to Divert that have previously been converted and that are conveyed to the Town, the Town may increase its Water Budget by the lesser of the converted amount or two and one-half (2.5) AFY per acre.

6.2 The Town shall not seek to transfer any converted right to any other entity or person in an amount greater than the lesser of the converted amount or two and one-half (2.5) AFY per acre. The Town shall not retain any portion of any converted right so transferred.

7.0 EFFLUENT

7.1 The Town shall have the right, but not the obligation, to lawfully: (i) Allocate Effluent to the Water Budget in accordance with this Agreement; (ii) discharge Effluent into the San Pedro Impact Zone, within or downstream of the area served by the Town; and (iii) use Effluent for recharge or any other lawful purpose.

7.2 The Town shall be entitled to Effluent Credits only after the Town's Diversion of water has reached a total of three hundred (300) AFY. The Town shall not receive any such Effluent credits for the first one hundred (100) AFY of Effluent produced by the Town. The Town's entitlement to Effluent Credits shall be calculated as follows:

7.2.1 If the Town discharges Effluent to the San Pedro Impact Zone, within or downstream of the area served by the Town, the Town shall receive an

Effluent Credit in the amount of one (1) acre-foot for each one (1) acre-foot of Effluent so discharged in the Year in which such discharge occurs;

7.2.2 If the Town uses Effluent for irrigation on a new: (i) golf course; (ii) park; or (iii) other similar area within the San Pedro Impact Zone, within or downstream of the area served by the Town, the Town shall be entitled to receive an Effluent Credit in the amount of thirty-five one hundredths (35/100) acre-foot for each one (1) acre-foot of Effluent so applied in the Year in which such application occurs.

7.2.3 If the Town sells a portion of its Effluent to a third party, the Town shall not receive Effluent Credit for any Effluent sold.

7.3 Except for Effluent Allocated to the Water Budget pursuant to Subparagraph 5.1.3, the Parties expressly agree that any discharge of Effluent at any time to the San Pedro Impact Zone shall not create any continuing obligation on the part of the Town to discharge Effluent at any other time.

7.4 The Town shall provide reasonable notice to the Community and the District with a reasonable opportunity to comment on any proposed plans for significant Effluent use. The Town may provide such notice to the Community and the District by summarizing the Town's proposed use of Effluent in the Town's Water Use Plan.

7.5 The Community, the District and the United States shall not assert any right, title, interest or claim to Effluent produced from Town Diversions, and acknowledge that the Town has full authority and control to determine the use and disposition of the Effluent.

7.6 <u>Recharged Effluent and Recovered Effluent.</u>

7.6.1 The Town may recharge Effluent outside the San Pedro Impact Zone in accordance with applicable State law and such recharge shall not be subject to the terms of this Agreement. The Town shall not be entitled to Divert water from within any Impact Zone on account of any groundwater storage credits that it might receive under State law for having recharged Effluent or water of any nature outside of any Impact Zone. The Town may Divert any water recovered from a recharge facility located outside the Impact Zones in accordance with State law, but only to the extent that such law is at least as restrictive for recharge as the terms and conditions set forth in Attachment C.

7.6.2 The Town may recharge Effluent within the San Pedro Impact Zone in accordance with State law, but only to the extent that such law is at least as restrictive for recharge as the terms and conditions set forth in Attachment C. Effluent thus recharged shall be considered Recharged Effluent for purposes of Subparagraph 7.6.3.

7.6.3 The Town shall recover Recharged Effluent in accordance with State law, but only to the extent that such law is at least as restrictive for recharge as the terms and conditions set forth in Attachment C. Recharged Effluent thus recovered shall be considered Recovered Effluent for purposes of this Agreement.

7.6.3.1 The location of withdrawals of Recharged Effluent shall be determined in accordance with State law, but only to the extent that such law is at

least as restrictive for locating such withdrawals as are required in Attachment C;

7.6.3.2 The Town shall be entitled to withdraw Recharged Effluent in an amount not to exceed the lesser of: (i) the amount authorized pursuant to State Law; (ii) 90% of the amount of Recharged Effluent; or (iii) the amount of the Effluent Storage Credits for such Recharged Effluent to which the Town is entitled as calculated pursuant to the terms and conditions of Attachment C; and

7.6.3.3 Effluent shall not count as a Diversion for purposes of the Town's Water Budget.

8.0 NEW WELLS

8.1 The Community, the District and the United States shall not object to the Town's drilling new or replacement wells within the San Pedro Impact Zone, provided, however, that the Town shall not Divert more water from within the Impact Zones than is consistent with the terms and conditions of this Agreement.

8.2 The Town shall file a notice of intention to drill any well or wells.

8.3 The Town's notice of intention to drill a well shall be (1) served upon the Community and the District not less than ninety (90) days prior to the date that the Town issues a notice to proceed with the drilling of such well and, (2) if required, filed with ADWR. The Community and the District may object to the construction of the well only on the grounds that the operation of the well would violate the terms of this Agreement; provided, however, that if it is determined that the Pumping of water from such well or

from Other Wells would result in a cone of depression that takes water from within the an Impact Zone, then to the extent that the well takes such water from within such Impact Zone, the water Pumped from the well shall be counted against the Town's Water Budget. Failure of the Community or the District to object to the drilling of any well within forty-five (45) days after receipt of notice shall constitute a waiver of that Party's objection to the drilling of that well.

9.0 OTHER WATER PROVISIONS

9.1 The Community, the District and the United States shall not object to the Town's: (i) construction, modification, relocation, and maintenance of conveyance facilities; or (ii) maintenance, operation, repair, deepening and replacement of existing wells.

9.2 The Town shall, if necessary or required, agree to join a water augmentation authority.

9.3 The Town shall not obstruct the flow of the Gila River or the San Pedro River, and, except as provided for in this Agreement, shall not Divert from the Impact Zones.

9.4 The Town agrees to implement reasonable conservation measures in accordance with Town public policy objectives and existing State law.

10.0 MITIGATION

10.1 The Town shall provide mitigation to the Community and the District for the following:

10.1.1 Any exceedance of the Water Budget in any given Year other than a temporary exceedance pursuant to Subparagraph 5.4;

10.1.2 A temporary exceedance of the Water Budget in any given Year pursuant to Subparagraphs 5.4.1 through 5.4.3;

10.1.3 A temporary exceedance of the Water Budget in any given Year pursuant to Subparagraph 5.5.

10.1.4 Failure to control Phreatophytes in accordance with the provisions of Paragraph 12.0.

10.2 Terms and conditions of mitigation.

10.2.1 For mitigation required pursuant to Subparagraphs 10.1.1 and 10.1.3, during the Year following the Year in which the event requiring mitigation occurred, the Town shall provide to the Community and the District no less than one and one-tenth (1.1) acre-feet of water for each one (1) acre-foot of water Diverted in excess of the Water Budget in effect at the time of the exceedance as determined pursuant to this Agreement.

10.2.2 For mitigation required pursuant to Subparagraph 10.1.2, during the Year following the Year in which the event requiring mitigation occurred, the Town shall provide to the Community and the District no less than one (1) acre-foot of water for each one (1) acre-foot of water Diverted in excess of the Water Budget in effect at the time of the exceedance as determined pursuant to this Agreement.

10.2.3 For mitigation required pursuant to Subparagraph 10.1.4, the Town shall provide to the Community and the District no less than six (6) acre-feet for

each acre of land on which Phreatophytes are growing (as measured by the extent of the Phreatophyte canopy).

10.2.4 The Community and the District shall not be required to accept Effluent for mitigation pursuant to this Paragraph 10.0 except for Effluent provided as mitigation that is discharged into the San Pedro River, within or downstream of the area served by the Town and upstream of Ashurst-Hayden Diversion Dam.

10.2.5 To the extent that the acquisition or use of a source of water to be used for mitigation pursuant to this Paragraph 10.0 is subject to the approval of other persons or entities, or subject to compliance requirements by third parties, the burden of obtaining such approvals or meeting such compliance requirements is solely and exclusively the burden of the mitigating party and not of any other party.

10.2.6 If the Town acquires or obtains a right to use water pursuant to a method authorized in Subparagraphs 5.1.1, 5.1.2 or 5.1.4 but does not Allocate such water to increase the Water Budget, the Town may use such water to fulfill its mitigation requirements as set forth in Subparagraph 10.1. With the exception of mitigation required pursuant to Subparagraph 10.1.2, the non-use of any portion of a then existing Water Budget shall not be deemed mitigation for purposes of this Agreement.

11.0 ACCOUNTING

11.1 The following shall be counted in any given Year by the Town as a Diversion against the Town's Water Budget:

11.1.1 Any water Diverted by the Town from within the Impact Zones, including any water that is determined to be water Diverted from within any Impact Zone by a well located outside of any Impact Zone;

11.1.2 Any water that is Allocated to the Water Budget in the Water Use Plan, whether or not Diverted, for so long as such Allocation remains in effect;

11.1.3 Any water Diverted from within any Impact Zone by any person or entity, other than the Town, for any use within the Town's service area other than those authorized by subparagraph 26.8 of the Settlement Agreement; and

11.1.4 Any water Diverted from the Town Wells.

11.1.5 Any water sold, exchanged or transferred by the Town to a third party if such Diversion would otherwise have been counted against the Water Budget, notwithstanding such sale, exchange or transfer.

11.2 The following shall be reported, but not be counted, by the Town in any given Year as a Diversion against the Town's Water Budget:

11.2.1 Any source of water from outside of the Impact Zones that is not Allocated to the Water Budget in any given Year that does not create a cone of depression that extends into any Impact Zone; and

11.2.2 Recovered Effluent.

11.3 Effluent Credits to which the Town is entitled pursuant to Subparagraph 7.2 shall be used in the Year in which the Town earns such credits.

11.4 For illustrative purposes only, the Parties have developed a sample accounting spreadsheet to demonstrate the accounting for Diversions that count against the Water Budget pursuant to this Paragraph 11.0, a copy of which is attached as Attachment D.

11.5 In the event of any ambiguity in calculating the amount of water Diverted by the Town pursuant to Subparagraph 11.1, or in calculating the amount of water excluded pursuant to Subparagraph 11.2, the Parties' intention is that such ambiguity be resolved so as to avoid counting against the Water Budget any particular source of water more than once in any given Year.

12.0 PHREATOPHYTE CONTROL

12.1 The Town shall manage any agricultural lands it owns or acquires in a manner to keep them reasonably free of Phreatophytes.

12.2 The Town shall manage lands within the Town limits through weed control ordinances to keep them reasonably free of Phreatophytes and to an extent at least as stringent as is required by the General Nuisance Abatement Ordinance in effect as of the Effective Date, a copy of which is attached hereto as Attachment E.

12.3 The Phreatophyte control requirements set forth in Subparagraphs 12.1 and 12.2 shall not apply to: (i) Phreatophytes shown by the town to exist as of the Enforceability Date; or (ii) ornamental trees or plants used for urban landscaping.

13.0 REPORTING

13.1 No later than the Enforceability Date, the Town shall commence installation of metering devices, whose accuracy meets industry standards, on all pumps and other Diversion facilities owned or operated by or for the Town, including all metering of Effluent production and discharges. Such metering devices must be fully installed and operational no later than one (1) year after the Enforceability Date. Thereafter the Town shall operate and maintain the metering devices in accordance with industry standards.

13.2 Beginning on the Enforceability Date, the Town shall keep records of all pumping from all wells and other Diversions, Effluent production, discharges and credits accrued, and shall deliver to the Community and the District a copy of such records together with a summary of the total Diversions within thirty (30) days of the end of each quarter for the preceding quarter. The fourth quarter report for any given Year shall be an annual report for such Year.

14.0 AGREEMENT NOT TO CHALLENGE

14.1 The Community, the District, and the United States hereby agree not to challenge in the Gila River Adjudication, or in any other judicial or administrative proceeding, including the Globe Equity Decree proceedings, the rights of the Town to Divert and use water pursuant to the terms of this Agreement.

15.0 WAIVER, RELEASE OF CLAIMS AND COVENANT NOT TO SUE

15.1 The Town shall be entitled to the waivers and releases described in paragraph 25.0 of the Settlement Agreement and be subject to the limitations on waivers

described therein; provided, however, that the Town and any successor in interest to the Town shall be entitled to such waivers only to the extent that the Town and any successor in interest to the Town complies with the terms, limitations, and obligations provided for in this Agreement.

16.0 ENFORCEMENT

16.1 The rights and obligations under this Agreement may be enforced in the Gila River Adjudication Court, or the Globe Equity Enforcement Court, whichever may have jurisdiction.

16.2 The sovereign immunity of the Community and the United States is waived as provided in section 213(a) of the Act.

17.0 MISCELLANEOUS

17.1 Waiver. No waiver of any breach of any of the terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Agreement.

17.2 Severability. If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Agreement are severable; provided, however, that if the severance would deprive any Party to this

Agreement of its material benefits under this Agreement, that Party to this Agreement shall be released from this Agreement.

17.3 Construction and effect. This Agreement and each of its provisions are to be construed fairly and reasonably. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

17.4 Successors and assigns. Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

17.5 Benefits of agreement. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise from this Agreement.

17.6 Third party beneficiaries. The Parties do not intend that there be any third party beneficiaries of this Agreement.

17.7 Good faith negotiations. This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and no information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party to this Agreement hereto in any legal or administrative proceeding other than a proceeding for the approval of this Agreement and the Settlement Agreement.

17.8 Conflict with Settlement Agreement. If there is a conflict between the provisions of this Agreement and the provisions of the Settlement Agreement, for

purposes of interpreting or enforcing this Agreement only, the provisions of this Agreement shall control.

17.9 Entire Agreement. This Agreement is the entire agreement among the Parties. All previous agreements, statements, contracts and representations by or among the Parties and their agents relating to the subject matter of this Agreement are hereby merged into this Agreement and no evidence of any such agreement, contract, representation or statement shall be admissible to interpret this Agreement. The Parties warrant that they are not relying on any such agreement, contract, representation or statement as a reason for entering this Agreement. Any modification of this Agreement shall be void unless it is in writing and signed by all the Parties.

17.10 No major Federal action. The execution of this Agreement by the Secretary shall not constitute a major Federal action under the National Environmental Policy Act (42 U.S.C. 1531, *et seq.*).

17.11 [Intentionally not used].

17.12 No admission by Town. By entering this Agreement, the Town is not admitting and hereby denies that water Pumped from within any Impact Zone constitutes appropriable subflow or that such Pumping, absent this Agreement, would violate the Globe Equity Decree or applicable law.

17.13 No admission by the Community, the District or the United States. The Community, the District and the United States, by entering this Agreement, do not admit that water Pumped from within any Impact Zone does not constitute appropriable subflow, asserts that such Pumped water does constitute appropriable subflow and asserts

that such Pumping, absent this Agreement, would be subject to objection by the Community, the District, and the United States.

17.14 Counterparts. This Agreement may be executed in multiple originals, each of which shall constitute an original Agreement.

17.15 No prohibition on objections. Except as expressly provided for in this Agreement, nothing in this Agreement or the Settlement Agreement shall be construed to prohibit or in any limit any of the Parties from objecting to, or opposing, or placing conditions on any severance, transfer, change of use or exchange of the water of the Gila River.

17.16 Governing Law. This Agreement shall be construed in accordance with applicable federal and State law.

17.17 Applicability. Nothing in this Agreement shall be construed so as to limit the Parties from entering into additional written agreements for the use of water in excess of the rights set forth herein to the extent that such agreements do not violate the terms and conditions of this Agreement, the Settlement Agreement or applicable law.

17.18 Approval, consent and ratification. Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement.

17.19 Enforceability. This Agreement shall become enforceable on the Enforceability Date of the Settlement Agreement, or upon the execution of this Agreement by all Parties to this Agreement, whichever occurs later.

17.20 Notices. Any notice to be given hereunder shall have been properly given when received by the Officer or Manager designated herein or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows:

AS TO THE TOWN:	Town of Mammoth Mammoth, Arizona Attn: Town Manager
AS TO THE COMMUNITY:	Gila River Indian Community Office of the Governor Post Office Box 97 Sacaton, Arizona 85247
AS TO THE DISTRICT:	General Manager San Carlos Irrigation and Drainage District Post Office Box 218 Coolidge, Arizona 85228
AS TO THE UNITED STATES:	Secretary of the Interior Department of the Interior Washington, D.C. 20240 And Regional Director Western Regional Office Bureau of Indian Affairs Post Office Box 10 Phoenix, Arizona 85001

Or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Paragraph 17.20.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year indicated below.

GILA RIVER INDIAN COMMUNITY

By: _____
Its: _____
Dated: _____

Attest: _____

Approved as
To Form: _____
Its: _____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By: _____
Its:

Dated: _____

Attest: _____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

TOWN OF MAMMOTH

By: _____
Mayor
Dated: _____

Attest: _____
Clerk

Approved as
To Form:_____
Town Attorney for the Town of Mammoth

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Town of Mammoth.

_____
Notary Public

My commission expires:
_____

This Agreement is approved pursuant to the Arizona Water Rights Settlement Act and, to the extent applicable, 25 U.S.C. §81.

THE UNITED STATES OF AMERICA

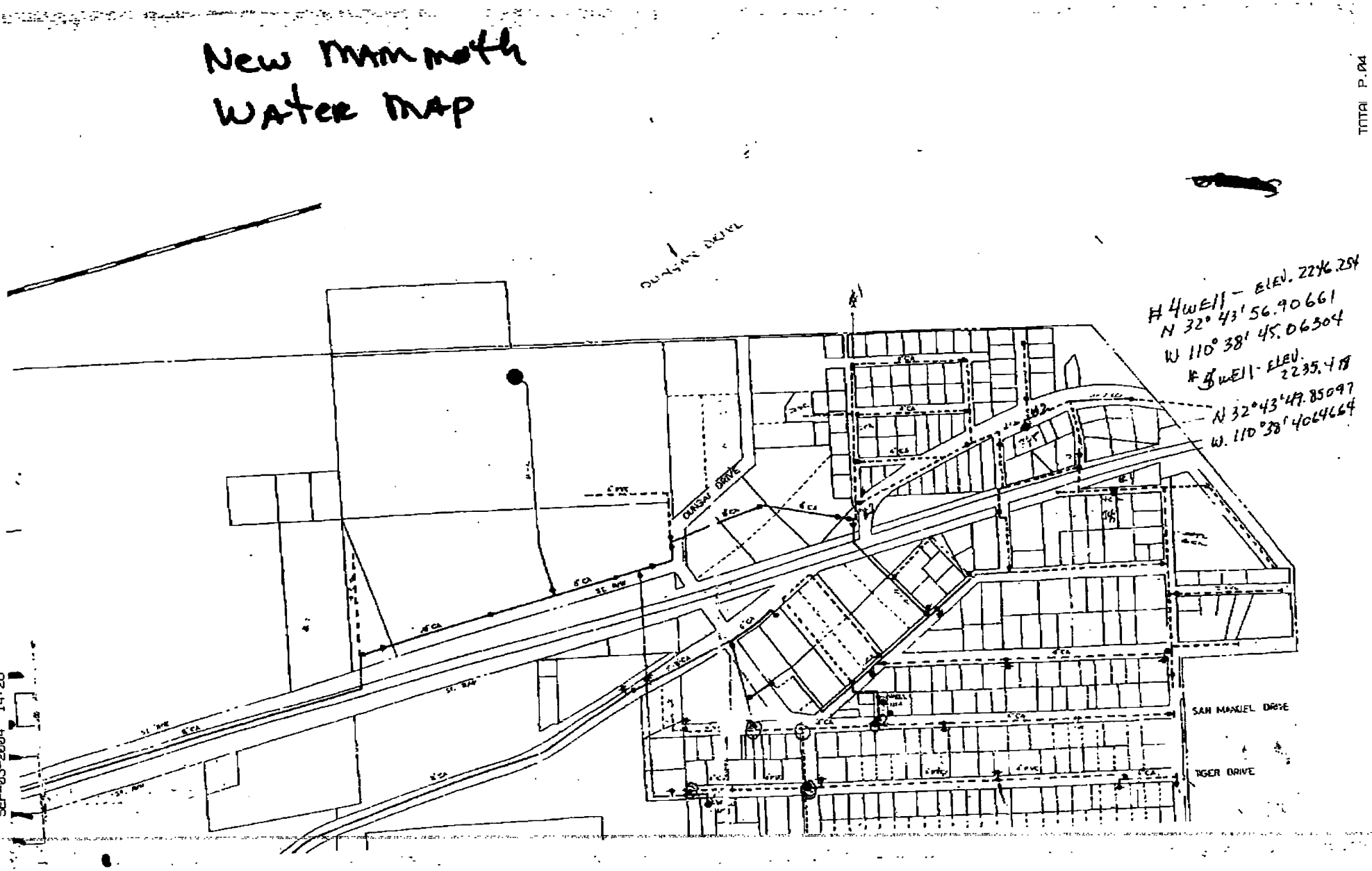
By: _____
Secretary of the Interior

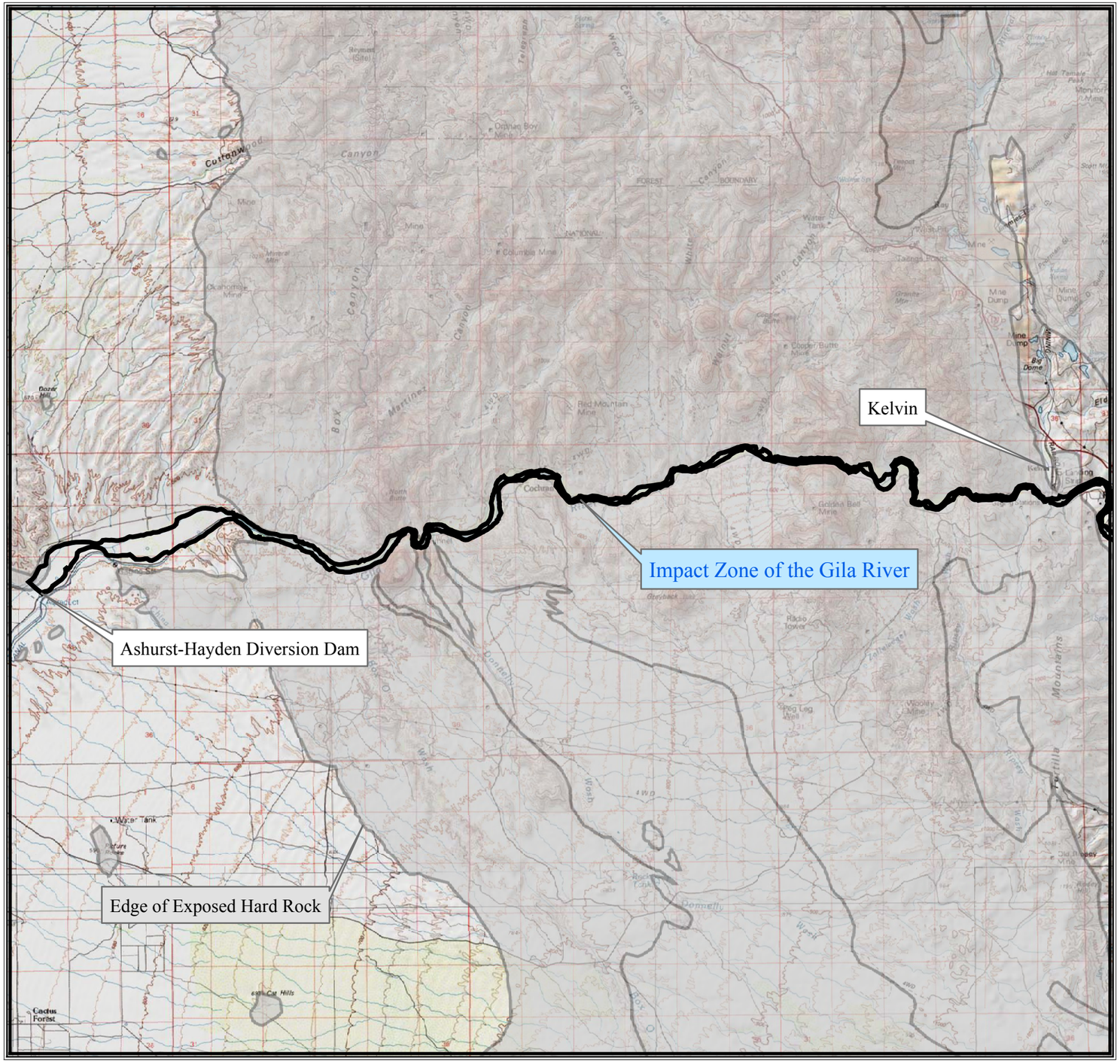
Dated: _____

Attachment A.1

Map depicting location of Town Wells, pumps and pipelines.

New Mammoth Water Map





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More precise depictions of the boundaries of the impact zone can be reproduced at the desired scale from electronic media on file with the Arizona Department of Water Resources.

There is no warranty, guarantee or certification (express or implied) as to the accuracy of this document.

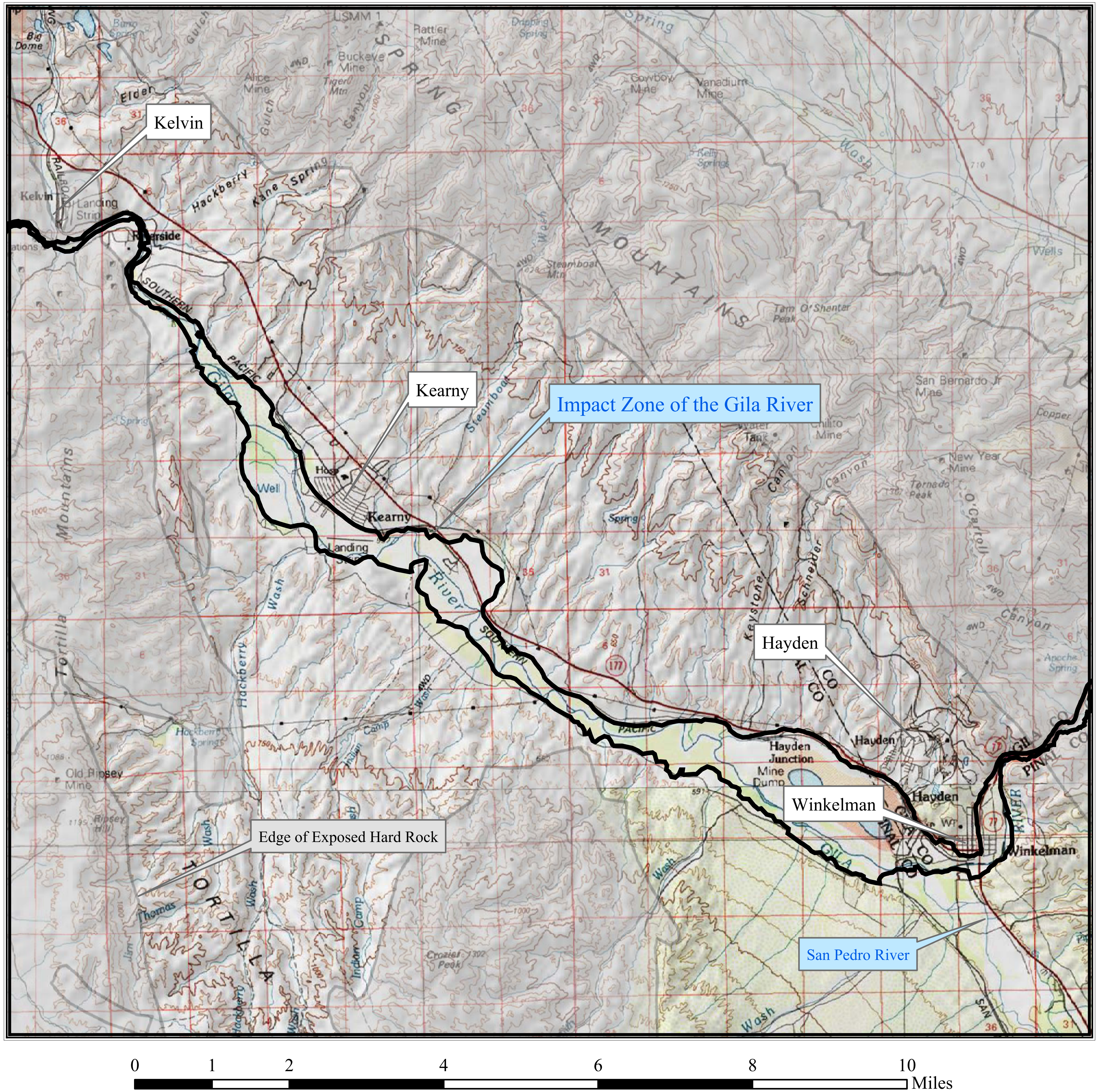
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the Gila River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.1-1
Map of Gila River Impact Zone
Lower Portion - 1 of 3 for Middle Gila River



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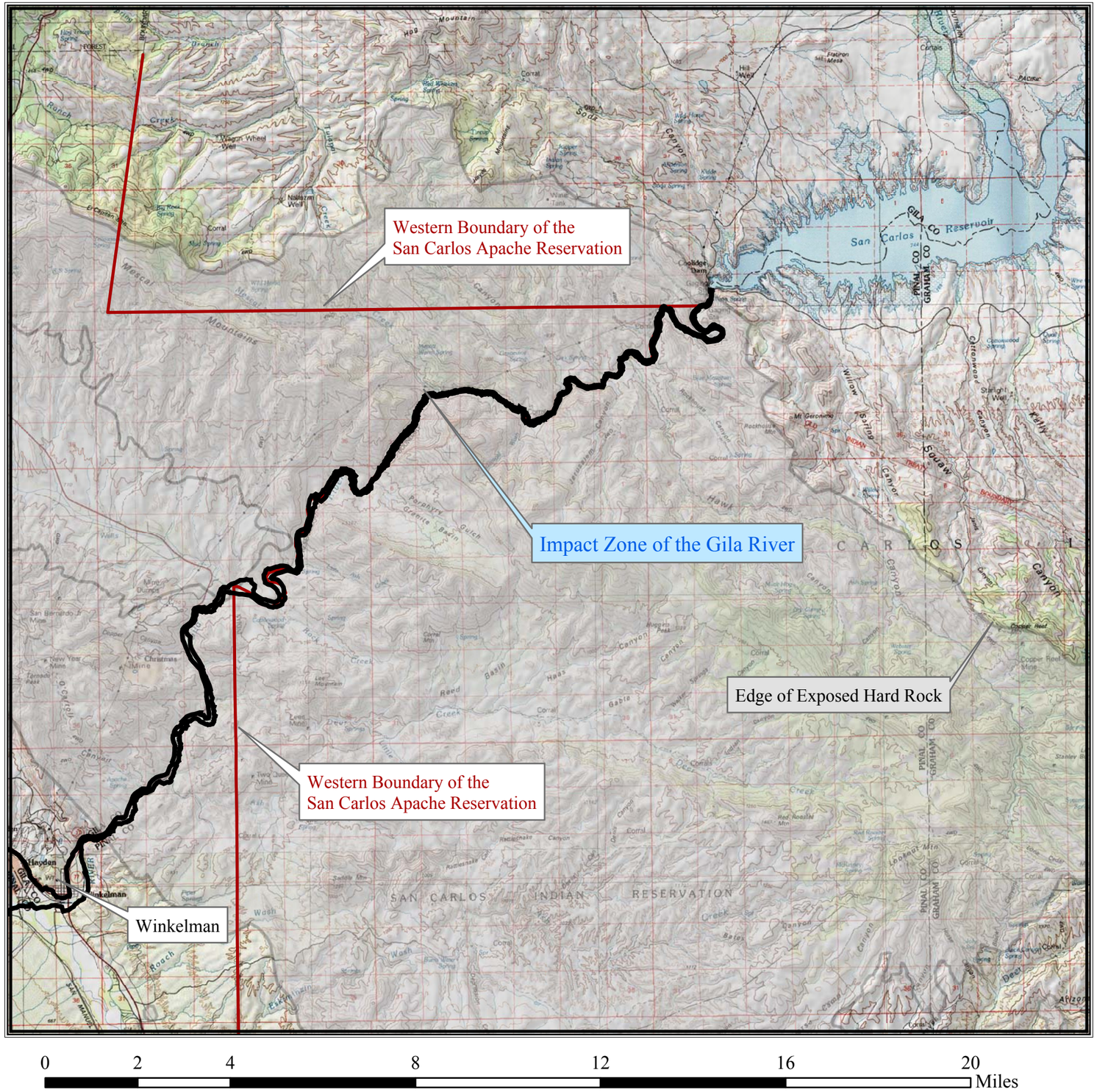
Attachment B.1-2
Map of Gila River Impact Zone
Central Portion - 2 of 3 for Middle Gila River



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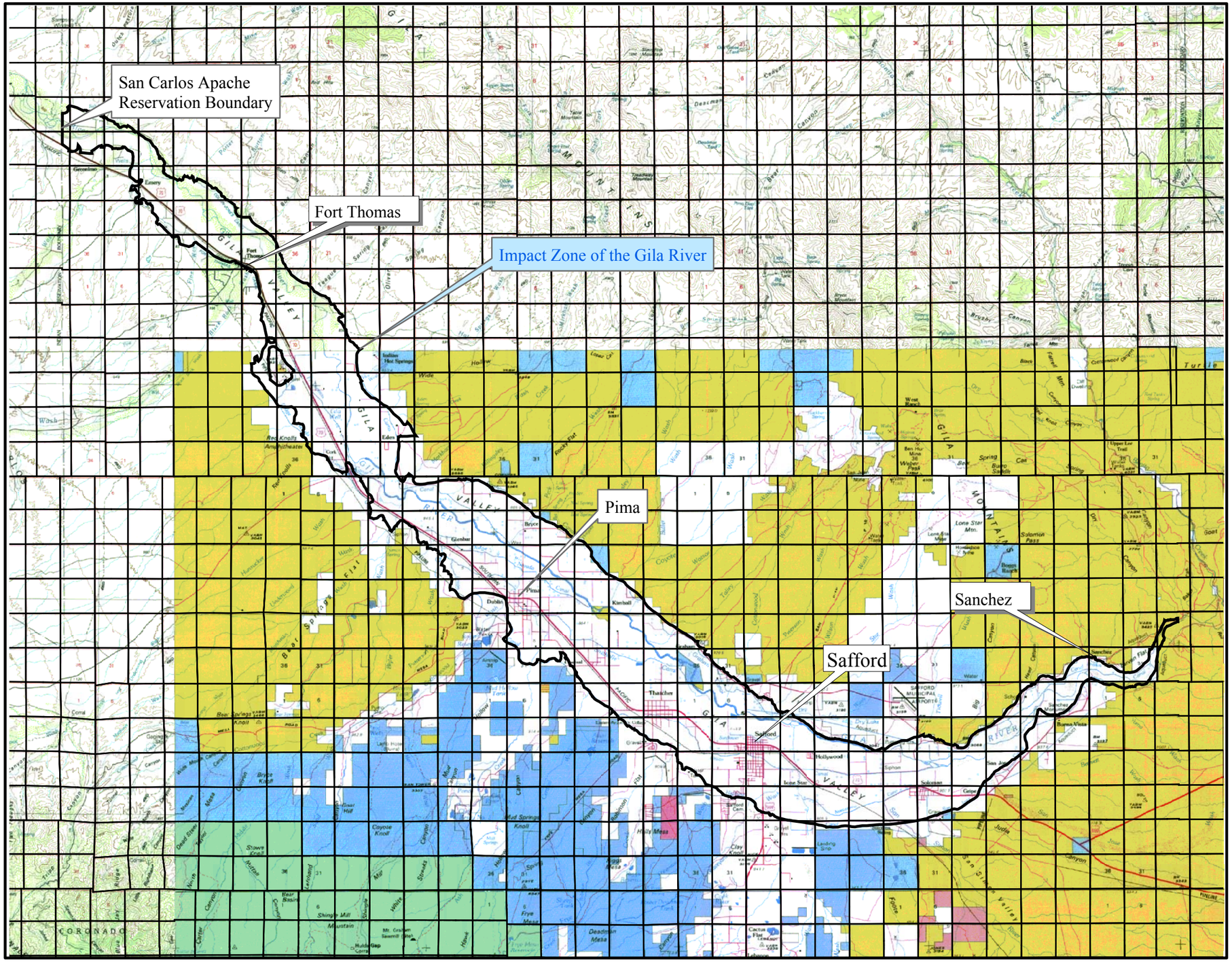
Attachment B.1-3
Map of Gila River Impact Zone
Upper Portion - 3 of 3 for Middle Gila River



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Explanation:

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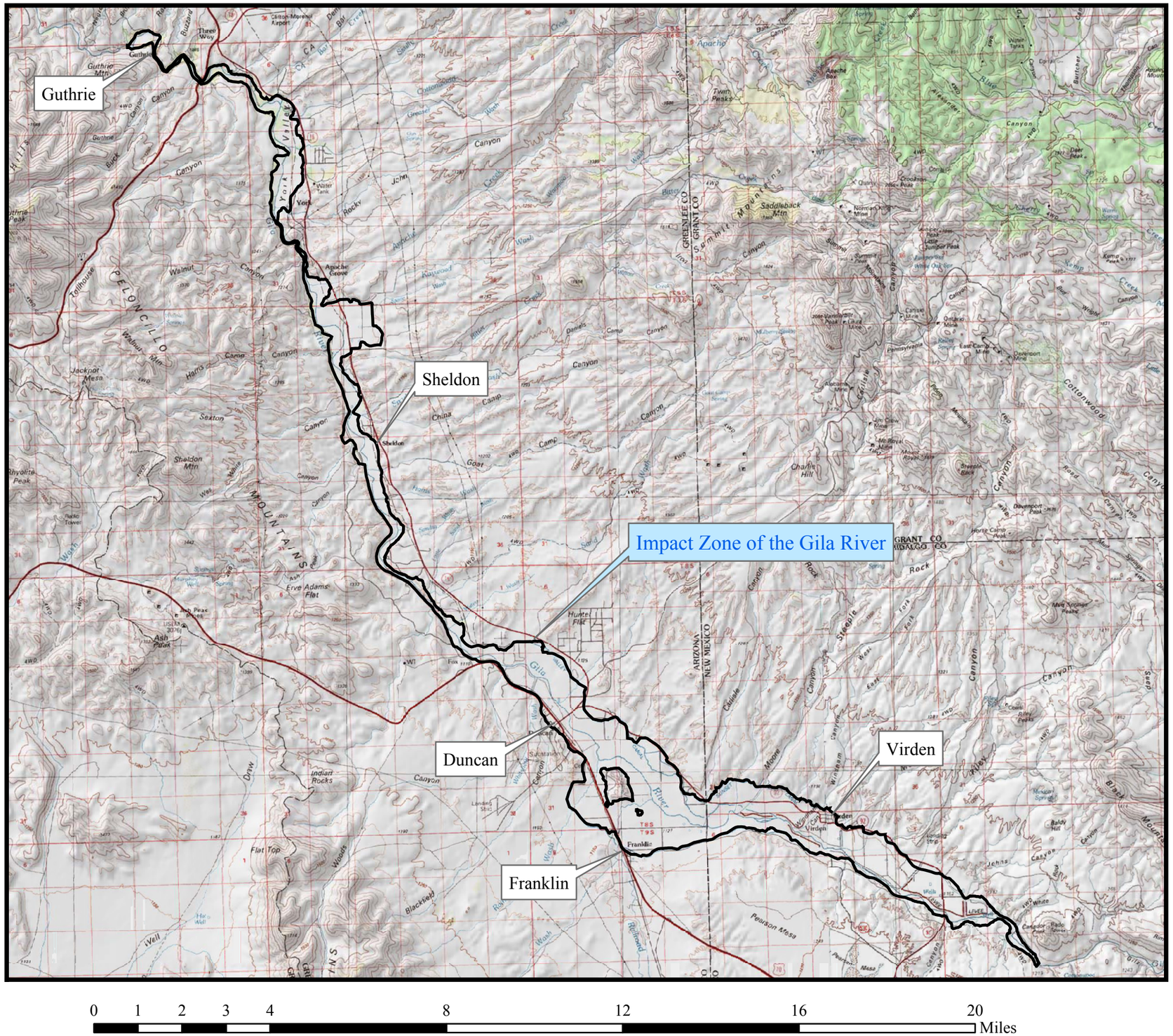
Attachment B.1-4
Map of Gila River Impact Zone in Vicinity of Safford, Arizona



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Explanation:

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One - mile squares are Sections

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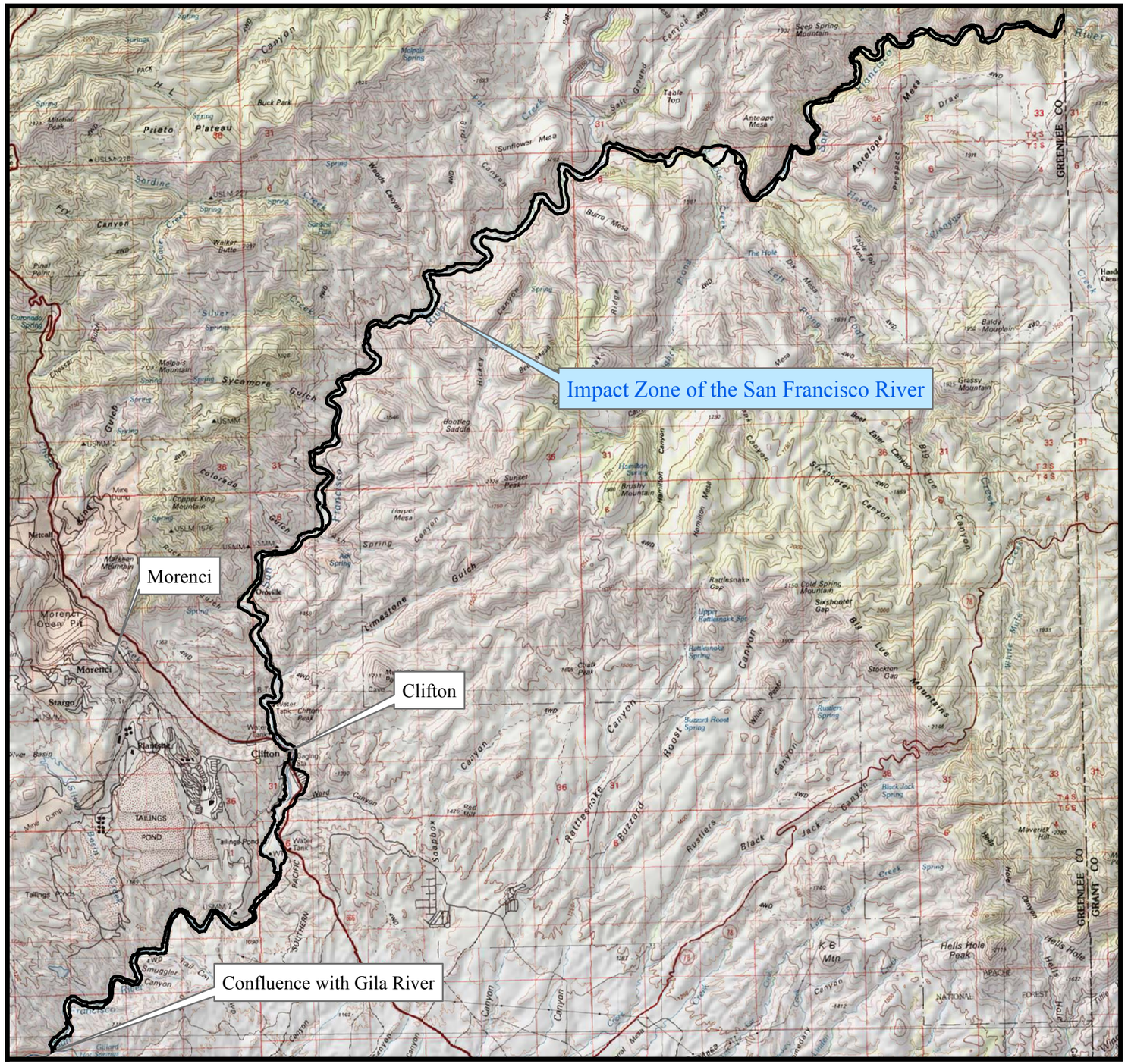
Attachment B.1-5
Map of Gila River Impact Zone in Vicinity of Duncan Valley, Arizona and Virden Valley, New Mexico



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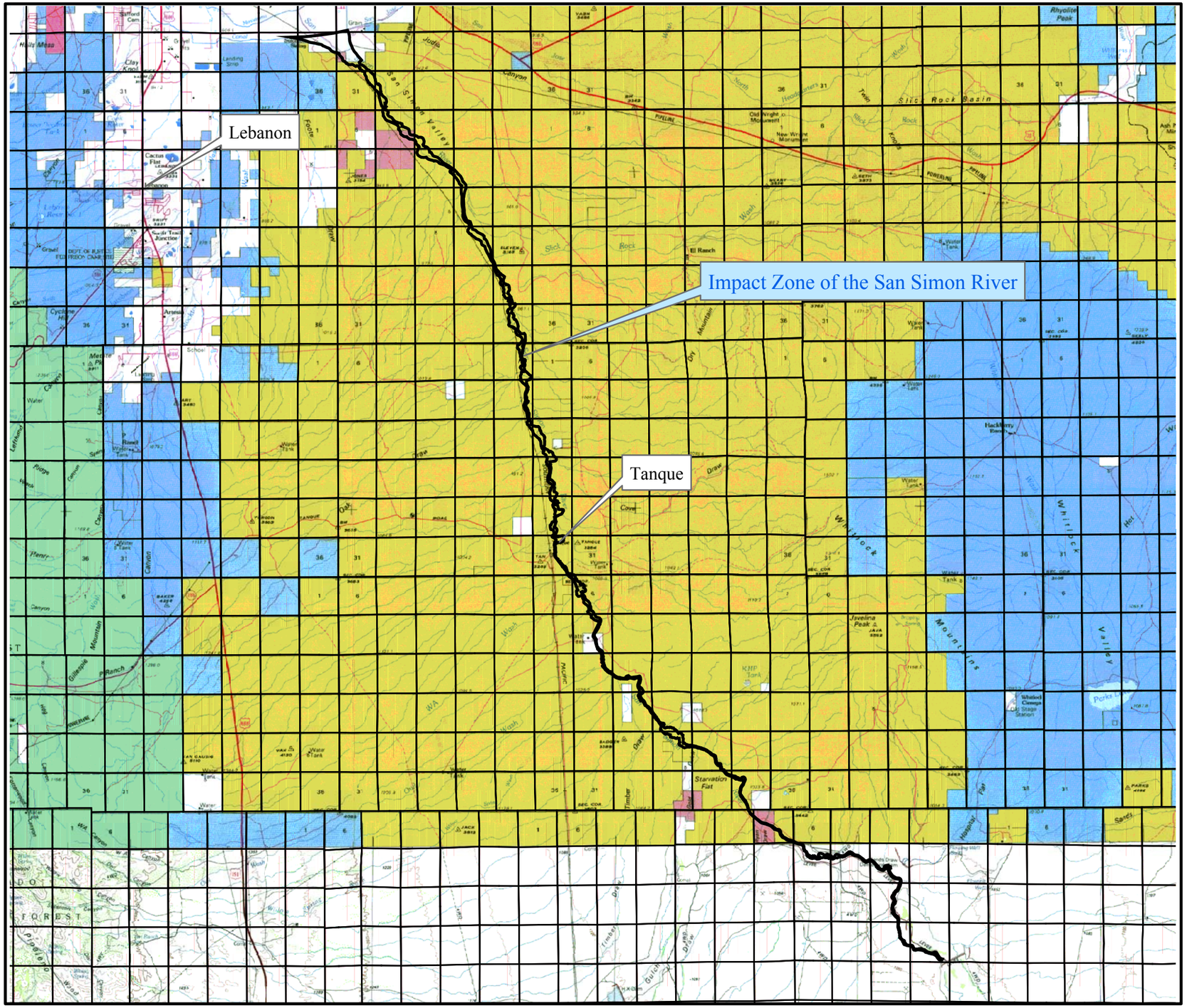
Explanation:

Map Base is from 1:100,000 Scale USGS Topographic Quadrangles

One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Francisco River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.1-6
Map of Gila River Impact Zone
San Francisco River, Arizona



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Explanation:

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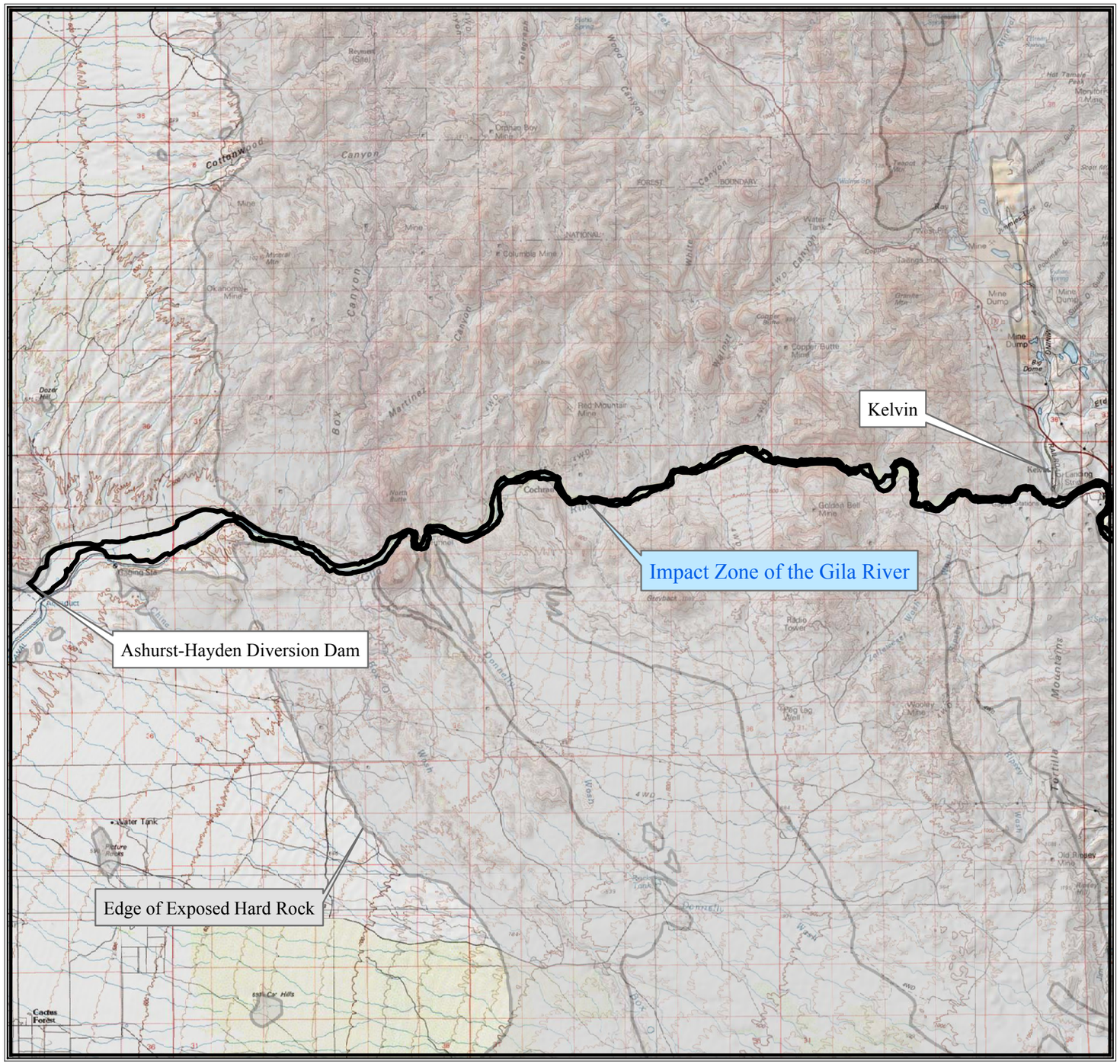
One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Simon River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Attachment B.1-7
Map of Gila River Impact Zone
San Simon River, Arizona



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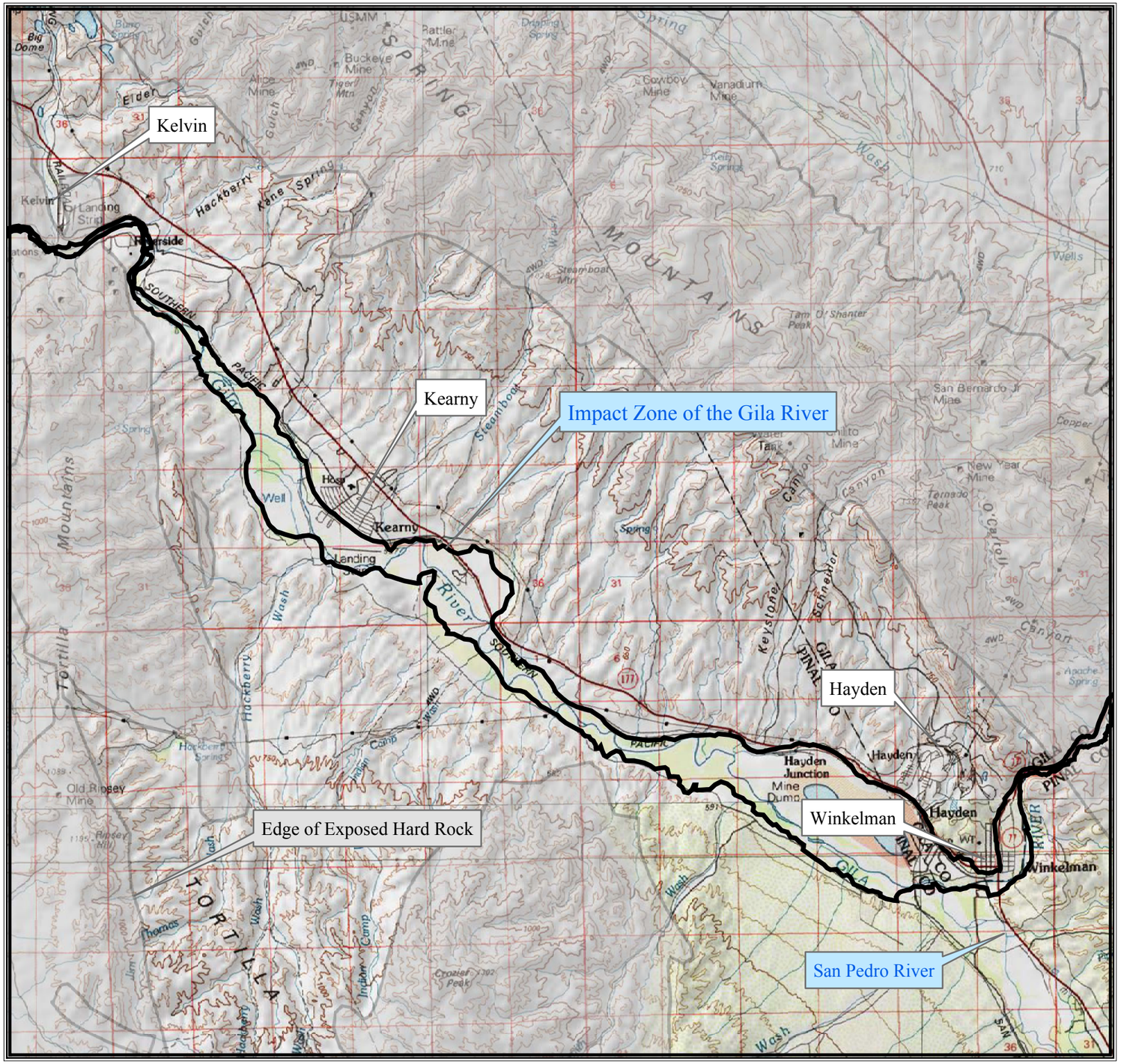
Attachment B.2-1
Map of Middle Gila River Impact Zone
Lower Portion - 1 of 3 for Middle Gila River



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USGS Topographic Quadrangles

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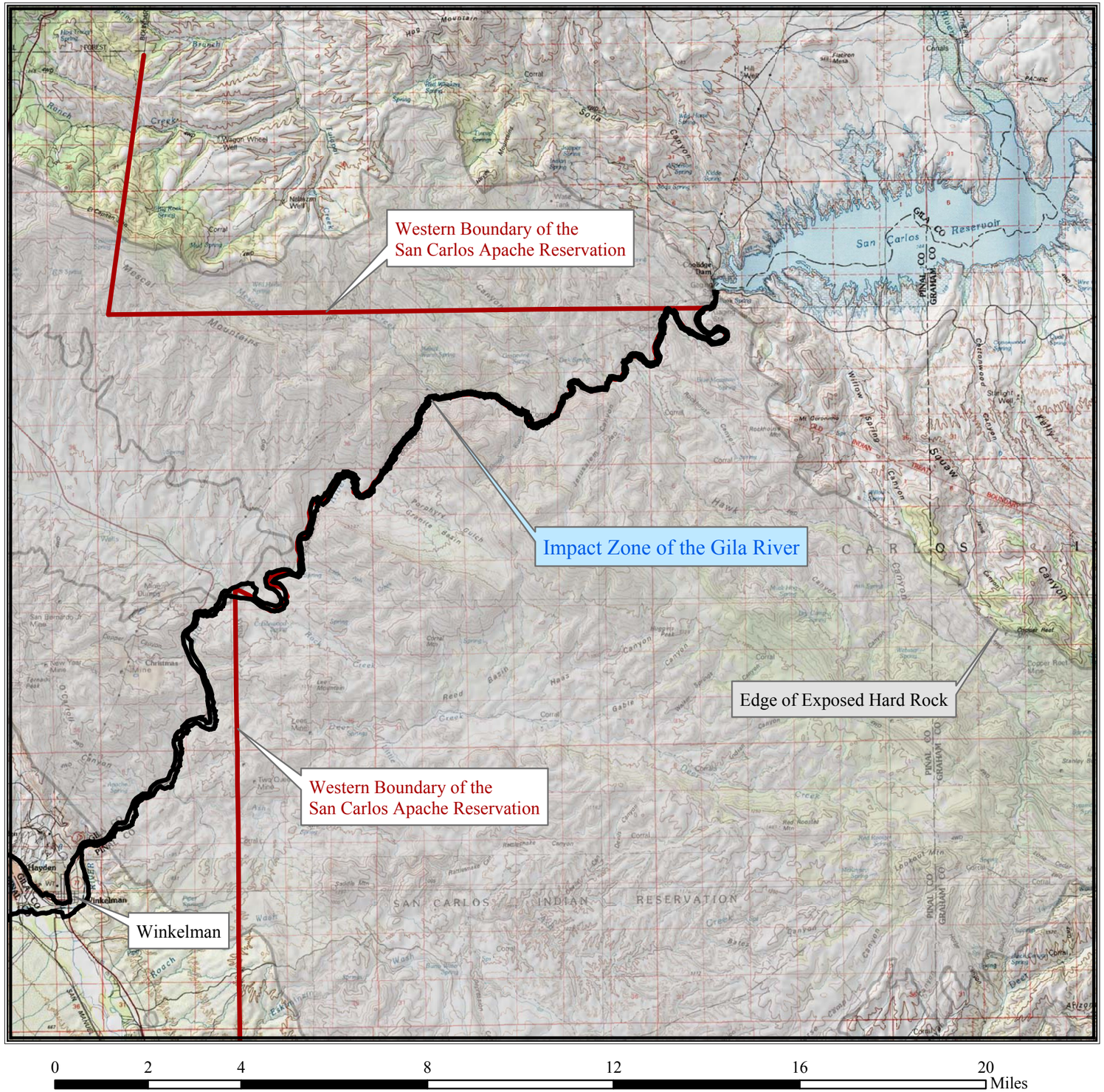
Attachment B.2-2
Map of Middle Gila River Impact Zone
Central Portion - 2 of 3 for Middle Gila River



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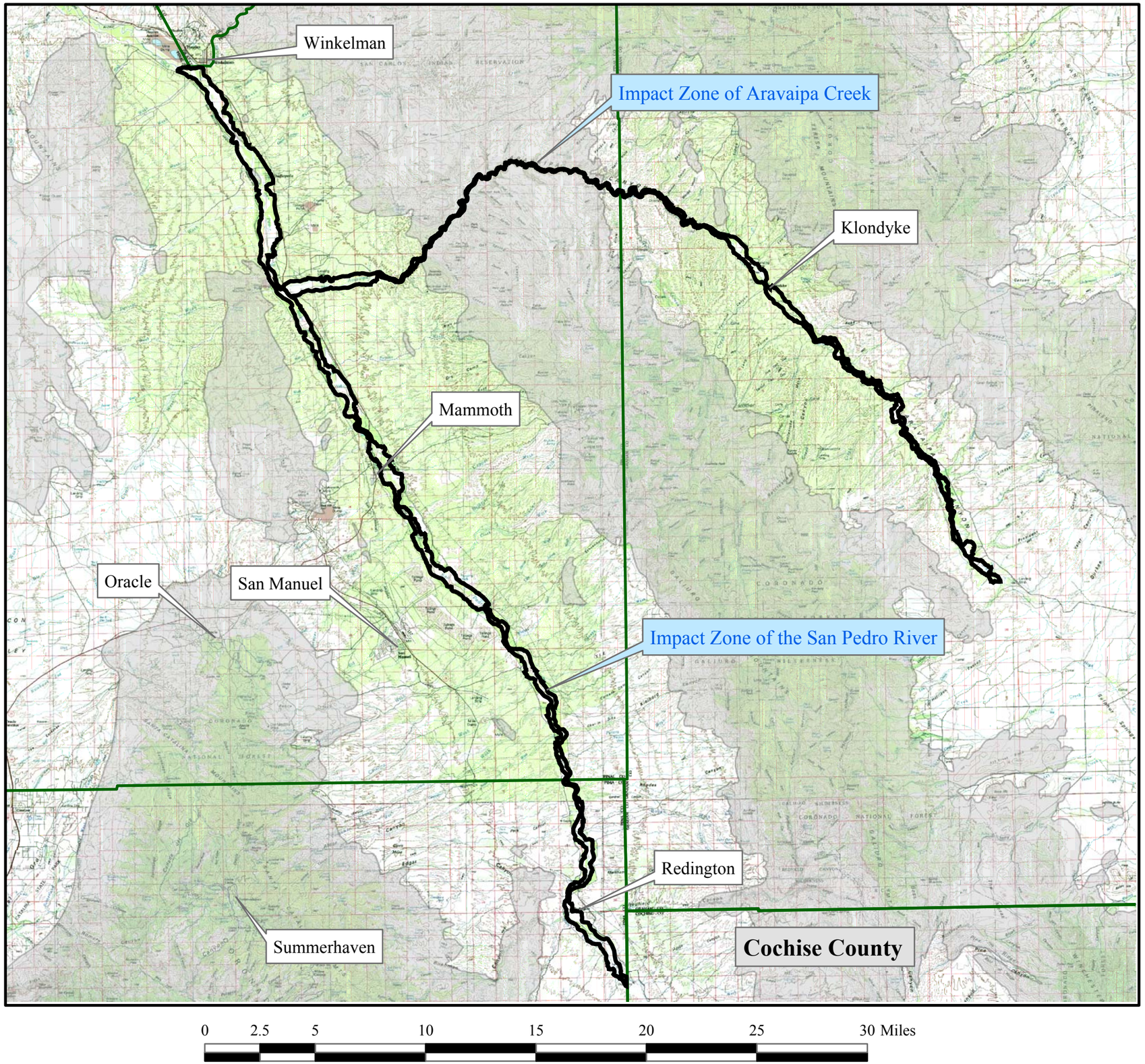
Attachment B.2-3
Map of Middle Gila River Impact Zone
Upper Portion - 3 of 3 for Middle Gila River



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Explanation:

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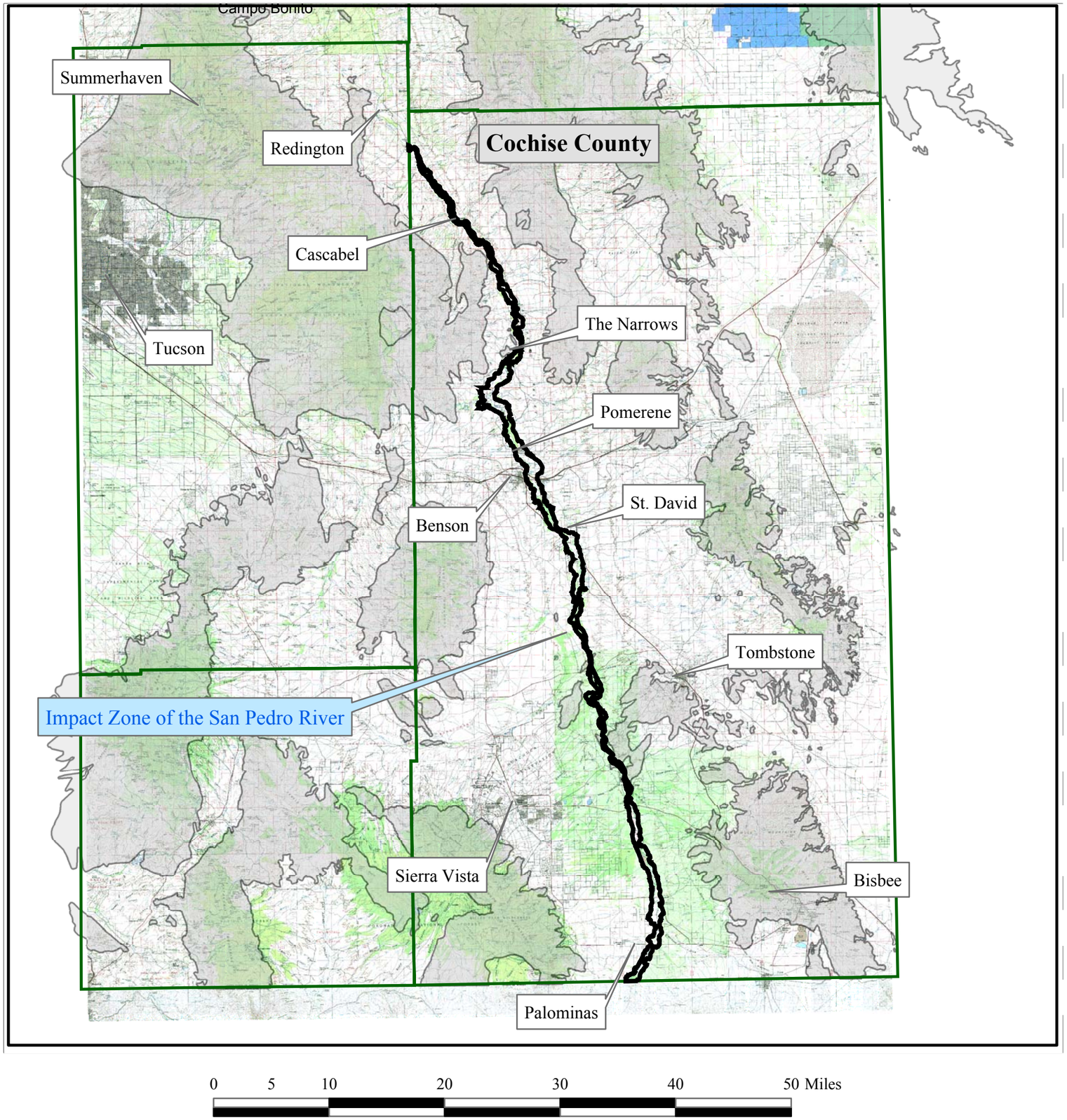
One - mile squares are Sections

Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River and Aravaipa Creek as interpreted from inspection of Digital OrthoPhoto Quadrangle Quarters (DOQQs)

Light gray shading is the boundary of exposed hard rock (from ADWR)

Attachment B.3-1
Map of San Pedro Impact Zone and Map of San Pedro Agricultural and New Large Industrial Use Impact Zone
Pima, Pinal and Graham Counties, Arizona



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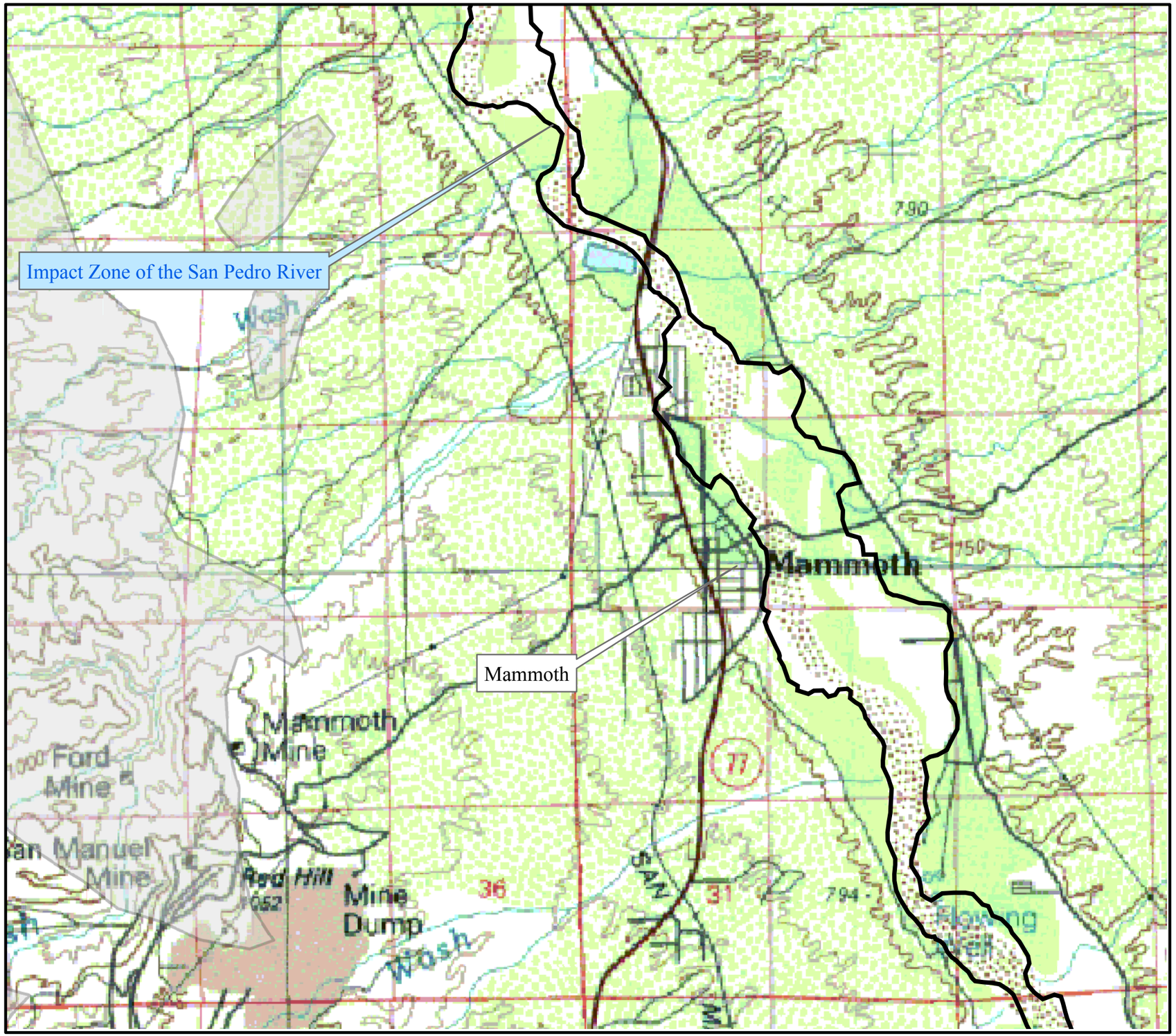
Thin black line is the boundary of exposed hard rock (from ADWR)

County boundaries are also shown

Attachment B.3-2
Map of San Pedro Impact Zone and Map of San Pedro Agricultural and New Large Industrial Use Impact Zone Cochise County, Arizona



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Heavy black lines are the exterior boundaries of the Impact Zone, which encompasses the Fluvial Depositional System of the San Pedro River as interpreted from inspection of Digital Orthophoto Quadrangle Quarters (DOQQs)

Light gray shading is the boundary of exposed hard rock (from ADWR)

Attachment B.3-3
Map of San Pedro Impact Zone and Map of San Pedro Agricultural and New Large Industrial Use Impact Zone in the Vicinity of Mammoth, Arizona

ATTACHMENT C

Effluent Credit, Storage and Recovery Provisions Based Upon Arizona Revised Statutes, Title 45, Waters, Chapter 3.1

For purposes of this Agreement, the Town shall be treated as an entity located within an Active Management Area and subject to the provisions below relating to the same; provided, however, that if applicable state law would allow the Town to store or recover less recharged water than would be allowed under this Attachment, then such law shall apply.

ARIZONA REVISED STATUTES

TITLE 45

WATERS

CHAPTER 3.1

UNDER GROUND WATER STORAGE, SAVINGS AND REPLENISHMENT

ARTICLE 1 – General Provisions

45-801.01. Declaration of policy

The public policy of this state and the general purposes of this chapter are to:

1. Protect the general economy and welfare of this state by encouraging the use of renewable water supplies, particularly this state's entitlement to Colorado river water, instead of groundwater through a flexible and effective regulatory program for the underground storage, savings and replenishment of water.

2. Allow for the efficient and cost-effective management of water supplies by allowing the use of storage facilities for filtration and distribution of surface water instead of constructing surface water treatment plants and pipeline distribution systems.

45-802.01. Definitions

Unless the context otherwise requires, the terms defined in section 45-402 have the same meanings in this chapter and:

1. "Aquifer" means a geologic formation that contains sufficient saturated material to be capable of storing water and transmitting water in usable quantities to a well.

2. "Area of impact" means, as projected on the land surface, the area where the stored water has migrated or is located.

3. "CERCLA" means the comprehensive environmental response, compensation, and liability act of 1980, as amended (P.L. 96-510; 94 Stat. 2767; 42 United States Code sections 9601 through 9657), commonly known as "superfund".

4. "Constructed underground storage facility" means a facility that meets the requirements of section 45-811.01 and that is designed and constructed to store water underground pursuant to permits issued under this chapter.

5. "District" means a groundwater replenishment district established under title 48, chapter 27.

6. "District member" means a member of the groundwater replenishment district as provided by title 48, chapter 27.

7. "Electrical district" means a corporate body established pursuant to title 48, chapter 12.

8. "Groundwater savings facility" means a facility that meets the requirements of section 45-812.01 in an active management area or an irrigation non-expansion area at which groundwater withdrawals are eliminated or reduced by recipients who use in lieu water on a gallon-for-gallon substitute basis for groundwater that otherwise would have been pumped from within that active management area or irrigation non-expansion area.

9. "In lieu water" means water that is delivered by a storer to a groundwater savings facility pursuant to permits issued under this chapter and that is used in an active management area or an irrigation non-expansion area by the recipient on a gallon-for-gallon substitute basis for groundwater that otherwise would have been pumped from within that active management area or irrigation non-expansion area.

10. "Long-term storage account" means an account established pursuant to section 45-852.01.

11. "Long-term storage credit" means stored water that meets the requirements of section 45-852.01 and that has been credited to a long-term storage account.

12. "Managed underground storage facility" means a facility that meets the requirements of section 45-811.01 and that is designed and managed to utilize the natural channel of a stream to store water underground pursuant to permits issued under this chapter through artificial and controlled releases of water other than surface water naturally present in the stream. Surface water flowing in its natural channel is not a managed underground storage facility.

13. "Master replenishment account" means an account established pursuant to section 45-858.01 for a groundwater replenishment district.

14. "Recipient" means a person who receives in lieu water for use at a groundwater savings facility.

15. "Recoverable amount" means the amount of water, as determined by the director, that will reach the aquifer through water storage.

16. "Replenishment" means the storage of water or use of long-term storage credits by a groundwater replenishment district to fulfill its duties under title 48, chapter 27, article 3, by a multi-county water conservation district to fulfill its duties under title 48, chapter 22, article 4 or by an active management area water district to fulfill its duties under title 48, chapter 28, article 7.

17. "Storage facility" means a groundwater savings facility or an underground storage facility.

18. "Stored water" means water that has been stored or saved underground pursuant to a storage permit issued under this chapter.

19. "Storer" means the holder of a water storage permit issued pursuant to section 45-831.01 or a person to whom a water storage permit has been conveyed pursuant to section 45-831.01, subsection F.

20. "Underground storage facility" means a constructed underground storage facility or a managed underground storage facility.

21. "Water that cannot reasonably be used directly" means water that the storer cannot reasonably put to a direct use during the calendar year, including:

(a) Except as provided in subdivision (b) of this paragraph, if the storer is a municipal provider, the amount of central Arizona project water that exceeds the amount of mined groundwater withdrawn during the calendar year by the storer in the active management area in which the storer's service area is located. If the storer withdrew mined groundwater during a calendar year in which the storer stored central Arizona project water underground pursuant to the storage permit, the amount of central Arizona project water stored underground during that year equal to the amount of mined groundwater withdrawn from the active management area in which the storer's service area is located shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis under section 45-851.01. In calculating the amount of mined groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision,

"mined groundwater" and "municipal provider" have the same meanings as prescribed by section 45-561.

(b) If the storer is a municipal provider that has been designated as having an assured water supply pursuant to section 45-576, the amount of central Arizona project water that exceeds the amount of deficit groundwater withdrawn during the calendar year by the storer in the active management area in which the storer's service area is located. If the storer withdrew deficit groundwater during a calendar year in which the storer stored central Arizona project water underground pursuant to the storage permit, the amount of the central Arizona project water stored underground during that year equal to the amount of deficit groundwater withdrawn from the active management area in which the storer's service area is located shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis pursuant to section 45-851.01. In calculating the amount of deficit groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision, "municipal provider" has the same meaning as prescribed by section 45-561 and "deficit groundwater" means that amount of groundwater withdrawn within an active management area for delivery and use within a service area by a municipal provider in excess of the amount of groundwater that may be withdrawn by the municipal provider consistent with the achievement of the active management area's management goals as prescribed by rules adopted by the director pursuant to section 45-576.

(c) If the storer is not a municipal provider, the amount of central Arizona project water stored in an active management area that exceeds the amount of groundwater withdrawn during the calendar year by the storer in that active management area. If the storer withdrew groundwater in an active management area during a calendar year in which the storer stored central Arizona project water underground in that active management area pursuant to the storage permit, the amount of central Arizona project water stored underground during that year equal to the amount of groundwater withdrawn from the active management area shall not be credited to the storer's long-term storage account but may be considered as being available for recovery by the storer on an annual basis under section 45-851.01. In calculating the amount of groundwater withdrawn by the storer from the active management area, the director, at the request of the storer, shall exclude any groundwater withdrawn, treated and delivered for direct use as part of a remedial action undertaken pursuant to CERCLA or title 49, chapter 2, article 5. For the purposes of this subdivision, "municipal provider" has the same meaning as prescribed by section 45-561.

(d) Surface water made available by dams constructed or modified after August 13, 1986.

(e) Until the year 2025:

(i) Effluent.

(ii) If the storage facility is in an active management area, water from outside the active management area that would not have reached the active management area without the efforts of the storer.

(iii) If the storage facility is outside of an active management area, water from outside the groundwater basin in which the storage facility is located that would not have reached the groundwater basin without the efforts of the storer.

(f) Water delivered through the central Arizona project that is acquired by the Arizona water banking authority.

22. "Water storage" means adding water to an aquifer or saving water in an aquifer pursuant to permits issued under this chapter.

23. "Water storage permit" means a permit issued pursuant to section 45-831.01 to store water at a storage facility.

45-803.01. Effect on vested water rights; effect in other proceedings

A. This chapter shall not be construed to affect vested water rights.

B. Any determination made by the director for purposes of this chapter regarding the validity, invalidity, nature, legal character, extent or relative priority of a water right or source of water is not binding for any other purpose, and shall not create a presumption of the validity, invalidity, nature, legal character, extent or relative priority of a water right or water source in any other administrative proceeding or any judicial proceeding.

ARTICLE 2 – Storage Facility Permits

45-811.01. Underground storage facility permit

A. A person may apply to the director for a constructed underground storage facility permit or a managed underground storage facility permit and may operate an underground storage facility only pursuant to a permit.

B. A person applying to the director for a managed underground storage facility permit may request to have the facility designated as a facility that could add value to a national park, national monument or state park if that park or monument includes any portion of a natural channel of a stream or adjacent floodplain that would benefit from the facility.

C. The director may issue a permit to operate an underground storage facility if the director determines that all of the following apply:

1. The applicant has the technical and financial capability to construct and operate the facility.

2. Storage of the maximum amount of water that could be in storage at any one time at the facility is hydrologically feasible.

3. Storage at the facility will not cause unreasonable harm to land or other water users within the maximum area of impact of the maximum amount of water that could be in storage at any one time at the underground storage facility over the duration of the permit.

4. The applicant has applied for and has received any required floodplain use permit from the county flood control district.

5. The director of environmental quality has determined that the facility is not in a location that will promote either the migration of a contaminant plume or the migration of a poor quality groundwater area so as to cause unreasonable harm or is not in a location that will result in pollutants being leached to the groundwater table so as to cause unreasonable harm, if the proposed water storage at the underground storage facility is exempt from the requirement for an aquifer protection permit under section 49-250, subsection B, paragraph 12, 13 or 24. For any facility exempt under section 49-250, subsection B, paragraph 24, the director, after consultation with the director of the department of environmental quality, may include in any such permit any requirements, including operation, maintenance, monitoring, record keeping, reporting, contingency plan or remedial action requirements, as the director deems necessary.

D. The director may designate a managed underground storage facility as one that could add value to a national park, national monument or state park if the director finds that all of the following apply:

1. The applicant has agreed in writing to maintain a quantified, minimum base flow and annual discharge to the stream for the duration of the permit.

2. The project will benefit the groundwater basin as a whole.

45-812.01. Groundwater savings facility permit

A. A person may apply to the director for a groundwater savings facility permit and may operate a groundwater savings facility only pursuant to a permit.

B. The director may issue a permit to operate a groundwater savings facility if the director determines that all of the following apply:

1. Operation of the facility will cause the direct reduction or elimination of groundwater withdrawals in an active management area or an irrigation non-expansion area by means of delivery of water other than groundwater pumped from within that active management

area or irrigation non-expansion area that the recipient will use in lieu of groundwater that the recipient would otherwise have used.

2. The applicant will deliver water other than groundwater pumped from within the active management area or irrigation non-expansion area in which the groundwater savings facility is located to an identified groundwater user who will use and agrees in writing to use the water delivered to the facility on a gallon-for-gallon substitute basis directly in lieu of groundwater that otherwise would have been pumped from within the active management area or irrigation non-expansion area.

3. The in lieu water is the only reasonably available source of water for the recipient other than groundwater pumped from within the same active management area or irrigation non-expansion area in which the groundwater savings facility is located.

4. The water delivered as in lieu water would not have been a reasonable alternative source of water for the recipient except through the operation of the groundwater savings facility.

5. The water delivered to the recipient as in lieu water was not delivered before October 1, 1990.

6. The applicant has submitted a plan satisfactory to the director that describes how the applicant will prove the quantity of groundwater saved at the facility each year and what evidence will be submitted with the applicant's annual report as required by section 45-875.01 to prove the groundwater savings. The plan may rely on the following factors:

(a) The recipient's cost of pumping groundwater relative to the cost of in lieu water and alternative sources of water available to the recipient.

(b) The historic quantity of groundwater pumped by the recipient at the location of the intended use of the in lieu water.

(c) The recipient's anticipated demand for groundwater and anticipated total demand for water, including groundwater.

(d) The recipient's legal right to withdraw or use groundwater pursuant to chapter 2 of this title.

(e) The amount of central Arizona project water for which the recipient anticipates accepting delivery.

(f) The historic amount of power used to pump groundwater at the groundwater savings facility compared to the power used during a year in which the recipient received in lieu water.

(g) The factors that prevent the recipient from using the water delivered as in lieu water without the operation of the groundwater savings facility.

(h) Any other criteria the director may deem to be relevant.

45-813.01. Land use ordinances

If any storage facility is to be located within a city or town, the director may consider for purposes of issuing the storage facility permit any land use ordinance provision addressing public health and safety and the aesthetics otherwise governing the use of land where that facility is to be located.

45-814.01. Contents of storage facility permit

A. A storage facility project permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The name of the active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which the facility will be located.

3. The design capacity of the facility and the plan of operation of the facility.

4. The maximum annual amount of water that may be stored at the facility.

5. Any monitoring required under subsection F of this section.

6. Any conditions consistent with this chapter.

7. The duration of the permit.

8. Any other information as determined by the director.

B. If the storage facility will be a groundwater savings facility, the permit shall include the following information in addition to the information required by subsection A of this section:

1. The plan by which the applicant will prove the quantity of groundwater saved at the storage facility each year.

2. The name of the recipient and the location and registration number of the well or wells from which groundwater withdrawals will be curtailed.

C. If the storage facility will be a managed underground storage facility and will be designated as a facility that could add value to a national park, national monument or

state park, the permit shall include the following information in addition to the information required by subsection A of this section:

1. The quantified, minimum base flow and annual discharge to the stream that the applicant has agreed to maintain.

2. The annual quantity of water eligible for long-term storage credits for the facility and the annual quantity of water projected to be consumptively used by the enhancement of the national park, national monument or state park.

3. A description of the national park, national monument or state park that would benefit from the project.

D. The director may issue a storage facility permit for a period of not more than fifty years, except that on request of the holder of the permit the director may renew the permit if the director determines that the requirements of section 45-811.01, subsections C and D and section 45-812.01, subsection B apply, if those requirements applied at the time of issuance. In making this determination, the director shall not consider land uses and water uses in the area of impact of the water stored at the storage facility that were not in existence when the permit was issued.

E. The holder of a storage facility permit may apply to the director for approval to convey the permit to another person. The director may approve the conveyance if the director determines that the person to whom the permit is to be conveyed and the storage facility will continue to meet the applicable requirements of sections 45-811.01 and 45-812.01.

F. The director may require the holder of a storage facility permit to monitor the operation of the facility and the impact of water storage at the facility on land and other water users within the area of impact of water stored at the storage facility. In determining any monitoring requirements, the director of water resources shall cooperate with the department of environmental quality and, to the extent possible, shall coordinate monitoring requirements with those required by the department of environmental quality.

G. The director, on the director's initiative or on request of the holder of the storage facility permit, may modify the conditions of the storage facility permit. In determining whether modifications are necessary, the director shall not consider land uses and water uses in the area of impact of the water stored at the storage facility that were not in existence when the permit was issued.

H. Nothing in this article shall be construed as modifying or infringing on any existing water rights or private property rights nor shall anything in this article prevent any person or entity, whether governmental or private, from undertaking any flood control projects, including removal of vegetation within the channel of the stream or on the adjacent floodplain or diverting the permitted flow from the natural stream channel at the end of the permitted period.

45-815.01. Facilities not qualifying as storage facilities

The following shall not be permitted as underground storage facilities:

1. A body of water, as defined by section 45-131, unless it has been designed, constructed or altered so that water storage is a principal purpose of the body of water.

2. Aqueducts, irrigation canals and other man-made water conveyance systems.

3. Water that incidentally recharges an aquifer during the course of its use for agricultural, municipal, mining or industrial purposes.

ARTICLE 3 – Water Storage Permits and Recovery Well Permits

45-831.01. Water storage permits

A. A person may apply to the director for a water storage permit and may store water at a storage facility only pursuant to a water storage permit.

B. The director may issue a water storage permit to store water at a storage facility if the director determines that all of the following apply:

1. The applicant has a right to use the proposed source of water. Any determination made by the director for purposes of this subsection regarding the validity, nature, extent or relative priority of a water right claimed by the applicant or another person is not binding in any other administration proceeding or in any judicial proceeding.

2. The applicant has applied for any water quality permit required by the department of environmental quality under title 49, chapter 2, article 3 and by federal law.

3. The water storage will occur at a permitted storage facility.

C. In addition to the requirements of subsection B of this section, if the applicant has applied for a water storage permit to store water at a groundwater savings facility, the director shall not issue the water storage permit unless the applicant has agreed in writing to comply with the plan by which the quantity of groundwater saved at the facility will be proved each year.

D. If the director issues a water storage permit, the director may make, if possible, the following determinations:

1. Whether the water to be stored is water that cannot reasonably be used directly by the applicant and otherwise meets the requirements of section 45-852.01 for long-term storage credits.

2. If use of the water to be stored is appurtenant to a particular location, and if so, where the water may be legally used after recovery. Any determination made by the director for purposes of this subsection regarding the validity, nature, extent or relative priority of a water right claimed by the applicant or another person is not binding in any other administrative proceeding or in any judicial proceeding.

E. The director may issue a water storage permit for a period of not more than fifty years, except that:

1. On request of the holder of the permit, the director may renew the permit if the director determines that the requirements of subsection B of this section apply and, if the requirement of subsection C of this section applied at the time of issuance, that the requirement of subsection C of this section applies at the time of renewal.

2. Subject to the provisions of this chapter, the holder of long-term storage credits earned pursuant to the permit may recover the water over a period longer than the duration of the permit.

F. The holder of a water storage permit may apply to the director for approval to convey the permit to another person. The director may approve the conveyance if the director determines that the person to whom the permit is to be conveyed and the water storage will continue to meet the applicable requirements of this section. If long-term storage credits accrued pursuant to the water storage permit are being assigned pursuant to section 45-854.01 with the water storage permit, the director shall be given notice of the impending assignment of long-term storage credits at the time the holder of the water storage permit applies to convey the permit.

G. A person who holds a water storage permit may apply to the director on a form approved by the director for a modification of that water storage permit. The director may modify the permit within twenty days of receiving the application without complying with section 45-871.01 if all of the following apply:

1. The holder of the storage facility permit with which the water storage permit is affiliated has consented to the modification.

2. The modification to the water storage permit does not require a modification of the affiliated water storage facility permit.

3. The only modification requested is to add an amount of Colorado river water as a type of water to be stored under the water storage permit.

4. Water storage of Colorado river water has previously been permitted at the affiliated storage facility.

5. The person requesting the modification has the right to use the Colorado river water.

H. A water storage permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The storage facility where the water storage will occur and the name of the active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which that facility is located.

3. The maximum annual amount of water that may be stored.

4. If the applicable finding of subsection D of this section has been made, whether the water to be stored is water that cannot reasonably be used directly by the applicant.

5. If the applicable finding of subsection D of this section has been made, any restrictions on where the water to be stored may legally be used.

6. Other conditions consistent with this chapter.

7. The duration of the permit.

I. If the water storage will occur at a groundwater savings facility, the water storage permit shall include, in addition to the information required by subsection H of this section, the requirements of the plan by which the quantity of groundwater saved at the storage facility will be proved each year.

J. If the director of the department of water resources decides to issue a water storage permit and the applicant has not received a water quality permit required by the department of environmental quality under title 49, chapter 2, article 3 and by federal law, the director of the department of water resources shall make receipt of the water quality permit a condition of the water storage permit and the holder of the water storage permit shall not store water until receiving the water quality permit.

45-832.01. Use of stored water

A. Water that has been stored pursuant to a water storage permit may be used or exchanged only in the manner in which it was permissible to use or exchange the water before it was stored.

B. Water that has been stored pursuant to a water storage permit may be used only in the location in which it was permissible to use the water before it was stored.

C. Water that has been stored pursuant to a water storage permit may be used for replenishment purposes only in the active management area in which the water is stored, unless the water is recovered and transported to another active management area.

D. Stored water may be used only as follows:

1. The water may be recovered by the storer and used on an annual basis in accordance with section 45-851.01.

2. The water may be credited to the storer's long-term storage account, if the water meets the requirements of section 45-852.01, and the long-term storage credits may be used in accordance with the provisions of this chapter.

3. A district that is storing water may have the stored water credited to its master replenishment account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

4. A conservation district that is storing water may have the stored water credited to its conservation district account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

5. A water district that is storing water may have the stored water credited to its water district account, if the water would meet the requirements of long-term storage credits as prescribed by section 45-852.01.

45-833.01. Designation of nonrecoverable water

A. At the request of the applicant, the director may designate a water storage permit as storing nonrecoverable water. If the water storage occurs within an active management area, the water storage permit may be designated in this manner only if the storage is consistent with the active management area's augmentation program.

B. Water stored pursuant to a water storage permit that has been designated as storing nonrecoverable water may not be recovered on an annual basis, may not be credited to a long-term storage account and may not be used for replenishment purposes.

45-834.01. Recovery of stored water; recovery well permit; emergency temporary recovery well permit; well construction

A. A person who holds long-term storage credits or who may recover water on an annual basis may recover the water stored pursuant to a water storage permit only:

1. If the person seeking to recover stored water has applied for and received a recovery well permit under this article.

2. For water stored within an active management area, from wells that are located:

(a) Within the area of impact of the stored water, as determined by the director, if the person recovering the water is the storer, subject to the following if the stored water to be recovered is effluent that is stored in a managed underground storage facility if the proposed recovery well is not an already constructed well owned by the person recovering the water and is located within the exterior boundaries of the service area of a

city, town, private water company or irrigation district, that city, town, private water company or irrigation district must be notified by the person recovering the stored water and have the right to offer to recover the water stored on behalf of that person. If the city, town, private water company or irrigation district offers to recover the water on behalf of the person seeking recovery and the water that is offered for recovery is of comparable quality to the water that the person could recover, the person seeking to recover the water shall consider accepting the best offer from the city, town, private water company or irrigation district overlying the area of impact that has offered to recover the stored water.

(b) Within the same active management area as storage, if the director determines that recovery at the proposed location is consistent with the management plan and achievement of the management goal for the active management area subject to the following:

(i) If the proposed recovery well is located within the exterior boundaries of the service area of a city, town, private water company or irrigation district, that city, town, private water company or irrigation district is the person seeking to recover the water or has consented to the location of the recovery well.

(ii) If the proposed recovery well is located outside, but within three miles of, the exterior boundaries of the service area of a city, town, private water company or irrigation district, the closest city, town, private water company or irrigation district has consented to the location of the recovery well.

3. For water stored outside of an active management area, if recovery will occur within the same irrigation non-expansion area, groundwater basin or groundwater sub-basin, as applicable, in which the water was stored.

B. Before recovering from any well water stored pursuant to a water storage permit, a person shall apply for and receive a recovery well permit from the director. The director shall issue the recovery well permit if the director determines that:

1. If the application is for a new well, as defined in section 45-591, or except as provided in paragraph 2 of this subsection for an existing well, as defined in section 45-591, the proposed recovery of stored water will not unreasonably increase damage to surrounding land or other water users from the concentration of wells. The director shall make this determination pursuant to rules adopted by the director.

2. If the applicant is a city, town, private water company or irrigation district in an active management area and the application is for an existing well within the service area of the city, town, private water company or irrigation district, the applicant has a right to use the existing well.

3. If the applicant is a conservation district and the application is for an existing well within the conservation district and within the groundwater basin or sub-basin in which the stored water is located, the applicant has a right to use the existing well.

C. A city, town, private water company or irrigation district in an active management area may apply with a single application to the director to have all existing wells, as defined in section 45-591, that the applicant has the right to use within its service area listed as recovery wells on the recovery well permit, if those wells otherwise meet the requirements of this section.

D. If the applicant is a conservation district, the director may issue an emergency temporary recovery well permit without complying with section 45-871.01, subsection F if the director determines that all of the following apply:

1. The conservation district cannot reasonably continue to supply central Arizona project water directly to a city, town, private water company or irrigation district due to an unplanned failure of a portion of the central Arizona project delivery system.

2. The emergency temporary recovery well permit is necessary to allow the conservation district to provide immediate delivery of replacement water to the city, town, private water company or irrigation district.

3. The application is for an existing well as defined in section 45-591 that is within the groundwater basin or groundwater sub-basin in which the stored water is located, is within the conservation district and is within the service area of the city, town, private water company or irrigation district.

E. An emergency temporary recovery well permit issued pursuant to subsection D of this section may be issued for a period of up to ninety days and may be extended for additional ninety day periods if the director determines that the conditions prescribed in subsection D of this section continue to apply.

F. If the application for a recovery well permit is approved, the director shall issue a permit and the applicant may proceed to construct or use the well. If the application is rejected, the applicant shall not proceed to construct or use the well. A new well shall be completed within one year of receipt of the permit, unless the director in granting the permit approves a longer period to complete the well. If the well is not completed within one year or the longer period approved by the director, the applicant shall file a new application before proceeding with construction.

G. A recovery well permit shall include the following information:

1. The name and mailing address of the person to whom the permit is issued.

2. The legal description of the location of the existing well or proposed new well from which stored water may be recovered pursuant to the permit.

3. The purpose for which the stored water will be recovered.

4. The depth and diameter of the existing well or proposed new well from which stored water may be recovered pursuant to the permit.

5. The legal description of the land on which the stored water will be used.

6. The maximum pumping capacity of the existing well or proposed new well.

7. If the permit is for a proposed new well, the latest date for completing the proposed new well.

8. Any other information as the director may determine.

45-835.01. Simultaneous applications

A person may apply to the director for a storage facility permit, a water storage permit to store water at the storage facility and a recovery well permit to recover the water stored at the storage facility at the same time and the director shall process the applications for the permits simultaneously.

45-836.01. Effect of storage facilities, water storage and recovery on service areas

A. In an active management area, if a city, town or private water company operates a constructed underground storage facility and stores water at a constructed underground storage facility pursuant to a permit issued under this chapter, any portion of the area of impact of the stored water that is located within the exterior boundaries of the service area of the city, town or private water company but is not part of the service area of any other city, town, private water company or irrigation district is deemed to be part of the service area of the city, town or private water company.

B. In an active management area, if a city, town, private water company or irrigation district operates a storage facility or stores water outside its service area or recovers stored water outside its service area pursuant to a permit issued under this chapter, the area of land that contains the storage facility, the recovery facilities or a system for the transportation of water is not part of the service area of the city, town, private water company or irrigation district.

ARTICLE 3.1 – Indian Water Rights Settlements

45-841.01. Accrual of long-term storage credits; Indian water rights settlements

A. To further the implementation of Indian water rights settlements in this state, an Indian community may accrue long-term storage credits as prescribed by this section.

B. This section applies only to the settlement of a water rights claim by a federally recognized Indian community in this state if the settlement provides for off-reservation storage of its central Arizona project water and only after the settlement results in a

dismissal with prejudice of a class action claim that has been pending in the United States district court for more than five years.

C. Before accruing any long-term storage credits under this section, both of the following conditions apply:

1. A party seeking to participate in the accrual of long-term storage credits under this section shall file written notice with the director that the requirements of subsection B of this section have been met.

2. The director shall find that the requirements of subsection B of this section have been met.

D. Before accruing any long-term storage credits under this section, a party seeking to participate in the accrual of long-term storage credits under this section shall file with the director all of the following information:

1. A written notice of the parties' intent to begin the delivery of central Arizona project water that was made available to the Indian community by the water rights settlement to the holder of grandfathered groundwater rights in an active management area.

2. A sworn statement by the holder of the grandfathered groundwater rights that the holder will use the water delivered off of Indian community lands on a gallon-for-gallon substitute basis instead of groundwater that otherwise would have been pumped pursuant to the grandfathered groundwater rights from within an active management area.

3. A listing and description of the grandfathered groundwater rights that will not be exercised by the holder because of the delivery of the water that is delivered by the Indian community.

4. A hydrologic report assessing the effect of nonexercise of grandfathered groundwater rights under this section on any underground storage facility that was constructed as a state demonstration project and that is located within ten miles of the point of withdrawal for the grandfathered groundwater rights.

E. The director shall review the hydrologic report filed pursuant to subsection D, paragraph 4 of this section and shall make such modifications to the state demonstration project's underground storage facility permit as the director deems appropriate.

F. If the director determines that the parties have complied with subsection D of this section, the Indian community may begin accruing long-term storage credits for the delivery of central Arizona project to the holder of the grandfathered groundwater rights, but only if the following apply:

1. By March 31 of each year, the holder of the grandfathered groundwater rights files an annual report with the director for the preceding calendar year. The annual report shall include the following information:

(a) The total quantity of water received from the Indian community during the year for use by the holder under this section.

(b) A listing of those grandfathered groundwater rights that were not exercised during the year by the holder because of the receipt of central Arizona project water delivered by the Indian community.

(c) Such other information as the director may reasonably require.

2. The director finds that the water reported as received by the grandfathered groundwater right holder was used on a gallon-for-gallon substitute basis for groundwater.

3. The Indian community has offered to sell the Arizona water banking authority ten per cent of any long-term storage credits accruable by the Indian community under this section at a price per acre-foot at the time of sale equal to the authority's cost of delivering and storing water at an underground storage facility that was constructed as a state demonstration project and that is located within ten miles of the point of withdrawal of any of the grandfathered groundwater rights identified in the list filed with the director pursuant to subsection D, paragraph 3 of this section, except that any credits purchased pursuant to such offer may not be recovered within five miles of the exterior reservation boundary of the Indian community.

G. The water that is received under this section by the holder of the grandfathered groundwater right is deemed to be groundwater for all purposes of chapter 2 of this title as if the holder had withdrawn it from a well. The holder is responsible for all records, reports and fees required by chapter 2 of this title relating to the water received.

H. The director shall establish a long-term storage account for the Indian community in accordance with section 45-852.01 and each year shall credit to that long-term storage account ninety-five per cent of the water received by the holder of the grandfathered groundwater right during the preceding year that meets the requirements of subsection F of this section.

I. Long-term storage credits accrued pursuant to this section may be used or assigned in any manner that is consistent with this chapter.

J. The maximum amount of long-term storage credits that may be accrued by an Indian community under this section in any year is ten thousand acre-feet.

ARTICLE 4 – Accounting

45-851.01. <u>Recovery of stored water on an annual basis</u>

A. Except as provided in subsections B and E of this section, a storer may recover the recoverable amount of water stored after January 1 of a calendar year on or before December 31 of the same calendar year.

B. If water is stored pursuant to a water storage permit and its use is based on a decreed or appropriative water right, the approximate recoverable amount of water stored in a month shall be recovered on or before the last day of the following month or within the same calendar year, whichever is earlier, unless the water is credited to a long-term storage account as prescribed by section 45-852.01.

C. Water stored after January 1 of a calendar year and not recovered on or before December 31 of the same calendar year may be credited to the storer's long-term storage account to the extent that the stored water is eligible for long-term storage credits as prescribed by section 45-852.01.

D. Water that is stored after January 1 of a calendar year, that is not recovered on or before December 31 of the same calendar year and that is not eligible to be credited to the storer's long-term storage account may not be recovered at any other time.

E. If the water stored was effluent stored at a managed underground storage facility that has not been designated as a facility that could add value to a national park, national monument or state park, the storer may recover during a year only fifty per cent of the recoverable amount of water stored between January 1 and December 31 of that year. If the storer recovers during the year less than fifty per cent of the recoverable amount of the water stored during that year, the difference between fifty per cent of the recoverable amount and the amount of stored water recovered during the year may be credited to the storer's long-term storage account to the extent that the stored water is eligible for long-term storage credits as prescribed by section 45-852.01.

45-852.01. Long-term storage accounts

A. The director shall establish one long-term storage account for each person holding long-term storage credits. The director shall establish subaccounts within the long-term storage account according to each active management area, irrigation non-expansion area, groundwater basin or groundwater sub-basin in which the person's stored water is located. The long-term storage account shall be further subdivided by type of water, if the person holds long-term storage credits for more than one type of water.

B. Water stored pursuant to a water storage permit at a storage facility may be credited to a long-term storage account if the director determines that all of the following apply:

1. The water that was stored was water that cannot reasonably be used directly.

2. If the stored water was stored at a storage facility within an active management area, either:

(a) The water would not have been naturally recharged within the active management area.

(b) If the water was stored at a managed underground storage facility that has been designated as a facility that could add value to a national park, national monument or state park and the water stored is effluent, the water stored is water that could have been used or disposed of by the storer by means other than discharging the effluent into the stream.

3. The stored water was not recovered on an annual basis pursuant to section 45-851.01.

C. The director shall credit ninety-five per cent of the recoverable amount of stored water that meets the requirements of subsection B of this section to the storer's long-term storage account, except that:

1. If the water was stored at a managed underground storage facility that had not been designated at the time of storage as a facility that could add value to a national park, national monument or state park and the water stored is effluent, the director shall credit to the storer's long-term storage account fifty per cent of the recoverable amount of water that meets the requirements of subsection B of this section.

2. If the water was stored at a groundwater savings facility and the storer has not met the burden of proving that one hundred per cent of the in lieu water was used on a gallon-for-gallon substitute basis for groundwater, the director shall credit to the storer's long-term storage account only the percentage of the in lieu water that meets the requirements of subsection B of this section and that was proven to the director's satisfaction as being used on a gallon-for-gallon substitute basis for groundwater.

3. Except as otherwise provided in paragraphs 1 and 2 of this subsection, the director shall credit to the storer's long-term storage account one hundred per cent of the recoverable amount of water that meets the requirements of subsection B of this section if any of the following apply:

(a) The water stored was effluent.

(b) The water was stored in an active management area and the stored water is water from outside the active management area that would not have reached the active management area without the efforts of the holder of the long-term storage credits.

(c) The water was stored outside an active management area and the stored water is water from outside the groundwater basin in which the water was stored that would not have reached the groundwater basin without the efforts of the holder of the long-term storage credits.

D. The director shall credit a person's long-term storage account by the amount of long-term storage credits assigned to that person by another holder of long-term storage credits pursuant to section 45-854.01.

E. The director shall debit the appropriate subaccount of a person's long-term storage account:

1. One hundred per cent of the amount of stored water that the holder of the long-term storage credits has recovered during the calendar year pursuant to the permit.

2. The amount of long-term storage credits that the person has assigned to another person or transferred to a master replenishment account, conservation district account or water district account.

3. If the water was stored in an active management area, the amount of water during the calendar year that migrates to a location outside the active management area or to a location within the active management area where it cannot be beneficially used within a reasonable period of time by persons other than the storer with rights to withdraw and use groundwater.

4. If the water was stored outside of an active management area, the amount of water during the calendar year that migrates to a location outside the groundwater basin in which the storage facility is located or to a location in the groundwater basin where it cannot be beneficially used within a reasonable period of time by persons other than the storer with rights to withdraw and use groundwater.

5. The amount of long-term storage credits that the storer, pursuant to section 45-853.01, subsection B, has applied to offset groundwater withdrawn or used in excess of the storer's per capita municipal conservation requirements under the second management plan.

6. The amount of long-term storage credits that are held by the Arizona water banking authority and that the authority has chosen to extinguish.

F. To the extent the total amount of water withdrawn by a person from wells designated as recovery wells pursuant to section 45-834.01 during a calendar year exceeds the amount of stored water recovered by the person on an annual basis pursuant to section 45-851.01 and the amount of long-term storage credits recovered by the person, the excess amount of water recovered shall be considered groundwater withdrawn pursuant to chapter 2 of this title.

45-853.01. <u>Restricted uses of long-term storage credits</u>

A. If the director has included an amount of long-term storage credits under section 45-855.01:

1. In determining whether to issue a certificate of assured water supply to the holder of the long-term storage credits, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to the subdivision to which the certificate of assured water supply applies.

2. In designating or redesignating a city, town or private water company as having an assured water supply, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to that city, town or private water company.

3. In determining whether to issue a report of adequate water supply for a subdivision to the holder of long-term storage credits, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to the subdivision to which the report of adequate water supply applies.

4. In designating a city, town or private water company as having an adequate water supply, that amount of long-term storage credits shall be recovered only for a use that, as determined by the director, supplies water to that city, town or private water company.

B. The storer of long-term storage credits may apply those long-term storage credits to offset any amount of groundwater that the storer withdraws or uses before 2000 in excess of the storer's per capita municipal conservation requirement in violation of the second management plan if the storer proves to the satisfaction of the director that the following conditions are met:

1. The storer stored the water at a storage facility that is located in the same active management area as the storer's service area.

2. The long-term storage credits used to offset the storer's per capita municipal conservation requirements violation were earned before 2000.

3. The water stored was effluent or central Arizona project water.

C. Long-term storage credits may not be used to demonstrate an assured water supply or an adequate water supply if the long-term storage credits were accrued by storing effluent at a managed underground storage facility that has not been designated as a facility that could add value to a national park, national monument or state park.

45-854.01. <u>Assignability of long-term storage credits</u>

A. Except as provided in section 45-855.01, subsection C, the holder of long-term storage credits may assign by grant, gift, sale, lease or exchange all or part of the holder's long-term storage credits.

B. Except as provided in subsection C of this section, an assignment of long-term storage credits from one person to another is valid on receipt by the director of notification of the

assignment in writing on a form that is provided by the director and that has been signed by both the assignor and assignee.

C. The director may reject and invalidate any assignment of long-term storage credits in which the stored water would not have met the requirements for long-term storage credits as prescribed by section 45-852.01 if the assignee had stored the water.

45-855.01. Effect of long-term storage credits on assured water supply and adequate water supply

A. In an active management area, except as provided in section 45-853.01, subsection C, and on the request of a person who holds long-term storage credits, the director shall include the amount of long-term storage credits requested by the person in determining whether to issue a certificate of assured water supply to the person pursuant to section 45-576, or if the person is a city, town or private water company, whether to designate or redesignate the city, town or private water company as having an assured water supply. This subsection shall not be construed to prohibit or require the director to include projected additions to a long-term storage account in determining whether to issue a certificate of assured water supply to the person, or if the person is a city, town or private water company, whether to designate or redesignate the city, town or private water company as having an assured water supply.

B. Outside an active management area, except as provided in section 45-853.01, subsection C and on the request of a person who holds long-term storage credits, the director shall include the amount of long-term storage credits requested by the person in determining whether to issue a report of adequate water supply pursuant to section 45-108 for a subdivision to the person, or if the person is a city, town or private water company, whether to designate the city, town or private water company as having an adequate water supply. This subsection shall not be construed to prohibit or require the director to include projected additions to a long-term storage account in determining whether to issue a report of adequate water supply for a subdivision to the person, or if the person who holds the long-term storage account is a city, town or private water company, whether to designate the city, town or private water company as having an adequate water supply.

C. Long-term storage credits included by the director in making the determinations and designations in subsections A and B of this section are not assignable by the person holding the credits, unless the director has determined that the credits will continue to be used for the subdivision for which the certificate of assured water supply or certificate of adequate water supply has been issued or for the service area that has been designated as having an assured water supply or an adequate water supply.

45-856.01. Protection of the stored water

A. Except as provided in subsection B or E of this section, in an active management area the director shall not issue any of the following permits, certificates or designations

unless the applicant demonstrates that the application for the permit, certificate or designation would have satisfied the requirements for issuance of the permit, certificate or designation if water stored pursuant to this chapter did not exist:

1. An application for a groundwater withdrawal permit under chapter 2, article 7 of this title, if a proposed point of withdrawal for the permit is located within the area of impact of the stored water.

2. An application for designation of a city, town or private water company as having an assured water supply under section 45-576, if any portion of the city, town or private water company that is proposed to be designated is located within the area of impact of the stored water.

3. An application for a certificate of assured water supply under section 45-577, if a proposed point of withdrawal for a proposed source of water is located within the area of impact of the stored water.

4. An application for a permit to construct a new well or a replacement well under section 45-599, if the proposed well is located within the area of impact of the stored water.

B. Subsection A, paragraphs 2 and 3 of this section do not apply to the holder of long-term storage credits who, pursuant to section 45-855.01, has requested that the director include stored water in determining whether to issue a certificate of assured water supply or designate or redesignate a city, town or private water company as having an assured water supply.

C. Except as provided in subsection D or E of this section, outside an active management area the director shall not issue any of the following decisions of adequate water supply under section 45-108 unless the applicant demonstrates that the application would have satisfied the requirements for issuance of the decision if the stored water did not exist:

1. A decision stating that an adequate water supply exists for a subdivision, if a proposed point of withdrawal for a proposed source of water is located within the area of impact of the stored water.

2. A decision designating a city, town or private water company as having an adequate water supply, if any portion of the city, town or private water company that is proposed to be designated is located within the area of impact of the stored water.

D. Subsection C of this section does not apply to the holder of long-term storage credits who has requested pursuant to section 45-855.01 that the director include stored water in determining whether to issue a decision stating that an adequate water supply exists for a subdivision or designating a city, town or private water company as having an adequate water supply.

E. Subsections A and C of this section do not apply if the director determines that the water stored pursuant to this chapter will not be recovered from within the area of impact of the stored water.

45-857.01. Groundwater replenishment district incidental replenishment factor; definitions

A. With respect to a groundwater replenishment district and not later than the first day of each reporting year, the director shall determine the incidental replenishment factor for the reporting year and shall report that ratio to the groundwater replenishment district.

B. For purposes of this section:

1. "Incidental replenishment" means water that percolates to an aquifer after being used for municipal purposes in the groundwater replenishment district, except for water that is added to an aquifer pursuant to this chapter.

2. "Incidental replenishment factor" means the ratio of the amount of incidental replenishment in the groundwater replenishment district that the director estimates will occur in the reporting year to the amount of water that the director estimates will be used in the district by the district members in the reporting year.

45-858.01. Master replenishment account; debits and credits

A. The director shall establish a long-term storage account and a master replenishment account for each groundwater replenishment district.

B. The director shall compute the master replenishment account debit for a reporting year for the district as follows:

1. For each district member, compute the replenishment obligations as prescribed by section 48-4463.

2. Add the amounts computed under paragraph 1 of this subsection for all district members.

C. For each reporting year, the amount computed under subsection B of this section for the district shall be debited from the district's master replenishment account.

D. On application by a district to the director, credits in the district's long-term storage account, including credits that are registered for water stored pursuant to article 6 of this chapter and for which a district has assumed responsibility pursuant to section 45-896.01, shall be transferred and credited to the district's master replenishment account.

E. For each reporting year, the director shall credit the district's master replenishment account by the amount of water stored by the district during the reporting year, if the

district has requested the director to credit the stored water directly to its master replenishment account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. Credits in a master replenishment account may not be assigned or transferred out of the master replenishment account.

G. If the director, either through an audit of the records of the district or a district member pursuant to section 45-880.01 or otherwise, establishes a misstatement or error regarding information relevant to the determination of master replenishment account debits or credits, the director may adjust accordingly the credits or debits for the appropriate year.

45-859.01. Conservation district account; debits and credits

A. The director shall establish a long-term storage account and a conservation district account for each active management area in which a member land or member service area is or may be located.

B. For each reporting year, the groundwater replenishment obligation as defined in section 48-3701 for each active management area shall be debited from the conservation district account for that active management area.

C. For each reporting year, the contract replenishment obligation as defined in section 48-3701 for each active management area shall be debited from the conservation district account for that active management area.

D. On application by a conservation district to the director, credits in the conservation district's long-term storage account for an active management area, including credits earned through the use of excess capacity of each project permitted under article 6 of this chapter, shall be transferred and credited to its conservation district account for the same active management area.

E. For each reporting year, the director shall credit the conservation district's conservation district account by the amount of water stored by the conservation district during the reporting year, if the conservation district has requested the director to credit the stored water directly to its conservation district account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. By October 31 of each year, the director shall determine whether the conservation district has completed the groundwater replenishment obligation for each active management area as prescribed by section 48-3771.

G. Credits in a conservation district account may not be assigned or transferred out of the conservation district account.

45-860.01. Water district account; debits and credits

A. The director shall establish a long-term storage account and a water district account for the active management area in which a water district member land or water district member service area is or may be located.

B. For each reporting year, the water district groundwater replenishment obligation, as defined in section 48-4801, shall be debited from the water district account.

C. For each reporting year, the contract replenishment obligation, as defined in section 48-4801, shall be debited from the water district account.

D. On application by a water district to the director, credits in the water district's long-term storage account for an active management area, including credits earned from a state demonstration project permitted pursuant to article 6 of this chapter, shall be transferred and credited to the water district's water district account for the same active management area.

E. For each reporting year, the director shall credit the water district's water district account by the amount of water stored by the water district during the reporting year, if the water district has requested the director to credit the stored water directly to its water district account and the stored water would otherwise be eligible for credits in a long-term storage account.

F. By October 31 of each year, the director shall determine whether the water district has completed the water district groundwater replenishment obligation for the active management area as prescribed by section 48-4972.

G. Credits in a water district account may not be assigned or transferred out of the water district account.

ARTICLE 5 – Permit Application Procedures, Financial Provisions and Enforcement

45-871.01. Permit application; fee; notice of application; objections; hearing; appeal

A. The director shall prescribe and furnish application forms for the permits prescribed by articles 2 and 3 of this chapter. The application forms shall require the applicant to submit the information needed by the director to determine whether the permit may be issued. The director shall establish and collect a reasonable fee from the applicant to cover the cost of administrative services and other expenses associated with evaluating and issuing each permit. All fees collected pursuant to this subsection shall be remitted pursuant to section 45-615, paragraph 1.

B. On receipt of an application for a permit pursuant to this chapter, the director shall endorse on the application the date of its receipt and shall keep a record of the application. The director shall conduct a review of the application within one hundred days of receipt of the application. If the director determines in the review that the

application is incomplete or incorrect, the director shall notify the applicant and the review period is extended by fifteen days. The application is incomplete or incorrect until the applicant files the information requested in the application. The director may conduct independent investigations as necessary to determine whether the application should be approved or rejected.

C. If the application is for water storage at an underground storage facility that is exempt from the requirement for an aquifer protection permit under section 49-250, subsection B, paragraph 12, 13 or 24, the director of water resources shall consult with the director of environmental quality and shall develop a coordinated and unified permit review process, which conforms to the time schedule prescribed by this section, to determine whether the permit application is correct and whether the development of a plan of action for monitoring and data analysis shall be required.

D. Except as provided in subsection E of this section, if the application is determined to be complete and correct and the application is for a storage facility permit or a water storage permit, the director, within fifteen days of that determination or a longer period if requested by the applicant, shall give notice of the application once each week for two consecutive weeks in a newspaper of general circulation in the county or counties in which persons reside who could reasonably be expected to be affected by the water storage. The director shall also give notice by first class mail to each city, town, private water company, irrigation district and electrical district that serves land within the area of impact of the stored water. The notice shall state that persons who may be adversely affected by the water storage may file written objections to the issuance of the permit with the director for fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth the reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing the permit being requested as prescribed by articles 2 and 3 of this chapter.

E. If the application is determined to be complete and correct and the application is for a water storage permit to store Colorado river water at a storage facility where storage of Colorado river water has previously been permitted, the director may issue the permit within twenty days of that determination if all of the following apply:

1. The holder of the storage facility permit with which the water storage permit will be affiliated has consented to the water storage.

2. The water storage permit will not require a modification of an affiliated water storage facility permit.

3. Colorado river water will be the only type of water stored under the water storage permit.

4. The applicant has the right to use the Colorado river water.

F. Except as provided in section 45-834.01, subsection D, if the application is determined to be complete and correct and the application is for a recovery well permit, the director, within fifteen days of the determination or a longer period if requested by the applicant, shall give notice of the application once each week for two consecutive weeks in a newspaper of general circulation in the county in which the applicant proposes to recover stored water. If the application is for a well located inside of or within three miles of the exterior boundaries of the service area of a city, town, private water company or irrigation district, the applicant shall give notice of the application by first class mail to each city, town, private water company or irrigation district within that distance. The applicant shall file proof of the notice with the director. The notice shall state that persons who may be adversely affected by the recovery well may file written objections to the issuance of the permit with the director for fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing a recovery well permit as set forth in section 45-834.01, subsection B. For the purposes of this subsection, if the proposed recovery well is located within three miles outside of the exterior boundaries of the service area of a city, town, private water company or irrigation district, a city, town, private water company or irrigation district within that distance shall be considered a person who may be adversely affected by the recovery well.

G. In appropriate cases, including cases in which a proper objection to the permit application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. At least thirty days before the hearing, the director shall notify the applicant and any person who filed a proper objection to the issuance of the permit. The hearing shall be scheduled for at least sixty days but not more than ninety days after the expiration of the time in which to file objections.

H. If a hearing is not held, the director shall issue a decision and order within six months of the date notice of the application is first given pursuant to subsection D or F of this section, or within ninety days in the case of an application under article 6 of this chapter. The director shall record and endorse the approval or rejection of the application on the application. If the permit is denied, the director shall return a copy of the application to the applicant specifically stating the reasons for denial.

I. The applicant or any person who filed a proper objection to the application may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in superior court as provided in section 45-405.

J. Section 45-114, subsections A and B govern administrative proceedings, rehearings or review and judicial review of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the active management area in which the storage or recovery is located.

K. On receipt of an application for a permit pursuant to this section, the director shall provide written notice of the proposed permit to the city, town or county that has land use jurisdiction over the site that is the subject of the permit. The notice shall be given at the same time and in the same manner as the notices prescribed by subsections D and F in order to provide the city, town or county with the opportunity to comment on the proposed facility's or well's compliance with site planning and operational requirements of the city, town or county. This subsection shall not be construed to limit the exclusive authority of the director to determine the issuance of the permit or the site of the facility or well or to reduce the authority of the city, town or county to enforce its applicable ordinances governing site planning and operational requirements.

45-872.01. Water measuring devices

A person who stores water at an underground storage facility, who delivers in lieu water to a recipient at a groundwater savings facility or who recovers stored water pursuant to a recovery well permit shall use a water measuring device approved by the director and shall comply with the rules setting forth the requirements and specifications for water measuring devices adopted pursuant to section 45-604.

45-873.01. In lieu water reporting requirements; withdrawal fees

The in lieu water that is delivered pursuant to a groundwater savings facility permit and a water storage permit issued under this chapter is deemed to be groundwater for all purposes of chapter 2 of this title as if the recipient of the in lieu water had withdrawn it from a well. The recipient is responsible for all records, reports and fees required by chapter 2 of this title relating to the in lieu water received.

45-874.01. Long-term storage credit recovery fee; amount; notice; payment; penalty

A. The director shall levy and collect a long-term storage credit recovery fee from each person who recovers long-term storage credits pursuant to a recovery well permit issued under section 45-834.01. The amount of the long-term storage credit recovery fee is equal to the amount of the groundwater withdrawal fee levied for administration and enforcement of chapter 2 of this title pursuant to section 45-611, subsection A, paragraph 1.

B. Not later than October 1 of each year the director shall file in the department an order setting the long-term storage credit recovery fee for the following calendar year.

C. Within thirty days after the director sets the long-term storage credit recovery fee for the following calendar year, the director shall give written notice of the fee to all holders of recovery well permits issued under this chapter.

D. A person shall pay the long-term storage credit recovery fee to the department at the time the person holding a recovery well permit files an annual report pursuant to section 45-875.01. If a person who is required to pay a long-term storage credit recovery fee fails

to pay the fee when due, the director may assess and collect a penalty of ten per cent of the unpaid fee, without compounding, for each month or portion of a month that the fee is delinquent. The total penalty assessed under this subsection shall not exceed sixty per cent of the unpaid fee.

E. The director shall deposit, pursuant to sections 35-146 and 35-147, all monies collected pursuant to this section in the state general fund.

45-875.01. Annual reports; penalty

A. Each person who holds a storage facility permit shall file an annual report with the director that includes the following information:

1. The total quantity of water stored at the facility during the year.

2. The name, address and water storage permit number of each person storing water at the storage facility during the year.

3. Such other information as the director may reasonably require.

B. Each person who holds a water storage permit shall file an annual report with the director that includes the following information:

1. The quantity of water from each source stored under the permit during the year.

2. The quantity of stored water recovered on an annual basis.

3. The quantity of stored water to be credited to a long-term storage account.

4. Other information as the director may reasonably require.

C. In addition to the requirements of subsections A and B of this section, each person who holds a groundwater savings facility permit or who holds a water storage permit for water storage at a groundwater savings facility shall include with the annual report all evidence required to be submitted by that person pursuant to the plan by which the quantity of groundwater saved at the storage facility will be proved.

D. Each person who holds a recovery well permit shall file an annual report with the director that includes the following information:

1. The registration number and location of each well used to recover stored water.

2. The quantity of fuel or electricity consumed by the pump for each well during the year.

3. The total quantity and source of stored water recovered by each well during the year.

4. The quantity and source of stored water recovered on an annual basis during the year.

5. The quantity and source of stored water recovered from a long-term storage account during the year.

6. Other information as the director may reasonably require.

E. The annual reports shall be maintained on a calendar year basis and shall be filed with the director no later than March 31 of each year for the preceding calendar year. If a person who is required to file an annual report under this section fails to file a report when due, the director may assess and collect a penalty of twenty-five dollars for each month or portion of a month that the annual report is delinquent. The total penalty assessed under this subsection shall not exceed one hundred fifty dollars. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected under this subsection in the state general fund.

45-876.01. Annual report; groundwater replenishment district and replenishment district members; penalties

A. Each groundwater replenishment district shall file an annual report with the director that includes:

1. The total amount of water that was stored by the district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the district during the reporting year to be credited to the master replenishment account.

3. The amount of water stored by the district during the reporting year to be credited to the district's long-term storage account.

4. The amount of long-term storage credits the district has transferred and credited to its master replenishment account during the reporting year.

5. If the reporting year was a drought year, as defined in section 48-4401, for any district member:

(a) The amount of any debit that was registered to the district's drought relief account for the reporting year, as provided in section 48-4467.

(b) Each district member's share of the debit.

(c) The ending balance of the account.

(d) The historic annual per acre surface water deliveries, as defined in section 48-4401, for the reporting year of each irrigation district and water users' association that delivered surface water for non-irrigation use on land in the district during the reporting year.

6. Each district member's replenishment obligation determined pursuant to section 48-4463.

7. Other information as the director may require.

B. The annual report shall be maintained on a calendar year basis and shall be filed no later than May 15 of each year for the preceding year, which is the reporting year.

C. In addition to the annual report required by this section and section 45-632, each groundwater replenishment district member shall file an annual report with the director that includes the information prescribed by section 48-4463, subsection A. The annual report required by this subsection shall be maintained on a calendar year basis and shall be filed with the director no later than March 31 of each year for the preceding calendar year which is the reporting year.

D. The director may assess and collect a penalty of up to one thousand dollars for each day that a report is delinquent for a groundwater replenishment district or one of its members that is required to file an annual report and that fails to file the report when due. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this section in the state general fund.

45-877.01. Annual reports by conservation districts; penalties

A. Each conservation district shall file an annual report with the director that includes for each active management area in which a member land or member service area is or may be located:

1. The total amount of water that was stored by the conservation district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the conservation district during the reporting year to be credited to the conservation district's conservation district account.

3. The amount of water stored by the conservation district during the reporting year to be credited to the conservation district's long-term storage account.

4. The amount of long-term storage credits the conservation district has transferred and credited to its conservation district account during the reporting year.

5. The groundwater replenishment obligation as defined in section 48-3701 for the reporting year.

6. The contract replenishment obligation as defined in section 48-3701 for the reporting year.

7. The information required under section 48-3775.

8. Other information as the director may require.

B. The annual report required under subsection A of this section shall be maintained on a calendar year basis and shall be filed with the director no later than August 31 of each year for the preceding calendar year, which is the reporting year.

C. If the conservation district fails to file the report when due, the director may assess and collect a penalty of up to one hundred dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

D. If a municipal provider as defined in section 48-3701 does not timely file the annual report required by section 48-3775, the director may assess and collect a penalty of up to one thousand dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

45-878.01. Annual reports by water districts; penalties

A. Each water district shall file an annual report with the director that includes for the active management area in which a water district member land or water district member service area is or may be located:

1. The total amount of water that was stored by the water district during the reporting year pursuant to each water storage permit issued to it under this chapter.

2. The amount of water stored by the water district during the reporting year to be credited to the water district's water district account.

3. The amount of water stored by the water district during the reporting year to be credited to the water district's long-term storage account.

4. The amount of long-term storage credits the water district has transferred and credited to its water district account during the reporting year.

5. The water district groundwater replenishment obligation as defined in section 48-4801 for the reporting year.

6. The contract replenishment obligation as defined in section 48-4801 for the reporting year.

7. The information required under section 48-4976.

8. Other information as the director may require.

B. The annual report required under subsection A of this section shall be maintained on a calendar year basis and shall be filed with the director no later than August 31 of each year for the preceding calendar year, which is the reporting year.

C. If the water district fails to file the report when due, the director may assess and collect a penalty of up to one hundred dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

D. If a municipal provider as defined in section 48-3701 does not timely file the annual report required by section 48-4876, the director may assess and collect a penalty of up to one thousand dollars for each day the annual report is delinquent. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected pursuant to this subsection in the state general fund.

45-879.01. Annual reports certification; records

A. Each annual report required by this article shall contain either a sworn statement or a certification under penalty of perjury that the information contained in the report is true and correct according to the best belief and knowledge of the person filing the report.

B. Each person who is required to file an annual report under this article shall maintain current, accurate records of the information required to be included in the annual report.

C. The records and reports required to be kept and filed under this article shall be in a form prescribed by the director. The director shall prepare blank forms and furnish them on request. Failure to receive or obtain the forms does not relieve any person from the obligation to keep required records or make any required report.

45-880.01. Inspections, investigations and audits

A. The director or the director's authorized representative may enter at reasonable times on private or public property where any facilities used for the purposes of water storage, stored water recovery or stored water use are located and the owner, manager or occupant of the property shall permit such entry to:

1. Inspect any facility that is used for the purposes of water storage, stored water recovery or stored water use and that is subject to this chapter.

2. Obtain factual data or access to records required to be kept by this article.

3. Ascertain compliance with this chapter.

B. Inspections and investigations under this section shall be on reasonable notice to the owner, manager or occupant of the property unless reasonable grounds exist to believe that this notice would frustrate the enforcement of this chapter or if entry is sought for the sole purpose of inspecting water measuring devices required pursuant to section 45-872.01. The director shall adopt rules for conducting inspections, examining records and obtaining warrants pursuant to this section. The director may, and if required by law, shall, apply for and obtain warrants for entry and inspection to carry out the administrative and enforcement purposes of this chapter.

C. The director may require a person who is required to keep records under this article to appear, at reasonable times and on reasonable notice, at the director's office and produce the records and information that are specified in the notice to determine whether the records and annual reports required by this article are complete, true and correct.

D. The director shall provide a written report of each inspection, investigation and audit under this section to the person who is subject to such action.

45-881.01. Cease and desist order; temporary cease and desist order; hearing; injunctive relief

A. Except as provided by subsection B of this section, if the director has reason to believe that a person is violating or has violated a provision of this chapter or a permit, rule or order issued or adopted pursuant to this chapter, the director may give the person written notice that the person may appear and show cause at an administrative hearing at least thirty days from the date of service of the notice why the person should not be ordered to cease and desist from the violation. The notice shall inform the person of the date, time and place of the hearing and the consequences of failure to appear.

B. If the director finds that a person is constructing a storage facility or storing water in violation of this chapter, the director may issue a temporary order for the person to cease and desist the construction or storage pending final action by the director pursuant to subsection C of this section. The order shall include written notice to the person of the date, time and place where the person may appear at an administrative hearing before the department to show cause why the temporary order should be vacated. The hearing shall be held within fifteen days of the date of the order unless the person consents to a longer period.

C. The decision and order of the director under subsections A and B of this section may be in a form that the director determines to be reasonable and appropriate and may include a determination of violation, a cease and desist order, the recommendation of a civil penalty and an order directing that positive steps be taken to abate or ameliorate any harm or damage arising from the violation. The person affected may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in the superior court in the county in which the violation is alleged to have occurred.

D. If the person continues the violation after the director has issued a final decision and order pursuant to subsection C of this section or a temporary order pursuant to subsection B of this section, the director may apply for a temporary restraining order or preliminary or permanent injunction from the superior court pursuant to the rules of civil procedure. Filing for injunctive relief does not preclude other forms of relief or enforcement against the violator.

E. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section.

45-882.01. Violation; civil penalties

A. A person who is determined pursuant to section 45-881.01 to be in violation of this chapter or a permit, rule or order issued or adopted pursuant to this chapter may be assessed a civil penalty in an amount not exceeding:

1. One hundred dollars per day of violation that is not directly related to illegal storage, recovery or use of stored water.

2. Ten thousand dollars per day of violation that is directly related to illegal storage, recovery or use of stored water.

B. An action to recover penalties under this section shall be brought by the director in the superior court in the county in which the violation occurred.

C. In determining the amount of the penalty, the court shall consider the degree of harm to the public, whether the violation was knowing or wilful, the past conduct of the defendant, whether the defendant should have been on notice of the violation, whether the defendant has taken steps to cease, remove or mitigate the violation and any other relevant information.

D. The director shall deposit, pursuant to sections 35-146 and 35-147, all civil penalties assessed under this section in the state general fund.

ARTICLE 6 – State Demonstration Projects

45-891.01. Purposes

It is declared that the public policy of this state and the general purposes of this article are:

1. To protect the general economy and welfare of this state and its citizens by wise resource management of the water of the central Arizona project.

2. To store for future needs or use for replenishment purposes the central Arizona project water not now utilized by central Arizona project subcontractors.

3. To provide an additional source of water for times of serious water shortage due to a substantial reduction in the supply of central Arizona project water available for delivery to central Arizona project subcontractors or a prolonged interruption of deliveries of central Arizona project water.

45-892.01. Definitions

In this article, unless the context otherwise requires:

1. "Excess central Arizona project water" means central Arizona project water that in any year would otherwise not be delivered to central Arizona project subcontractors or their designees.

2. "Project permits" means permits obtained under articles 2 and 3 of this chapter for the purposes of operating a state demonstration project.

3. "State demonstration project" means a project for the storage of excess central Arizona project water at an underground storage facility pursuant to permits issued under this chapter and in accordance with this article.

45-893.01. Application for project permits; application requirement; permit specifications

A. A conservation district may apply to the director pursuant to articles 2 and 3 of this chapter for project permits for one or more state demonstration projects to be funded by account A of the state water storage fund established by section 45-897.01 and one or more projects to be funded by account B of the fund. Each project shall be located in a county for the benefit of which the account that funds the project was established.

B. In addition to the information required by articles 2 and 3 of this chapter, the conservation district's permit application shall contain plans for the state demonstration project and projections of the capital, operation and maintenance costs of the project, exclusive of water recovery costs. The plans and projections shall contain information adequate to permit the director to determine whether sufficient monies will be available from the state water storage fund to cover the projected costs of the proposed state demonstration project, considering all other obligations of the fund.

C. If the director approves the conservation district's project permit applications, the director shall specify in the permit or in a written memorandum of understanding between the director, the conservation district and the state treasurer the conditions under which and the timing pursuant to which monies shall be disbursed by the state treasurer to the conservation district from the state water storage. The permit or the memorandum of understanding:

1. Shall provide for the advancement to the conservation district of the capital, operation and maintenance costs of the project, exclusive of water recovery costs, and the

advancement of additional necessary monies to the conservation district, if the monies initially advanced are insufficient to cover those costs.

2. Shall provide for the continuing disbursement from the fund of monies for the purchase of excess central Arizona project water.

3. May provide for the use of monies in the fund to cover the conservation district's costs of recovering, transporting and delivering the stored water and the costs of dismantling the project.

D. If the director approves the conservation district's application for the project permits, the conservation district may contract for excess central Arizona project water for storage in the state demonstration project and may enter into agreements with the director for the disposition of such water as provided in section 45-895.01.

45-894.01. Use for replenishment purposes

A. After the qualification of any real property as member land pursuant to section 48-3774 or the qualification of any service area as a member service area pursuant to section 48-3780, a conservation district may use the facilities and excess storage capacity of any state demonstration project located in the active management area in which the member land or a member service area is located for replenishment purposes. The groundwater replenished by the conservation district using the facilities and excess storage capacity of a state demonstration project shall not be water stored in the state demonstration project.

B. A conservation district may operate and maintain a state demonstration project and may simultaneously store water for other purposes, including replenishment, at the same storage facility.

45-895.01. Storage of water; availability and disposition of stored water

A. Water stored in a state demonstration project that is eligible for credits in a long-term storage account pursuant to section 45-852.01 shall be credited to a state demonstration subaccount of the conservation district's long-term storage account. The credits in this subaccount shall be used only for municipal and industrial purposes and shall be used only in the county for the benefit of which the state demonstration project was constructed by the conservation district.

B. Water stored in a state demonstration subaccount shall be available for disposition by the director during any time when the director determines either of the following applies:

1. The amount of central Arizona project water available for delivery to central Arizona project municipal and industrial subcontractors is insufficient to meet the contractual entitlements of the subcontractors.

2. There is a significant interruption of the conservation district's ability to make deliveries of central Arizona project water in the county for the benefit of which the state demonstration project was constructed.

C. The director may dispose of water stored pursuant to this article only when one of the conditions described in subsection B of this section exists. The director may dispose of the water to a person, including a person who is not an existing central Arizona project municipal and industrial subcontractor, who has filed a request for the water. In disposing of the water, the director shall take into account the reasonable water needs of persons who have filed requests for the water and the applicable provisions of the state water plan, if any, in effect at the time of the request. The director shall require as a condition of the disposition of water that:

1. The person who receives the water shall pay the conservation district's costs, if any, of recovering, transporting and delivering the water to the person, but the person is not required to pay any other costs of construction, operation or maintenance of the state demonstration project. If monies from the state water storage fund established by section 45-897.01 are used to cover the conservation district's cost of recovering, transporting or delivering the water stored, the person who receives the water shall reimburse the fund for those costs.

2. The person who receives the water shall agree to be bound by the relevant terms and conditions of any applicable contract between the conservation district and the United States.

3. The water disposed of to a person pursuant to this section shall be used only by the person for municipal and industrial purposes in the county for the benefit of which the state demonstration project was constructed.

45-896.01. Assumption of responsibility for stored water

A. Notwithstanding section 45-895.01, if a groundwater replenishment district is established pursuant to title 48, chapter 27 on or before July 1, 1996 in the Phoenix active management area:

1. The multi-county water conservation district and the groundwater replenishment district shall share equally any water that is stored in a state demonstration project in that active management area. The shares shall be calculated after the director has determined the amount of stored water to be reserved pursuant to paragraph 2 of this subsection.

2. The director shall determine the quantity of any water that is stored for the benefit of municipal and industrial users that are not member lands or member service areas of the multi-county water conservation district and that are located in Maricopa county and the right to use that amount of water is reserved to those municipal and industrial users. Those municipal and industrial users may recover and use the water as otherwise

provided by statute or rule but shall apply to the multi-county water conservation district for the use of the water.

3. On or before December 31, 1996, unexpended and unencumbered monies, liabilities, facilities and equipment of a state demonstration project shall be transferred to the multi-county water conservation district and the groundwater replenishment district in equal shares.

B. Notwithstanding section 45-895.01, if a permanent active management area water district is established pursuant to title 48, chapter 28 on or before July 1, 1996 in the Tucson active management area:

1. The multi-county water conservation district and the active management area water district shall share equally any water that is stored in a state demonstration project located in that active management area. The shares shall be calculated after the director has determined the amount of stored water to be reserved pursuant to paragraph 2 of this subsection.

2. The director shall determine the quantity of any water that is stored for the benefit of municipal and industrial users that are not member lands or member service areas of the multi-county water conservation district and that are located in Pima county and the right to use that amount of water is reserved to those municipal and industrial users. Those municipal and industrial users may recover and use the water as otherwise provided by statute or rule but shall apply to the multi-county water conservation district for the use of the water.

3. On or before December 31, 1996, unexpended and unencumbered monies, liabilities, facilities and equipment of a state demonstration project shall be transferred to the multi-county water conservation district and the active management area water district in equal shares.

C. Notwithstanding section 45-895.01 and only to the extent that subsection A or B of this section does not apply:

1. Not later than December 31, 1996, facilities, equipment and liabilities of a state demonstration project located in a multi-county water conservation district shall be transferred to the multi-county water conservation district.

2. The multi-county water conservation district shall use the monies in the state water storage fund established by section 45-897.01 to expediently store water and construct underground storage facilities until that fund is exhausted.

3. On July 1, 1996 the multi-county water conservation district shall assume responsibility for water that is stored by that date in a state demonstration project located in the district. Before July 1, 1996 the director shall determine the quantity of water that has been stored for the benefit of municipal and industrial users that are located in

Maricopa or Pima counties but that are not member lands or member service areas of the multi-county water conservation district. The right to use that quantity of water is reserved for the benefit of those municipal and industrial users. The water not reserved for this purpose shall be used for the benefit of member lands or member service areas of the multi-county water conservation district.

4. Periodically after July 1, 1996, until the state water storage fund is exhausted, the director shall determine the quantity of water that has been stored with the use of monies from the state water storage fund for the benefit of municipal and industrial users that are located in Maricopa or Pima county but that are not member lands or member service areas of the multi-county water conservation district. The director shall transfer those quantities of long-term storage credits to the Arizona water banking authority. The Arizona water banking authority shall use the long-term storage credits transferred pursuant to this paragraph in accordance with section 45-2457, subsection B, paragraph 7.

5. Long-term storage credits earned after July 1, 1996 with the use of monies in the state water storage fund established by section 45-897.01 that are not transferred to the Arizona water banking authority pursuant to paragraph 4 of this subsection shall be transferred to the multi-county water conservation district and shall be used for the benefit of member lands or member service areas of the multi-county water conservation district.

45-897.01. <u>State water storage fund; disbursement of monies</u>

A. A state water storage fund is established to be administered by the director as provided in this article. The fund shall be divided into two accounts, one account for the benefit of counties having a population of more than five hundred thousand persons but less than one million five hundred thousand persons and one account for the benefit of counties having a population of one million five hundred thousand persons or more, according to the most recent United States decennial census. The accounts shall be referred to respectively as account A and account B. The fund and the accounts within the fund consist of monies appropriated by the legislature and taxes levied by a conservation district pursuant to section 48-3715.02. Monies appropriated by the legislature shall be credited to the separate accounts as provided by the legislature. Taxes levied by the conservation district shall be credited to the separate accounts as provided in section 48-3715.02. Monies in the fund are exempt from lapsing under section 35-190. Interest earned on monies in the fund shall be credited to the fund and to the separate accounts in proportion to the balance of each account.

B. The fund shall be used to pay the capital, operation, maintenance and other costs, including the costs of excess central Arizona project water, of state demonstration projects constructed by the conservation district pursuant to this article. Monies shall be distributed from the fund to the conservation district on the direction of the director, in the manner provided for in section 45-893.01.

45-898.01. Indemnification and insurance

For purposes of this article only, when proposing, obtaining permits for, acquiring property for or constructing, operating, maintaining, terminating or dismantling a state demonstration project, a conservation district is an agent of the state, and the state shall indemnify and insure against all liability for acts or omissions of any nature under section 41-621, subsection A, paragraph 3. The state shall be named as an additional insured on any contracts entered into under this article between the conservation district and outside consultants or contractors, and the conservation district shall consult with the department of administration as to appropriate insurance to be specified in any contracts.

Attachment D

Town of Mammoth Sample Accounting Spreadsheet

WATER TREATED AS DIVERTED BY THE TOWN

Diversions from within an Impact Zone	**Acre-feet**
Any water Diverted by the Town from within an Impact Zone, including any water Diverted from within an Impact Zone by a well located outside of an Impact Zone. (11.1.1)	
Any water Diverted from within an Impact Zone by any person or entity other than the Town for use within the Town's service area other than as authorized by 26.8 of the Settlement Agreement. (11.1.3)	
Total water Diverted by the Town from within an Impact Zone	

Other Water	
Any water allocated to the Water Budget in the Water Use Plan, whether Diverted or not. (11.1.2)	
Diversions from the Town Wells (11.1.4)	
Any water sold, exchanged or transferred by the Town to a third party, that would have otherwise counted against the Water Budget (11.1.5)	
Total Other Water Diverted by the Town	
Total Water Diverted by the Town	

WATER NOT TREATED AS DIVERTED BY THE TOWN

Water Diverted from wells outside an Impact Zone that is not allocated to the Water Budget and that does not create a cone of depression that extends into an Impact Zone. (11.2.1)	
Any Recovered Effluent (11.2.2)	
Total Water not treated as Diverted by the Town	

Attachment E

General Nuisance Abatement Ordinance

AN ORDINANCE REGU. .ING AND DEFINING NUISANCES IN . .E TOWN OF MAMMOTH AND FIXING A PENALTY FOR THE VIOLATION OF THE PROVISIONS THEREOF, (HEALTH & SANITATION)

BE IT ORDAINED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MAMMOTH, as follows:

Sec. 1. Nuisances Defined. Whatever is dangerous to human life or health and whatever renders soil, air, water, or food impure or unwholesome are declared to be nuisances and to be illegal. It shall be unlawful for any person, either as owner, agent or occupant to create or aid in creating or contributing to or to maintain a nuisance.

Sec. 2. "Author of Nuisance" Defined. Where a nuisance exists upon property and is the outgrowth of the usual, natural, or necessary use of the property, the landlord thereof, or his agent, the tenant, or his agent and all other persons having control of the property on which such nuisance exists shall be deemed to be the authors thereof and shall be equally liable therefore, but where any such nuisance shall arise from the unusual or unnecessary use to which such property may be put, or from business use to which such property may be put, or from business thereon conducted, then the occupants and all other persons contributing to the continuance of such nuisance shall be deemed the authors thereof.

Sec. 3 The Following are hereby declared to be nuisances:

(1) Befouling water in any spring, stream, well or water source supplying for culinary purposes.

(2) To allow any privy, vault or cesspool to become a menace to Health.

(3) To permit any garbage box or similar receptacle to remain on premises which has become unclean and offensive.

(4) To allow vegetable waste, garbage, or refuse of any nature to accumulat

(5) To permit the accumulation of manure in any stable, stall, etc., in which any animal shall be kept.

(6) To permit any waste, damaged merchandise, leaking barrels, casks or box to become putrid or to render the atmosphere impure or unwholesome.

(7) To discharge or place any offensive water, liquid waste, or refuse of any kind into any street, alley, sidewalk, gutter or vacant lot, which is offensive or liable to become so.

(8) To permit to be kept or collect any stale or putrid grease or other offensive matter.

(9) To have or permit upon any premises any fly-producing condition.

(10) To fail to keep alleyways clean and free from rubbish of any and all kinds.

(11) To fail to furnish any dwelling house, boarding house, or factory with such privy vaults, water closets and sinks as may be required to maintain the same in a sanitary condition.

(12) To neglect or refuse to discontinue the use of, clean out, disinfect and fill up all privy vaults and cesspools within twenty days after notice from the board of health of this town.

(13)To permit any lot or excavation to become the repository of stagnant water or any decaying or offensive substances.

(14) To obstruct the streets and/ or sidewalks without the permission of the town council.

Sec. 4. Notice to Abate Nuisance. In order to better carry out the provisions of this chapter any city officer may serve a notice in writing upon the owner, occupant or agent of any lot, building, or premises in or upon which any nuisance may be found, or upon him who may be the cause of such nuisance, requiring him to abate the same in such manner as the city officer directs and within a reasonable time to be fixed in the notice; and failure to give a notice as provided herein shall not relieve the author of any nuisance from the obligation to abate such nuisance or from the penalty provided for the maintenance thereof.

Sec. 5. Cl. Officer to Abate. In case of neglect or refusal of any person to abate any nuisance defined by this chapter, after notice in writing has been served upon him as provided in these ordinances and within the time specified in said notice, it is hereby made the duty of such officer to abate or procure the abatement thereof, and the expense of such abatement shall be collected from the person so offending.

Sec. 6. Any person violating any of the provisions of this ordinance shall be punished by fine not to exceed $300.00 or by imprisonment, or both, or by confinement at hard labor provided that such imprisonment or confinement at hard labor shall not exceed three (3) months.

An Emergency is hereby declared.

PASSED by the Mayor and Common Council of the Town of Mammoth, this 9th day of July, 1959.

Mayor: William Buzan
Town Clerk: John Annis
Published: July 17th thru 31s

EXHIBIT 26.6

FORM OF AGREEMENT AMONG THE GILA RIVER INDIAN COMMUNITY, THE UNITED STATES OF AMERICA, AND CERTAIN PARTIES LOCATED IN THE GILA RIVER WATERSHED LOCATED BELOW THE CONFLUENCE OF THE GILA RIVER AND THE SALT RIVER

This Agreement is entered into as of the date executed below, by and among the Gila River Indian Community, the United States of America, in the capacity as set forth herein, and certain persons and entities who Divert Surface Water at or below Gillespie Dam.

1.0 RECITAL

1.1 The Parties have agreed to permanently resolve certain disputes among them as set forth in this Agreement. The intent of this Agreement is to provide the basis for the language in subparagraph 28.1.3.1 of the Settlement Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Community, the United States and the Gillespie Diverters agree as follows:

2.0 DEFINITIONS

The following terms shall have the following meanings when capitalized in this Agreement:

2.1 "Act" shall mean the Arizona Water Settlements Act, Public Law 108-451.

2.2 "Agreement" shall mean this Agreement and the Attachments hereto, which are incorporated herein by this reference.

2.3 "Allottee" shall mean a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B)held in trust by the United States.

2.4 "Attachment" shall mean an Attachment to this Agreement.

2.5 "District" or "San Carlos Irrigation and Drainage District" shall mean the entity of that name that is a political subdivision of the State and an irrigation and drainage district organized under the laws of the State.

2.6 "Enforceability Date" shall mean the date on which the Secretary publishes in the Federal Register the statement of findings described in section 207(c) of the Act.

2.7 Gila River Adjudication Proceedings" shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated).*

"

2.8 "Gila River Indian Community" or "Community" shall mean the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under Section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

2.9 "Gila River Indian Reservation" or "Reservation" shall mean land located within the exterior boundaries of the reservation created under sections 3 and 4 of the Act of February 28, 1859 (11 Stat. 401, Chapter LXVI), and Executive Orders of August 31, 1876, June 14, 1879, May 5, 1882, November 15, 1883, July 31, 1911, June 2, 1913, August 27, 1914, and July 19, 1915. The term "Gila River Indian Reservation" or "Reservation" includes

those lands located in Sections 16 and 36, Township 4 South, Range 4 East, Gila and Salt River Base and Meridian.

2.10 "Gillespie Dam" shall mean that diversion dam shown on Attachment A, at which location Diversions are made into the Gila Bend Canal and the Enterprise Canal.

2.11 "Gillespie Diverter" shall mean any person or entity that Diverts Surface Water at a point of Diversion at or downstream from the Diversions into the Gila Bend Canal and the Enterprise Canal, for use on lands downstream from Gillespie Dam, and who is a Party to this Agreement.

2.12 "Globe Equity Decree" shall mean the decree dated June 29, 1935, entered in *The United States of America v. Gila Valley Irrigation District, et al.*, Globe Equity No. 59, by the United States District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

2.13 "Injury to Water Rights" shall mean an interference with, diminution of, or deprivation of Water Rights under federal, state, or other law. The term "Injury to Water Rights" includes a change in the Underground Water table and any effect of such a change. The term "Injury to Water Rights" does not include Subsidence Damage or Injury to Water Quality, as those terms are defined in the Settlement Agreement.

2.14 "Paragraph" shall mean a paragraph of this Agreement.

2.15 "Party" shall mean an entity represented by a signatory to this Agreement and "Parties" shall mean more than one of such entities. The United States' participation as a Party shall be in the capacity described in subparagraph 2.20.

2.16 "Settlement Agreement" shall mean that certain amended and restated agreement authorized and approved by the Act and entered into among the Community, the

United States, the State of Arizona, and certain other named parties. The Gillespie Diverters are not parties to the Settlement Agreement, nor are they bound by the terms and conditions thereof.

2.17 "Subparagraph" shall mean a subparagraph of this Agreement.

2.18 "Surface Water" shall mean all water that is appropriable under State law. For purposes of the definition of "Water Right", the term "Surface Water" shall also include Colorado River water.

2.19 "Underground Water" shall mean any water beneath the surface of the Earth regardless of its legal characterization as appropriable or non-appropriable under any applicable law.

2.20 "United States" or "United States of America" shall mean the United States of America acting on behalf of the Community, Members, but not on behalf of the Allottees, and in no other capacity.

2.21 "Water Right" shall mean any right in or to Groundwater, Surface Water, or Effluent (as that term is defined in the Settlement Agreement) under Federal, State or other law.

3.0 ATTACHMENTS

Following is a list that constitutes the attachments to this Agreement:

Attachment	Description
A	Gillespie Dam
B	Legal description of landholdings of the Gillespie Diverter

4.0 AGREEMENT NOT TO CHALLENGE

4.1 The Community and the United States shall not, in the Gila River Adjudication Proceedings, or in any other judicial or administrative proceeding, exercise their respective rights to challenge or object to claims by the Gillespie Diverters to rights to Surface Water for use on such Gillespie Diverter's land holdings as set forth on Attachment B; provided, however, that the Community and the United States shall retain their respective rights to assert claims for Injury to Water Rights of the Community as set forth in the Settlement Agreement that may occur after the Enforceability Date of this Agreement; provided further, that, the Community and the United States shall retain the right to object to any call for water by the Gillespie Diverters on any legal ground available to the Community or the United States at the time the call is made.

4.2 The rights as set forth in the Globe Equity Decree shall be binding upon the Gillespie Diverters. The Gillespie Diverters shall not, in the Gila River Adjudication Proceedings, or in any other judicial or administrative proceeding: (i) challenge or object to the use of water in accordance with the Settlement Agreement; or (ii) challenge or object to the District's use of water pursuant to any rights the District may have been determined to have to share in the Community's immemorial priority pursuant to Article VI-3 of the Globe Equity Decree. Except as provided in this Subparagraph 4.2, nothing in this Agreement or in the Settlement Agreement shall be construed to limit or restrict the right of the Gillespie Diverters to challenge or object to any person's or entity's claim or right to Divert, store or otherwise use water in the Gila River watershed, including, but not limited to the Salt River and all of its tributaries.

4.2.1 The Gillespie Diverters shall not, in the Gila River Adjudication Proceedings, or in any other judicial, legislative or administrative proceeding, challenge or object to the approval of the Settlement Agreement.

4.3 Except as to Parties to this Agreement, nothing in this Agreement shall be construed or otherwise interpreted to preclude any other person or entity, including but not limited to the District acting on its own behalf and the United States acting in any capacity other than as trustee for the Community~~,~~ and its Members, from challenging or objecting to claims by the Gillespie Diverters for use of water from the Gila River at or below Gillespie Dam.

5.0 DISPUTE RESOLUTION

5.1 The rights and obligations under this Agreement shall be enforceable in any court of competent jurisdiction, but not the courts of the Community.

6.0 MISCELLANEOUS

6.1 Waiver. No waiver of any breach of any of the terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Agreement.

6.2 Construction and effect. This Agreement and each of its provisions are to be construed fairly and reasonably. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

6.3 Successors and assigns. Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

6.4 Benefits of agreement. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise here from.

6.5 Third party beneficiaries. The Parties intend that this Agreement is binding solely on the Parties and that there is no intent to benefit persons or entities who are not Parties other than the District pursuant to Subparagraph 4.2(ii); provided, however, that the Agreement shall not be interpreted or construed to bind the District or any other person or entity, other than the Parties, in any way whatsoever.

6.6 Good faith negotiations. This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation. No information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the approval of this Agreement.

6.7 Entire agreement. This Agreement is the entire agreement between the Parties. All previous agreements, statements contracts and representations by or among the Parties and their agents relating to the subject matter of this Agreement are hereby merged into this Agreement and no evidence of any such agreement, contract, representation or statement shall be admissible to interpret this Agreement. The Parties warrant that they are not relying on any such agreement, contract, representation or statement as a reason for entering this Agreement. Any modification of this Agreement shall be void unless it is in writing and signed by all the Parties.

6.8 No major Federal action. The Secretary's execution of this Agreement shall not be considered a major Federal action under the National Environmental Policy Act.

6.9 [Intentionally not used].

6.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

6.11 Approval, consent and ratification. Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement.

6.12 Binding enforceability. With the exception of Subparagraphs 4.1 and 4.2.1, this Agreement shall be binding and enforceable as of the Enforceability Date. Subparagraphs 4.1 and 4.2.1 shall be binding and enforceable as of the date of execution of this Agreement.

6.13 Notice. Any notice to be given under this Agreement shall be properly given or made when received by the officer designated below, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows, or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Subparagraph 6.13:

(a) As to the United States:
The Secretary of the Interior
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Regional Director
Western Regional Office
Bureau of Indian Affairs

P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

(b) As to the Community:
Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the Gillespie Diverters

[Insert Address]

Or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Subparagraph 6.13.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year signed below:

GILA RIVER INDIAN COMMUNITY

By: _____
Its: Governor
Dated: _____

Attest: _____

Approved as to Form: _____
Its: _____

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

By: _____
Its:

Dated: _____

Attest: _____

Approved as to Form: _____
Counsel for the Gillespie Diverter

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the A Tumbling T Ranches.

_____
Notary Public

My commission expires:
_____

By: _____
Its:

Dated: _____

Attest: _____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the [Gillespie Diverter].

_____
Notary Public

My commission expires:
_____

This Agreement is approved pursuant to the Arizona Water Settlements Act and, to the extent applicable, 25 U.S.C. §81.

THE UNITED STATES OF AMERICA

By: _____
Secretary of the Interior

Dated: _____

Gillespie Dam

That part of Section 28, Township 2 South, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at a point on the North line of the Northwest quarter of the Northeast quarter of Section 28, Township 2 South, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, said point being 710 feet Westerly of the Northeast corner of said Northwest quarter of the Northeast quarter;

thence Southerly to a point on the South line of the said Northwest quarter of the Northeast quarter, said point being 685 feet Westerly of the Southeast corner of said Northwest quarter of the Northeast quarter;

thence continuing Southerly to the North line of Gillespie Dam;

thence Easterly along the said North line of Gillespie Dam to a point; said point lying 385 feet East of the West line of the Southeast quarter of the Northeast quarter of said Section 28;

thence Southerly at a right angle to the North line of said Gillespie Dam, a distance of 200 feet;

thence Westerly along a line parallel with and 200 feet distant from the North line of said Gillespie Dam to a point on the East line of Old U.S. 80, the Phoenix/Yuma Hwy.;

thence Northerly along the said East line of the Phoenix/Yuma Hwy. to a point on the East line of the Northwest quarter of the Northwest quarter of said Section 28;

thence Northerly along the said East line of the Northwest quarter of the Northwest quarter to the North line of said Section 28;

thence Easterly along said North line of Section 28 to the POINT OF BEGINNING;

EXCEPT a strip or piece of land 100 feet wide, described as follows:

COMMENCING at a point 260 feet South of the Southeast corner of the Northwest quarter of the Northeast quarter of Section 28, Township 2 South, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

thence South 87 degrees East to the intersection of and parallel to the center line of Gila Bend Canal and 150 feet distance from the same, in a Westerly direction;

thence following said parallel line as a center line, in a Southeasterly direction to the point of intersection of the Old St. Louis Canal bed;

thence South 32 degrees East to the intersection of the Section line between Sections 27 and 28;

thence South 70 degrees East to the Southerly boundary of the Northeast quarter of the Southwest quarter of Section 27.

GAME & FISH CLAIMS

Name	Statement of Claimant	Type(s) of Use	Annual Use or Reservoir Capacity	Legal Description Sec. Twnshp. Range	Priority Date
Upper Gila Watershed					
Cluff Ranch Wildlife Area	39-66995	Lake REC	1.71 c.f.s.	SW2 08S 24E	01/01/1891
Gila River Instream	39-67012	Instream F&W	10 c.f.s.	SE34 08S 32E	01/01/9000
Graphite Springs	39-66997	Spring REC	14 g.p.m.	SE27 15S 29E	08/15/54
Luna Lake	39-66999	Lake REC	550 ac. ft.	NW16 05N 32E	04/28/52
May Memorial	39-67009	Spring W	0.1 g.p.m.	NE17 17S 31E	05/03/56
Mescal Mountain Cylinder	39-68384	Reten. Dam W	.0222 ac. ft.	NE21 03S 16E	07/31/87
Outlaw Spring	39-66998	Spring W	0.155 g.p.m.	NE34 15S 30E	01/01/52
Riggs Flat Lake	39-6661	Lake F&W	134.6 ac. ft.	SW26 08S 23E	05/15/56
Roper Lake and Land	39-670001	Lake REC	313 ac. ft.	NE8 08S 26E	07/07/69
Tar Box Canyon Spring	39-67010	Spring REC	0.1 g.p.m.	NW19 14S 28E	07/23/81
Upper Gila River Water Develop	39-67011	Cachmnts W	various	SEE ATTACHED	10/24/86
Aravaipa Creek	39-04871	Instream F&W	1,000 ac. ft.	NE24 06S 18E	06/20/80
Babocomari River	39-04869	Instream F&W	1,000 ac. ft.	SW33 20S 18E	06/20/80
Crystal springs #2	39-04875	Spring F&W	10,000 g.p.a.	NW29 11S 16E	04/06/59
Hot Springs Canyon	39-04870	Instream F&W	750 ac. ft.	NE25 12S 20E	06/20/80
Maverick Spring	Not Filed	Spring W	15,000 g.p.y.	SE11 12S 16E	
Redfield Canyon R/W	39-04872	Instream F&W	750 ac. ft.	SW28 11S 20E	06/20/80
Rice Peak Spring	39-04874	Spring DOM	1,000 g.p.a.	SE31 10S 16E	04/06/59
Unknown Spring	39-04873	Spring	10,000 g.p.a.	SE23 13S 20E	01/23/62

Water Developments - Other Uses Attachment

Wildlife Rainwater Catchments

The Arizona Game and Fish Department wildlife water development program has and continues to utilize several structural options for rainwater recovery, storage, and dispensing as a viable support mechanism for dependent wildlife species. These options serve to achieve the objectives for on-site water recovery and retention in remote wildlife range areas.

The basic or preferred development technique most frequently used by wildlife or habitat specialist has been the "gallinaceous guzzler," or rainwater catchment, which relies on a direct interception of rainwater prior to contact with ground surface. Artificial watersheds fabricated from concrete, galvanized sheet metal or asphalt impregnated fiberglass matting have been employed as highly effective surface efficient substrates for collecting and discharging runoff to a water storage receiving basin. These watershed aprons are typically constructed on a five to ten percent natural slope gradient and effects a rapid discharge of surface flow to designated collection points. Occasionally, a natural rock surface is exploited as an optional substitute for an artificial watershed.

Bearing in mind that the normal ground surface discharge of rainwater is dependent on soil saturation, plant composition, and intensity of rainfall, considerable or initial moisture loss is reflected as watershed inefficiency due to water percolation into the soil mantle and moisture absorption by overlying plant growth occupying the site.

Department rainwater catchment watersheds vary in size as a dependent consideration for water storage requirements and anticipated average rainfall receipt. Artificial watersheds range in surface area from 1,000-7,000 square feet. Natural rock aprons used seldom exceed one acre in expanse.

Catchment watershed design for production is based on a quantitative premise that one inch of rainfall will yield approximately 600 gallons of water per 1,000 square feet of surface area. The area required for rain interception is directly related to average rainfall, site requirements for storage, and anticipated wildlife usage.

Reservoirs utilized as wildlife water storage tanks vary in dimensional capacities from 500-17,000 gallons. Wildlife consumption from these tanks is expressed as a variable factor ranging from approximately 500-15,000 gallons annually, dependent on environmental conditions and density of resident ungulate wildlife.

Catchment reservoir design includes a variety of tank styles and options for site adaptability. These basic types are listed and superficially described as follows:

1 - Concrete reservoirs or cisterns - constructed below ground surface.

2 - Steel tanks - installed on ground surface.
3 - Sectional steel tanks with vinyl liners - installed below grade or placed at ground surface.
4 - Fiberglass tanks - installed on ground surface or below grade and covered.

All tanks are covered to prevent excessive water loss through evaporation. Wildlife access to stored water is achieved through the use of walk-in ramps or float valve regulated trough systems.

During periods of normal precipitation, excess water production overflows through these storage systems and discharges as surface runoff from the natural watershed. Frequently wildlife usage during summer stress periods exceeds residual storage capacities and entails water hauling to replenish water supplies when such deficiencies occur.

The Department presently maintains over 500 standard rainwater catchments relying on the water recovery and storage systems described within this resume.

Unit 28

No.	Development Name	Legal Description		Type/Capacity
214	Tanque Catchment #1	NW1/4 NW1/4 SW1/4	Sec. 30,T 9S,R27E	CONC-1000
215	Tanque Catchment #2	SE1/4 NW1/4 SE1/4	Sec. 17,T 9S,R27E	CONC-1000
216	Tanque Catchment #3	NW1/4 NE1/4 NW1/4	Sec. 15,T 9S,R27E	CONC-1000
217	Tanque Catchment #4	SE1/4 NW1/4	Sec. 19,T 9S,R27E	CONC-1000
218	Tanque Catchment #5	NE1/4 NE1/4 SE1/4 SE1/4	Sec. 27,T 9S,R26E	CONC-1000
219	Tanque Catchment #6	NW1/4 SE1/4 SE1/4 SW1/4	Sec. 1,T10S,R26E	CONC-1000
220	Tanque Catchment #7	SE1/4 NW1/4 NW1/4 NW1/4	Sec. 26,T 9S,R26E	CONC-1000
369	Whitlock Hills Catchment #1		Sec. 4,T 9S,R29E	CONC-2000
370	Whitlock Hills Catchment #2		Sec. 6,T 9S,R29E	CONC-2000
371	Whitlock Hills Catchment #3		Sec. 34,T 9S,R29E	CONC-2000
868	Peloncillo Mts. Catchment #1	NW1/4 NE1/4	Sec. 27,T10S,R31E	GALV-3000
872	Peloncillo Catchment #2	SW1/4 NW1/4	Sec. 20, T10S, R31E	GALV-3000
873	Peloncillo Catchment #3	NE1/4 SE1/4	Sec. 10, T11S, R31E	GALV-3000
874	Whitlock Catchment #1	SE1/4 NE1/4	Sec. 36, T9S, R28E	GALV-3000
875	Whitlock Catchment #2	SE1/4 SE1/4	Sec. 14, T9S, R28E	GALV-3000
885	Javelina Catchment	SE1/4 NW1/4	Sec. 28, T9S, R29E	VIN/GALV-5000
889	Sanchez Catchment	NE1/4 NE1/4	Sec. 24, T6S, R27E	VIN/GALV-5000
890	Timber Draw Catchment	SE1/4 SE1/4	Sec. 19, T11S, R28E	GALV-3000
902	Roostercomb Catchment	NE1/4 NE1/4	Sec. 18, T13S, R32E	VIN/GALV-5000
903	Rattlesnake Catchment	SE1/4 SE1/4	Sec. 29, T11S, R27E	GALV-3000
908	Coyote Catchment	NW1/4 SE1/4	Sec. 32, T9S, R27E	VIN/GALV-5000
909	Ash Peak Catchment	SE1/4 NW1/4	Sec. 15, T8S, R30E	VIN/GALV-5000
910	Cholla Catchment	NE1/4 SE1/4	Sec. 19, T8S, R29E	VIN/GALV-5000
911	Flattop Catchment	SE1/4 SE1/4	Sec. 1, T9S, R30E	VIN/GALV-5000
912	Red Mountain Slickrock Catchment	SW1/4 NW1/4	Sec. 20, T7S, R29E	FIBERGLASS-2150
914	Dry Mountain Catchment	SE1/4 NW1/4	Sec. 34, T8S, R28E	VIN/GALV-5000
917	Twin Knolls Slickrock Catchment	NW1/4 SW1/4	Sec. 4, T8S, R29E	FIBERGLASS-2150

UNIT 29

No.	Development Name	Legal Description		Type/Capacity
314	Portal Peak Tank		Sec. 1,T18S,R31E	
421	Chiricahua Mts. Catchment #1	NE1/4 NW1/4	Sec. 17,T20S,R30E	CONC-2000
422	Chiricahua Mts. Catchment #2	SE1/4 SE1/4	Sec. 37,T18S,R31E	CONC-2000
423	Chiricahua Mts. Catchment #3	SW1/4 NE1/4	Sec. 13,T18S,R31E Sec. 17,T17S,R31E	CONC-2000

Unit 30A

No.	Development Name	Legal Description		Type/Capacity
856	Government Peak Slickrock Catchment	SE1/4 NW1/4	Sec. 17, T14S, R28E	FIBERGLASS-1950
858	Camels Back Catchment	NW1/4 NE1/4	Sec. 4, T14S, R26E	VIN/GALV-5000

UNIT 31

No.	Development Name	Legal Description	Type/Capacity
367	Graham Mountain Large Catchment #1	NW1/4 NE1/4 Sec. 31,T11S,R26E	CONC-2000
368	Graham Mountain Large Catchment #2	NE1/4 NW1/4 Sec. 29,T10S,R26E	CONC-2000
798	Graham Mountain Catchment #3	SW1/4 SE1/4 Sec. 13,T 7S,R20E	GAL/VIN-5000

UNIT 37B

No.	Development Name	Legal Description	Type/Capacity
748	Tortilla Mts. Catchment #1	E1/2 SE1/4 NW1/4 Sec. 13,T5S,R13E	BUT/GAL-5000
749	Tortilla Mts. Catchment #2	S1/2 NE1/4 NW1/4 Sec. 25,T5S,R13E	BUT/GAL-5000
752	Tortilla Mts. Catchment #3	W1/2 SE1/4 SE1/4 Sec. 20,T5S,R14E	VIN/GAL-5000
882	Mineral Mtn. Catchment	SE1/4 SE1/4 Sec. 19, T3S, R11E	VIN/GALV-6900
883	Grayback Mtn. Catchment	NW1/4 SW1/4 Sec. 13, T4S, R12E	VIN/GALV-10,000

EXHIBIT 26.8.1

MINIMUM REQUIREMENTS OF STATE LEGISLATION

UPPER GILA RIVER WATERSHED MAINTENANCE PROGRAM

The State legislation contemplated in Subparagraph 26.8.1 to establish the Upper Gila River Watershed Maintenance Program shall contain the following elements, at a minimum:

1. Prohibit the construction of new dams, and the reservoirs associated therewith, in the Gila River watershed upstream and to the east of Ashurst-Hayden Diversion Dam. The legislation would include appropriate exceptions for: (i) flood control structures; (ii) structures for impounding mine tailings, (iii) impoundments within hard rock mines or industrial facilities, or both, for environmental control or process management purposes; (iv) impoundments for Diverting Surface Water flows around hardrock mines or industrial facilities, or both; (v) Groundwater impoundments; (vi) Effluent impoundments; (vii) stockponds; (viii) impoundments that may be constructed to store water otherwise authorized to be used by a Party to the Settlement Agreement; and (ix) dams used to divert or store water that is decreed Water under the Globe Equity Decree. For purposes of this prohibition, the definition of the term "dams" shall be as set forth in Arizona Revised Statutes §45-1201, as it exists on the Effective Date. Dams may be modified, repaired, desilted, lined or rehabilitated as necessary to comply with dam safety requirements. Dams may be replaced only if the replacement dam is in close proximity to the original dam and the designed storage capacity of the replacement dam does not exceed the designed storage capacity of the original dam. Dams may be enlarged if the enlargement does not increase the designed storage capacity of the dam and no modification, repair, desilting, lining or rehabilitation shall increase the designed storage capacity of any dams so modified, repaired, desilted, lined or rehabilitated.

2. Prohibit New Ag Uses for all lands in the Gila River watershed upstream and to the east of Ashurst-Hayden Diversion Dam, but not for lands located in Cochise County.

3. Authorize, as necessary, ADWR to implement the monitoring and reporting provisions set forth in Subparagraph 26.8.2.

GAME & FISH CLAIMS

Name	Statement of Claimant	Type(s) of Use	Annual Use or Reservoir Capacity	Legal Description Sec. Twnshp. Range	Priority Date
Upper Gila Watershed					
Cluff Ranch Wildlife Area	39-66995	Lake REC	1.71 c.f.s.	SW2 08S 24E	01/01/1891
Gila River Instream	39-67012	Instream F&W	10 c.f.s.	SE34 08S 32E	01/01/9000
Graphite Springs	39-66997	Spring REC	14 g.p.m.	SE27 15S 29E	08/15/54
Luna Lake	39-66999	Lake REC	550 ac. ft.	NW16 05N 32E	04/28/52
May Memorial	39-67009	Spring W	0.1 g.p.m.	NE17 17S 31E	05/03/56
Mescal Mountain Cylinder	39-68384	Reten. Dam W	.0222 ac. ft.	NE21 03S 16E	07/31/87
Outlaw Spring	39-66998	Spring W	0.155 g.p.m.	NE34 15S 30E	01/01/52
Riggs Flat Lake	39-6661	Lake F&W	134.6 ac. ft.	SW26 08S 23E	05/15/56
Roper Lake and Land	39-670001	Lake REC	313 ac. ft.	NE8 08S 26E	07/07/69
Tar Box Canyon Spring	39-67010	Spring REC	0.1 g.p.m.	NW19 14S 28E	07/23/81
Upper Gila River Water Develop	39-67011	Cachmnts W	various	SEE ATTACHED	10/24/86
Aravaipa Creek	39-04871	Instream F&W	1,000 ac. ft.	NE24 06S 18E	06/20/80
Babocomari River	39-04869	Instream F&W	1,000 ac. ft.	SW33 20S 18E	06/20/80
Crystal springs #2	39-04875	Spring F&W	10,000 g.p.a.	NW29 11S 16E	04/06/59
Hot Springs Canyon	39-04870	Instream F&W	750 ac. ft.	NE25 12S 20E	06/20/80
Maverick Spring	Not Filed	Spring W	15,000 g.p.y.	SE11 12S 16E	
Redfield Canyon R/W	39-04872	Instream F&W	750 ac. ft.	SW28 11S 20E	06/20/80
Rice Peak Spring	39-04874	Spring DOM	1,000 g.p.a.	SE31 10S 16E	04/06/59
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Water Developments - Other Uses Attachment

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Catchment reservoir design includes a variety of tank styles and options for site adaptability. These basic types are listed and superficially described as follows:

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Unit 28

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215	Tanque Catchment #2	SE1/4 NW1/4 SE1/4	Sec. 17,T 9S,R27E	CONC-1000
216	Tanque Catchment #3	NW1/4 NE1/4 NW1/4	Sec. 15,T 9S,R27E	CONC-1000
217	Tanque Catchment #4	SE1/4 NW1/4	Sec. 19,T 9S,R27E	CONC-1000
218	Tanque Catchment #5	NE1/4 NE1/4 SE1/4 SE1/4	Sec. 27,T 9S,R26E	CONC-1000
219	Tanque Catchment #6	NW1/4 SE1/4 SE1/4 SW1/4	Sec. 1,T10S,R26E	CONC-1000
220	Tanque Catchment #7	SE1/4 NW1/4 NW1/4 NW1/4	Sec. 26,T 9S,R26E	CONC-1000
369	Whitlock Hills Catchment #1		Sec. 4,T 9S,R29E	CONC-2000
370	Whitlock Hills Catchment #2		Sec. 6,T 9S,R29E	CONC-2000
371	Whitlock Hills Catchment #3		Sec. 34,T 9S,R29E	CONC-2000
868	Peloncillo Mts. Catchment #1	NW1/4 NE1/4	Sec. 27,T10S,R31E	GALV-3000
872	Peloncillo Catchment #2	SW1/4 NW1/4	Sec. 20, T10S, R31E	GALV-3000
873	Peloncillo Catchment #3	NE1/4 SE1/4	Sec. 10, T11S, R31E	GALV-3000
874	Whitlock Catchment #1	SE1/4 NE1/4	Sec. 36, T9S, R28E	GALV-3000
875	Whitlock Catchment #2	SE1/4 SE1/4	Sec. 14, T9S, R28E	GALV-3000
885	Javelina Catchment	SE1/4 NW1/4	Sec. 28, T9S, R29E	VIN/GALV-5000
889	Sanchez Catchment	NE1/4 NE1/4	Sec. 24, T6S, R27E	VIN/GALV-5000
890	Timber Draw Catchment	SE1/4 SE1/4	Sec. 19, T11S, R28E	GALV-3000
902	Roostercomb Catchment	NE1/4 NE1/4	Sec. 18, T13S, R32E	VIN/GALV-5000
903	Rattlesnake Catchment	SE1/4 SE1/4	Sec. 29, T11S, R27E	GALV-3000
908	Coyote Catchment	NW1/4 SE1/4	Sec. 32, T9S, R27E	VIN/GALV-5000
909	Ash Peak Catchment	SE1/4 NW1/4	Sec. 15, T8S, R30E	VIN/GALV-5000
910	Cholla Catchment	NE1/4 SE1/4	Sec. 19, T8S, R29E	VIN/GALV-5000
911	Flattop Catchment	SE1/4 SE1/4	Sec. 1, T9S, R30E	VIN/GALV-5000
912	Red Mountain Slickrock Catchment	SW1/4 NW1/4	Sec. 20, T7S, R29E	FIBERGLASS-2150
914	Dry Mountain Catchment	SE1/4 NW1/4	Sec. 34, T8S, R28E	VIN/GALV-5000
917	Twin Knolls Slickrock Catchment	NW1/4 SW1/4	Sec. 4, T8S, R29E	FIBERGLASS-2150

UNIT 29

No.	Development Name	Legal Description		Type/Capacity
314	Portal Peak Tank		Sec. 1,T18S,R31E	
421	Chiricahua Mts. Catchment #1	NE1/4 NW1/4	Sec. 17,T20S,R30E	CONC-2000
422	Chiricahua Mts. Catchment #2	SE1/4 SE1/4	Sec. 37,T18S,R31E	CONC-2000
423	Chiricahua Mts. Catchment #3	SW1/4 NE1/4	Sec. 13,T18S,R31E Sec. 17,T17S,R31E	CONC-2000

Unit 30A

No.	Development Name	Legal Description		Type/Capacity
856	Government Peak Slickrock Catchment	SE1/4 NW1/4	Sec. 17, T14S, R28E	FIBERGLASS-1950
858	Camels Back Catchment	NW1/4 NE1/4	Sec. 4, T14S, R26E	VIN/GALV-5000

UNIT 31

No.	Development Name	Legal Description	Type/Capacity
367	Graham Mountain Large Catchment #1	NW1/4 NE1/4 Sec. 31,T11S,R26E	CONC-2000
368	Graham Mountain Large Catchment #2	NE1/4 NW1/4 Sec. 29,T10S,R26E	CONC-2000
798	Graham Mountain Catchment #3	SW1/4 SE1/4 Sec. 13,T 7S,R20E	GAL/VIN-5000

UNIT 37B

No.	Development Name	Legal Description	Type/Capacity
748	Tortilla Mts. Catchment #1	E1/2 SE1/4 NW1/4 Sec. 13,T5S,R13E	BUT/GAL-5000
749	Tortilla Mts. Catchment #2	S1/2 NE1/4 NW1/4 Sec. 25,T5S,R13E	BUT/GAL-5000
752	Tortilla Mts. Catchment #3	W1/2 SE1/4 SE1/4 Sec. 20,T5S,R14E	VIN/GAL-5000
882	Mineral Mtn. Catchment	SE1/4 SE1/4 Sec. 19, T3S, R11E	VIN/GALV-6900
883	Grayback Mtn. Catchment	NW1/4 SW1/4 Sec. 13, T4S, R12E	VIN/GALV-10,000

Exhibit 28.8.2

Land Classifications Subject to RWCD Credit of 5.6% of

Water Diverted at Granite Reef Dam

Land Classifications Subject to RWCD Credit of 5.6% of Water Diverted at Granite Reef Dam

CLASSIFICATION	ACRES
Association Regular Member Land	200,074.50
Special District Land - Tempe	22,494.65
Special District Land - Mormon Flat	9,707.30
Special District Land - Utah	2,091.65
New State Irrigation and Drainage District	2,327.70
Maricopa Garden Farms	1,258.10
Pump Contract Land (surface water only)	215.10
SUBTOTAL ASSOCIATIONS LANDS	238,170.00
Townsite Lands	9,615.30
Tempe Non-Member	458.35
Normal Flow Only Land Within SRRD	79.10
State of Arizona Tree Rows	35.50
SRPMIC Land in Sections 34, 35, & 36, T2N R5E	1,125.00
TOTAL	249,483.25

Exhibit 29.1.1

Dollars ($1,000)

Year	GRIC SCIP Rehab	GRIC SCIP Rehab	GRIC PMIP	GRIC PMIP	SCIDD Lining	SCIDD Lining	San Carlos CAP-IDD	SAWRSA Distribution System	Rec. Oversight	San Xavier Buyout	Cooperative Fund	Safford Loan	SRP HCP	UVD Rights Red.	Env. Compliance	Firming Costs	Other SAWRSA Costs	Future Settlements	Gila Valley Irrig. Distr.	NM Unit	Total Cost
	(1),(5)	(2,(5))	(1),(5)	(2),(5)	(1),(5)	(2),(5)	(3), (4)	(3),(4)	(3), (4)	(3)	(3)	(5), (6)	(5)	(3), (4)	(3), (4)	(3), (4)	(3)	(5)	(5)	(3), (7)	
2002																					$0
2003			$24,958				$1,500	$3,700													$30,158
2004			$16,832				$2,000	$3,000													$21,832
2005			$13,270				$3,000	$7,000				$600									$23,870
2006			$15,000				$7,000	$8,000				$600									$30,600
2007			$15,000				$7,000	$6,000				$600									$28,600
2008			$15,000				$7,000	$6,000				$600									$28,600
2009			$15,000				$7,000	$6,000				$600									$28,600
2010	$10,000	4.62%	$10,000	2.72%	$7,000	9.34%	$10,000	$2,319	$400	$18,300		$1,400	$2,000		$500		$2,000	$0	$16,752		$80,671
2011	$15,000	6.92%	$12,500	3.40%	$7,000	9.34%	$10,000		$400			$1,400	$2,000	$6,000	$600		$2,000	$0			$56,900
2012	$15,000	6.92%	$15,000	4.08%	$7,000	9.34%	$10,000		$400			$1,400	$2,000		$600	$2,500	$1,518	$0		$9,040	$64,458
2013	$15,000	6.92%	$15,000	4.08%	$8,000	10.67%	$10,000		$400			$1,400	$2,000		$400	$2,500		$16,667		$9,040	$80,407
2014	$20,000	9.23%	$15,000	4.08%	$8,000	10.67%	$10,000		$400			$1,400	$2,000		$400	$2,500		$16,667		$9,040	$85,407
2015	$20,000	9.23%	$15,000	4.08%	$8,000	10.67%	$2,436		$400			$1,400		$1,500	$2,500	$2,500		$16,667		$9,040	$79,443
2016	$25,000	11.54%	$17,500	4.76%	$7,000	9.34%			$400			$1,400			$2,500	$2,500		$16,667		$9,040	$82,007
2017	$25,000	11.54%	$17,500	4.76%	$7,000	9.34%			$400			$1,184				$2,500		$16,667		$9,040	$79,291
2018	$25,000	11.54%	$17,500	4.76%	$6,000	8.00%			$400							$2,500		$16,667		$9,040	$77,107
2019	$25,000	11.54%	$17,500	4.76%	$5,000	6.67%			$400							$2,500		$16,667		$9,040	$76,107
2020	$21,632	9.99%	$17,500	4.76%	$4,958	6.61%			$400									$16,667		$9,040	$70,197
2021			$17,500	4.76%														$16,667		$9,020	$43,187
2022			$25,000	6.80%														$16,667			$41,667
2023			$25,000	6.80%														$16,666			$41,666
2024			$25,000	6.80%														$16,666			$41,666
2025			$22,500	6.12%														$16,666			$39,166
2026			$22,500	6.12%							$4,000							$16,666			$43,166
2027			$22,500	6.12%							$4,000							$16,666			$43,166
2028			$22,500	6.12%							$4,000										$26,500
2029			$14,895	4.05%							$4,000										$18,895
2030																					$0
2031																					$0
2032																					$0
2033																					$0
2034																					$0
2035																					$0
2036																					$0
2037																					$0
2038																					$0
2039																					$0
2040																					$0
2041																					$0
Total	$216,632		$482,455		$74,958		$86,936	$42,019	$4,400	$18,300	$16,000	$13,984	$10,000		$7,500	$20,000	$5,518	$250,000	$16,752	$90,380	$1,363,334
Post 2010	$216,632	100.00%	$367,395	100.00%	$74,958	100.00%	$52,436	$2,319	$4,400	$18,300	$16,000	$10,984	$10,000		$7,500	$20,000	$5,518	$250,000	$16,752	$90,380	$1,171,074

Notes

(1) These costs are escalated costs are included only for comparison with other costs in this exhibit and are not to be used for funding purposes.
(2) The percentages are calculated as a ratio of the unescalated total funding. Funding for these activities will be based on the percentages shown in these columns.
(3) These costs are to be funded pursuant to the schedule and are not subject to adjustment in the event of shortfalls in the fund.
(4) These costs are based on estimates made using the best available information at the time the estimate was made. Accordingly, Reclamation may adjust the estimates and schedules as needed to reflect costs at the time the work is done.
(5) These costs are to be funded pursuant to the schedule set forth in this column and are subject to adjustment in the manner prescribed in subparagraph 29.3 of the Settlement Agreement.
(6) Safford schedule is based on projections of interest rate and may be adjusted if interest rates change substantially from the projections.
(7) The priority of funding for New Mexico will be as set forth in section 403(f)(2)(D)(i) of the Lower ColoradoRiver Basin Projects Act (as amended). New Mexico first phase funding is not subject to adjustment in the event of shortfalls in the fund

Exhibit 29.1.2

Dollars ($1,000)

Year	GRIC SCIP Rehab	GRIC SCIP Rehab	GRIC PMIP	GRIC PMIP	SCIDD Lining	SCIDD Lining	Safford Loan	SRP HCP	Gila Valley Irrig. Distr.	Total Cost
	(1),(3)	(2),(3)	(1),(3)	(2),(3)	(1),(3)	(2),(3)	(3), (4)	(3)	(3)	
2002										$0
2003			$24,958							$24,958
2004			$16,832							$16,832
2005			$13,270				$600			$13,870
2006			$15,000				$600			$15,600
2007			$15,000				$600			$15,600
2008			$15,000				$600			$15,600
2009			$15,000				$600			$15,600
2010	$10,000	4.62%	$10,000	2.72%	$7,000	9.34%	$1,400	$2,000	$16,752	$47,152
2011	$15,000	6.92%	$12,500	3.40%	$7,000	9.34%	$1,400	$2,000		$37,900
2012	$15,000	6.92%	$15,000	4.08%	$7,000	9.34%	$1,400	$2,000		$40,400
2013	$15,000	6.92%	$15,000	4.08%	$8,000	10.67%	$1,400	$2,000		$41,400
2014	$20,000	9.23%	$15,000	4.08%	$8,000	10.67%	$1,400	$2,000		$46,400
2015	$20,000	9.23%	$15,000	4.08%	$8,000	10.67%	$1,400			$44,400
2016	$25,000	11.54%	$17,500	4.76%	$7,000	9.34%	$1,400			$50,900
2017	$25,000	11.54%	$17,500	4.76%	$7,000	9.34%	$1,184			$50,684
2018	$25,000	11.54%	$17,500	4.76%	$6,000	8.00%				$48,500
2019	$25,000	11.54%	$17,500	4.76%	$5,000	6.67%				$47,500
2020	$21,632	9.99%	$17,500	4.76%	$4,958	6.61%				$44,090
2021			$17,500	4.76%						$17,500
2022			$25,000	6.80%						$25,000
2023			$25,000	6.80%						$25,000
2024			$25,000	6.80%						$25,000
2025			$22,500	6.12%						$22,500
2026			$22,500	6.12%						$22,500
2027			$22,500	6.12%						$22,500
2028			$22,500	6.12%						$22,500
2029			$14,895	4.05%						$14,895
2030										$0
2031										$0
2032										$0
2033										$0
2034										$0
2035										$0
2036										$0
2037										$0
2038										$0
2039										$0
2040										$0
2041										$0
Total	$216,632		$482,455		$74,958		$13,984	$10,000	$16,752	$814,781
Post 2010	$216,632	100.00%	$367,395	100.00%	$74,958	100.00%	$10,984	$10,000	$16,752	$696,721

Notes

(1) These costs are escalated costs are included only for comparison with other costs in this exhibit and are not to be used for funding purposes.

(2) The percentages are calculated as a ratio of the unescalated total funding. Funding for these activities will be based on the percentages shown in these columns.

(3) These costs are to be funded pursuant to the schedule and are subject to adjustment in the manner prescribed in subparagraph 29.3 of the Settlement Agreement.

(4) Safford schedule is based on projections of interest rate and may be adjusted if interest rates change

Exhibit 30.8

Water Commissioner's Report of June 3, 1977

Water Commissioner's Report of June 3, 1977

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

PATRICK T. HURLEY, Plaintiff,	)	NO. C-4564
UNITED STATES OF AMERICA, Intervenor,	)	WATER COMMISSIONER'S REPORT
vs.	)	
CHARLES F. ABBOTT; et al., Defendants.	)	

The undersigned, A. L. Monette, heretofore having been selected and designated as the Water Commissioner to execute and carry out the provisions of the Decree herein and report to the Court with reference thereto, respectfully submits the following Report for the Court's information:

I

The Salt River Valley Water Users' Association (hereinafter referred to as the "Association"), by contracts with the United States Government of June 25, 1904, and September 6, 1917, operates the Salt River Federal Reclamation Project (hereinafter referred to as the "Salt River Project"), and delivers water pursuant to and in accordance with the Decree of the Court heretofore entered herein and commonly referred to as the "Kent Decree". The Association has, as provided for in such decree, reported to, or made its records available to, the Water Commissioner as to the operation and maintenance of the Salt River Project and the distribution of water administered by the Association under the authority of the Water Commissioner and the Kent Decree.

II

The Association has heretofore reported to the Water Commissioner that it has entered into contracts with the City of Phoenix, the City of Mesa, the City of Scottsdale, the City of Tempe, the City of Glendale, the City of Peoria, the City of Chandler and the Town of Gilbert, all of which are municipalities lying within the Salt River Reservoir District, the service area of the Association; in view of the expanded urban development within the Reservoir District of the Salt River Project land area, the Salt River Project now provides a major portion of the total domestic, commercial and industrial water supply needed by the municipal population of the above Cities; this water supply and delivery is made possible by virtue of contracts between the Cities and the Association, each of which has been approved by the Secretary of the Interior of the United States, whereby the Cities pay the Association the annual assessment owed by each landowner on lands that have become urbanized and are no longer utilized for agricultural purposes; the water to which these lands are entitled, including normal flow, stored and developed, surface and underground water is delivered by the Association to the Cities' water filtration plants for use on regular member and townsite lands within the Reservoir District, primarily for municipal and industrial purposes; the Cities are contracting parties with the Association (or propose to become contracting parties with the Association) in order that each municipality contracting with the Association may make available to the owners or occupants of Association-member lands water available for beneficial use in connection with such lands, all as will be further described herein.

III

The use of water by members of the Association in connection with their respective parcels of regular member

lands and townsite lands has changed as valley lands have been urbanized, as the population of the area has increased and as municipal water sources have changed; as agricultural uses of member lands have changed to uses for residential, commercial, industrial and municipal uses, in like manner the water uses appurtenant to such lands have accordingly changed; the water distribution facilities of the Association were originally developed for the purpose of delivering irrigation water to the high point of each quarter section; without filtration and further treatment, the water delivered by the Association is not adaptable for urban and municipal uses other than urban and municipal irrigation uses; at the same time, the owners and occupants of these member lands require a water supply for the beneficial uses for which the lands have been and are now being adapted and used.

IV

The regular member lands lying within the Reservoir District are becoming urbanized and reliable forecasts indicate that this urbanization will continue; the water which has been made subject to the water delivery contracts between the Association and the Cities, and which will, in the future, progressively be delivered by the Cities for domestic, commercial and industrial uses, has been and will continue to be put to beneficial use; the uses now being made and which will be made of the water in the future will not lawfully interfere with any other existing water rights; the Water Commissioner hereby reports the changes in use of water from agricultural to municipal and industrial, and the city domestic uses for certain lands within the confines of the Salt River Reservoir District, as shown on the attached Exhibit "A".

V

In the decree entered herein it is provided that the Water Commissioner shall supervise the proper * * * distribution of the water to be diverted by the canals under the said decree * * * in accordance with the rights of the persons entitled thereto as found by the decision and decree herein.

In the decree it is further provided in part as follows:

> "Commissioner shall * * * apply to the judge of the court for such further or specific directions as to his powers and duties whenever such directions shall be necessary or proper for the effective carrying out of the provisions of the decree herein."

Your Commissioner respectfully requests that the court give specific directions as to his duties in respect to the proper distribution of water to the lands affected by the aforesaid contracts and specifically described in the tables attached hereto, in view of the changes in delivery and use under said contracts.

VI

The Water Commissioner respectfully requests the court to give notice of the filing of this report to representatives of all interested parties, viz, City of Phoenix, City of Mesa, City of Scottsdale, City of Tempe, City of Glendale, City of Peoria, City of Chandler, Town of Gilbert, the United States and the Salt River Valley Water Users' Association. The Water Commissioner respectfully requests that the court fix a time within which the interested parties may file objections or other response to the report and that a time and place be fixed by the court for considering the report and all objections or other responses thereto and that appropriate notice be ordered to all interested parties of the time within which responses may be filed to this report and of the time and place fixed by the court for considering the report and any objections and responses thereto.

Respectfully submitted this 3rd day of June, 1977.

A. L. Monette

A. L. Monette
Water Commissioner

EXHIBIT 30.16A

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

SUBCONTRACT AMONG THE UNITED STATES, THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT, AND THE _____ PROVIDING FOR WATER SERVICE

CENTRAL ARIZONA PROJECT

1. PREAMBLE:

THIS SUBCONTRACT, made this ____ day of _____, 200___, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057), as amended, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), and particularly the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended, and the Arizona Water Settlements Act (118 Stat. 3478), all collectively hereinafter referred to as the "Federal Reclamation Laws," among the UNITED STATES OF AMERICA, hereinafter referred to as the "United States" acting through the Secretary of the Interior, the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as the "Contractor," a water conservation district organized under the laws of Arizona, with its principal place of business in Phoenix, Arizona, and the _____, hereinafter referred to as the "Subcontractor," with its principal place of business in_____, Arizona;

WITNESSETH, THAT:

2. EXPLANATORY RECITALS:

WHEREAS, the Colorado River Basin Project Act provides, among other things, that for the purposes of furnishing irrigation and municipal and industrial water supplies to water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior shall construct, operate, and maintain the Central Arizona Project; and

WHEREAS, pursuant to the provisions of Arizona Revised Statutes §§ 48-3701, *et seq*., the Contractor has been organized with the power to enter into a contract or contracts with the Secretary of the Interior to accomplish the purposes of Arizona Revised Statutes, §§ 48-3701, *et seq*.; and

WHEREAS, pursuant to Section 304(b)(1) of the Colorado River Basin Project Act, the Secretary of the Interior has determined that it is necessary to effect repayment of the cost of constructing the Central Arizona Project pursuant to a master contract and that the United States, together with the Contractor, shall be a party to contracts that are in conformity with and subsidiary to the master contract; and

WHEREAS, the United States and the Contractor entered into Contract No. 14-06-W-245, Amendment No. 1, dated December 1, 1988, hereinafter referred to as the "Repayment Contract," a copy of which is attached hereto as Exhibit "A" and by this reference made a part hereof, whereby the Contractor agrees to repay to the United States the reimbursable costs of the Central Arizona Project allocated to the Contractor; and

WHEREAS, the Subcontractor is in need of a water supply and desires to subcontract with the United States and the Contractor for water service from water supplies available under the Central Arizona Project; and

WHEREAS, upon completion of the Central Arizona Project, water shall be available for delivery to the Subcontractor;

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed as follows:

3. DEFINITIONS:

Definitions included in the Repayment Contract are applicable to this subcontract; provided, however, that the terms "Agricultural Water" or "Irrigation Water" shall mean water used for the purposes defined in the Repayment Contract on tracts of land operated in units of more than 5 acres. The first letters of terms so defined are capitalized herein. As heretofore indicated, a copy of the Repayment Contract is attached as Exhibit "A." In addition, the following definitions shall apply to this subcontract:

(a) "Available CAP Supply" shall mean for any given Year all Fourth Priority Water available for delivery through the Central Arizona Project, water available from CAP dams and reservoirs other than Modified Roosevelt Dam, and return flows captured by the Secretary for CAP use.

(b) "Fourth Priority Water" shall mean Colorado River water available for delivery within the State of Arizona for satisfaction of entitlements: (1) pursuant to contracts, Secretarial reservations, perfected rights, and other arrangements between the United States and water users in the State entered into or established subsequent to September 30, 1968, for use on Federal, State, or privately owned lands in the State (for a total quantity not to exceed 164,652 acre-feet of diversions annually); and (2), after first providing for the delivery of water under 43 U.S.C. §1524(e), pursuant to the Repayment Contract for the delivery of Colorado River water for the CAP including use of Colorado River water on Indian lands.

4. DELIVERY OF WATER:

4.1 Obligations of the United States. Subject to the terms, conditions, and provisions set forth herein and in the Repayment Contract, during such periods as it operates and maintains the Project Works, the United States shall deliver Project Water for M&I use by the Subcontractor. The United States shall use all reasonable diligence to make available to the Subcontractor the quantity of Project Water specified in the schedule submitted by the Subcontractor in accordance with Article 4.4. After transfer of OM&R to the Operating Agency, the United States shall make deliveries of Project Water to the Operating Agency which shall make subsequent delivery to the Subcontractor as provided herein.

4.2 Term of Subcontract. This subcontract shall become effective upon the later of: (i) the date on which it is confirmed as provided for in Article 6.12; (ii) the date on which the Secretary of the Interior publishes in the Federal Register the statement of findings described in section 207(c)(1) of the Arizona Water Settlements Act, 118 Stat. 3478; and (iii) the date on which the Subcontractor has paid or provided for payment of past M&I water service capital charges as required by the Contractor. This subcontract shall be for permanent service as that term is used in Section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. §617d. Project Water shall be delivered under the terms of this subcontract for a period of 100 years beginning January 1 of the Year following that in which the subcontract becomes effective; provided, that this subcontract may be renewed upon written request by the Subcontractor upon terms and conditions of renewal to be agreed upon not later than 1 year prior to the expiration of this subcontract; and provided, further, that such terms and conditions shall be consistent with Article 9.9 of the Repayment Contract.

4.3 Conditions Relating to Delivery and Use. Delivery and use of water under this subcontract is conditioned on the following, and the Subcontractor hereby agrees that:

(a) All uses of Project Water and Return Flow shall be consistent with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

(b) The system or systems through which water for Agricultural, M&I (including underground storage), and Miscellaneous purposes is conveyed after delivery to the Subcontractor shall consist of pipelines, canals, distribution systems, or other conduits provided and maintained with linings adequate in the Contracting Officer's judgment to prevent excessive conveyance losses.

(c) The Subcontractor shall not pump, or within its legal authority, permit others to pump ground water from within the exterior boundaries of the Subcontractor's service area, which has been delineated on a map filed with the Contractor and approved by the Contractor and the Contracting Officer, for use outside of said service area unless such pumping is permitted under Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time, and the Contracting Officer, the Contractor, and the Subcontractor shall agree, or shall have previously agreed, that a surplus of ground water exists and drainage is or was required; provided, however, that such pumping may be approved by the Contracting Officer and the Contractor, and approval shall not be unreasonably withheld, if such pumping is in accord with the Basin Project Act and upon submittal by the Subcontractor of a written certification from the Arizona Department of Water Resources or its successor agency that the pumping and transportation of ground water is in accord with Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

(d) The Subcontractor shall not sell, lease, exchange, forbear or otherwise transfer Project Water; provided, however, that this does not prohibit exchanges of Project Water within the State of Arizona covered by separate agreements; and provided, further, that this does not prohibit effluent exchanges with Indian tribes pursuant to Article 6.2; and provided, further, that this does not prohibit the resale or exchange of Project Water within the State of Arizona pursuant to Subarticle 4.3(e).

(e)(i) Project Water scheduled for delivery in any Year under this subcontract may be used by the Subcontractor or resold, or exchanged by the Subcontractor pursuant to appropriate agreements approved by the Contracting Officer and the Contractor. If said water is resold or exchanged by the Subcontractor for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States; provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs.

(ii) Project Water scheduled for delivery in any Year under this subcontract that cannot be used, resold, or exchanged by the Subcontractor may be made available by the Contracting Officer and Contractor to other users. If such Project Water is sold to or exchanged with other users, the Subcontractor shall be relieved of its payments hereunder only to the extent of the amount paid to the Contractor by such other users, but not to exceed the amount the Subcontractor is obligated to pay under this subcontract for said water.

(iii) In the event the Subcontractor or the Contracting Officer and the Contractor are unable to sell any portion of the Subcontractor's Project Water scheduled for delivery and not required by the Subcontractor, the Subcontractor

shall be relieved of the pumping energy portion of the OM&R charges associated with the undelivered water as determined by the Contractor.

(f) Notwithstanding any other provision of this subcontract, Project Water shall not be delivered to the Subcontractor unless and until the Subcontractor has obtained final environmental clearance from the United States for the system or systems through which Project Water is to be conveyed after delivery to the Subcontractor at the Subcontractor's Project turnout(s). Such system(s) shall include all pipelines, canals, distribution systems, treatment, storage, and other facilities through or in which Project Water is conveyed, stored, or treated after delivery to the Subcontractor at the Subcontractor's Project turnout(s). In each instance, final environmental clearance will be based upon a review by the United States of the Subcontractor's plans for taking and using Project Water and will be given or withheld by the United States in accordance with the Final Environmental Impact Statement -- Water Allocations and Water Service Contracting (FES 82-7, filed March 19, 1982) and the National Environmental Policy Act of 1969 (83 Stat. 852). Any additional action(s) required on behalf of the Subcontractor in order to obtain final environmental clearance from the United States will be identified to the Subcontractor by the United States, and no Project Water shall be delivered to the Subcontractor unless and until the Subcontractor has completed all such action(s) to the satisfaction of the United States.

4.4 Procedure for Ordering Water.

(a) At least 15 months prior to the date the Secretary expects to issue the Notice of Completion of the Water Supply System, or as soon thereafter as is practicable, the Contracting Officer shall announce by written notice to the Contractor the amount of Project Water available for delivery during the Year in which said Notice of Completion is issued (initial Year of water delivery) and during the following Year. Within 30 days of receiving such notice, the Contractor shall issue a notice of availability of

Project Water to the Subcontractor. The Subcontractor shall, within a reasonable period of time as determined by the Contractor, submit a written schedule to the Contractor and the Contracting Officer showing the quantity of water desired by the Subcontractor during each month of said initial Year and the following Year. The Contractor shall notify the Subcontractor by written notice of the Contractor's action on the requested schedule within 2 months of the date of receipt of such request.

(b) The amounts, times, and rates of delivery of Project Water to the Subcontractor during each Year subsequent to the Year following said initial Year of water delivery shall be in accordance with a water delivery schedule for that Year. Such schedule shall be determined in the following manner:

(i) On or before June 1 of each Year beginning with the Year following the initial Year of water delivery pursuant to this subcontract, the Contracting Officer shall announce the amount of Project Water available for delivery during the following Year in a written notice to the Contractor. In arriving at this determination, the Contracting Officer, subject to the provisions of the Repayment Contract, shall use his best efforts to maximize the availability and delivery of Arizona's full entitlement of Colorado River water over the term of this subcontract. Within 30 days of receiving said notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor.

(ii) On or before October 1 of each Year beginning with the Year following said initial Year of water delivery, the Subcontractor shall submit in writing to the Contractor and the Contracting Officer a water delivery schedule indicating the amounts of Project Water desired by the Subcontractor during each month of the following Year along with a preliminary estimate of Project Water desired for the succeeding 2 years.

(iii) Upon receipt of the schedule, the Contractor and the Contracting Officer shall review it and, after consultation with the Subcontractor, shall make only such modifications to the schedule as are necessary to ensure that the amounts, times, and rates of delivery to the Subcontractor are consistent with the delivery capability of the Project, considering, among other things, the availability of water and the delivery schedules of all subcontractors; provided, that this provision shall not be construed to reduce annual deliveries to the Subcontractor.

(iv) On or before November 15 of each Year beginning with the Year following said initial Year of water delivery, the Contractor shall determine and furnish to the Subcontractor and the Contracting Officer the water delivery schedule for the following Year which shall show the amount of water to be delivered to the Subcontractor during each month of that Year, contingent upon the Subcontractor remaining eligible to receive water under all terms contained herein.

(c) The monthly water delivery schedules may be amended upon the Subcontractor's written request to the Contractor. Proposed amendments shall be submitted by the Subcontractor to the Contractor no later than 15 days before the desired change is to become effective, and shall be subject to review and modification in like manner as the schedule. The Contractor shall notify the Subcontractor and the Contracting Officer of its action on the Subcontractor's requested schedule modification within 10 days of the Contractor's receipt of such request.

(d) The Contractor and the Subcontractor shall hold the United States, its officers, agents, and employees, harmless on account of damage or claim of damage of any nature whatsoever arising out of or connected with the actions of the Contractor regarding water delivery schedules furnished to the Subcontractor.

(e) In no event shall the Contracting Officer or the Contractor be required to deliver to the Subcontractor from the Water Supply System in any one month a total amount of Project Water greater than eleven percent (11%) of the Subcontractor's

maximum entitlement; provided, however, that the Contracting Officer may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of Project Water to other subcontractors as determined by the Contracting Officer and the Contractor and if the Subcontractor agrees to accept such increased deliveries.

4.5 Points of Delivery--Measurement and Responsibility for Distribution of Water.

(a) The water to be furnished to the Subcontractor pursuant to this subcontract shall be delivered at turnouts to be constructed by the United States at such point(s) on the Water Supply System as may be agreed upon in writing by the Contracting Officer and the Contractor, after consultation with the Subcontractor.

(b) Unless the United States and the Subcontractor agree by contract to the contrary, the Subcontractor shall construct and install, at its sole cost and expense, connection facilities required to take and convey the water from the turnouts to the Subcontractor's service area. The Subcontractor shall furnish, for approval of the Contracting Officer, drawings showing the construction to be performed by the Subcontractor within the Water Supply System right-of-way 6 months before starting said construction. The facilities may be installed, operated, and maintained on the Water Supply System right-of-way subject to such reasonable restrictions and regulations as to type, location, method of installation, operation, and maintenance as may be prescribed by the Contracting Officer.

(c) All water delivered from the Water Supply System shall be measured with equipment furnished and installed by the United States and operated and maintained by the United States or the Operating Agency. Upon the request of the Subcontractor or the Contractor, the accuracy of such measurements shall be investigated by the Contracting Officer or the Operating Agency, Contractor, and

Subcontractor, and any errors which may be mutually determined to have occurred therein shall be adjusted; provided, that in the event the parties cannot agree on the required adjustment, the Contracting Officer's determination shall be conclusive.

(d) Neither the United States, the Contractor, nor the Operating Agency shall be responsible for the control, carriage, handling, use, disposal, or distribution of Project Water beyond the delivery point(s) agreed to pursuant to Sub-article 4.5(a). The Subcontractor shall hold the United States, the Contractor, and the Operating Agency harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury, or death arising out of or connected with the Subcontractor's control, carriage, handling, use, disposal, or distribution of such water beyond said delivery point(s).

4.6 Temporary Reductions. In addition to the right of the United States under Subarticle 8.3(a)(iv) of the Repayment Contract temporarily to discontinue or reduce the amount of water to be delivered, the United States or the Operating Agency may, after consultation with the Contractor, temporarily discontinue or reduce the quantity of water to be furnished to the Subcontractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part thereof necessary for the furnishing of water to the Subcontractor, but so far as feasible the United States or the Operating Agency shall coordinate any such discontinuance or reduction with the Subcontractor and shall give the Subcontractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Neither the United States, its officers, agents, and employees, nor the Operating Agency, its officers, agents, and employees, shall be liable for damages when, for any reason whatsoever, any such temporary discontinuance or reduction in delivery of water occurs. If any such discontinuance or temporary reduction results in deliveries to the Subcontractor of less

water than what has been paid for in advance, the Subcontractor shall be entitled to be reimbursed for the appropriate proportion of such advance payments prior to the date of the Subcontractor's next payment of water service charges or the Subcontractor may be given credit toward the next payment of water charges if the Subcontractor should so desire.

4.7 Priority in Case of Shortage. On or before June 1 of each Year, the Secretary shall announce the Available CAP Supply for the following Year in a written notice to the Contractor.

(a) Prior to January 1, 2044, a time of shortage shall exist in any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements set forth in subparagraphs (i) through (iii) below:

(i) Three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water;

(ii) Six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water; and

(iii) Up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

(b) On or after January 1, 2044, a time of shortage shall exist in any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements as set forth in subparagraphs (i) through (iv) below:

(i) Three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water;

(ii) Six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water;

(iii) Up to forty-seven thousand three hundred three (47,303) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water pursuant to the Hohokam Agreement; and

(iv) Up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

(c) Initial distribution of water in time of shortage.

(i) If the Available CAP Supply is equal to or less than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then 36.37518% of the Available CAP Supply shall be available for delivery as CAP Indian Priority Water and the remainder shall be available for delivery as CAP M&I Priority Water.

(ii) If the Available CAP Supply is greater than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water shall be

determined in accordance with the following equation and the remainder shall be available for delivery as CAP M&I Priority Water:

$$I = \{[32{,}770 \div (E - 853{,}079)] \times W\} + (343{,}079 - \{[32{,}770 \div (E - 853{,}079)] \times E\})$$

where

I = the quantity of water available for delivery as CAP Indian Priority Water

E = the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraphs 4.7(a) or (b), whichever is applicable; and

W = the Available CAP Supply

Example A. If, before January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraph 4.7(a) is nine hundred eighty-one thousand nine hundred two (343,079 + 638,823 + 0) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water would be ninety-three thousand three hundred three (93,303) acre-feet plus 25.43800% of the Available CAP Supply.

Example B. If, after January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in

subparagraph 4.7(b) is one million twenty-nine thousand three hundred twenty-three (1,029,323) acre-feet (343,079 + 638,823 + 47,303 + 118), then the quantity of water available for delivery as CAP Indian Priority Water would be one hundred fifty-one thousand six hundred ninety-one (151,691) acre-feet plus 18.59354% of the Available CAP Supply.

(d) In time of shortage unscheduled CAP Water shall be redistributed as follows:

(i) Any water available for delivery as CAP Indian Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP Indian Priority Water shall become available for delivery as CAP M&I Priority Water.

(ii) CAP M&I Priority Water shall be distributed among those entities with contracts for the delivery of CAP M&I Priority Water in a manner determined by the Secretary and the CAP Operating Agency in consultation with M&I water users to fulfill all delivery requests to the greatest extent possible. Any water available for delivery as CAP M&I Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP M&I Priority Water shall become available for delivery as CAP Indian Priority Water.

(e) Any water remaining after all requests for delivery of CAP Indian Priority Water and CAP M&I Priority Water have been satisfied shall become available for delivery as CAP NIA Priority Water.

(f) Nothing in this paragraph 4.7 shall be construed to allow or authorize any CAP Contractor or CAP Subcontractor to receive, pursuant to such contracts, CAP water in amounts greater than such contractor's entitlement.

4.8 Secretarial Control of Return Flow.

(a) The Secretary reserves the right to capture all Return Flow flowing from the exterior boundaries of the Contractor's Service Area as a source of supply and for distribution to and use of the Central Arizona Project to the fullest extent practicable. The Secretary also reserves the right to capture for Project use Return Flow which originates or results from water contracted for from the Central Arizona Project within the boundaries of the Contractor's Service Area if, in his judgment, such Return Flow is not being put to a beneficial use. The Subcontractor may recapture and reuse or sell its Return Flow; provided, however, that such Return Flow may not be sold for use outside Maricopa, Pinal, and Pima Counties; and provided, further, that this does not prohibit effluent exchanges with Indian tribes pursuant to Article 6.2. The Subcontractor shall, at least 60 days in advance of any proposed sale of such water, furnish the following information in writing to the Contracting Officer and the Contractor:

(i) The name and address of the prospective buyer.

(ii) The location and proposed use of the Return Flow.

(iii) The price to be charged for the Return Flow.

(b) The price charged for the Return Flow may cover the cost incurred by the Subcontractor for Project Water plus the cost required to make the Return Flow usable. If the price received for the Return Flow is greater than the costs incurred by the Subcontractor, as described above, the excess amount shall be forthwith

returned by the Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States. Costs required to make Return Flow usable shall include but not be limited to capital costs and OM&R costs including transportation, treatment, and distribution, and the portion thereof that may be retained by the Subcontractor shall be subject to the advance approval of the Contractor and the Contracting Officer.

(c) Any Return Flow captured by the United States and determined by the Contracting Officer and the Contractor to be suitable and available for use by the Subcontractor may be delivered by the United States or Operating Agency to the Subcontractor as a part of the water supply for which the Subcontractor subcontracts hereunder and such water shall be accounted and paid for pursuant to the provisions hereof.

(d) All capture, recapture, use, reuse, and sale of Return Flow under this article shall be in accord with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

4.9 Water and Air Pollution Control. The Subcontractor, in carrying out this subcontract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Arizona and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

4.10 Quality of Water. The operation and maintenance of Project facilities shall be performed in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. Neither the United States, the Contractor, nor the Operating Agency warrants the quality of water and is under no obligation to construct or

furnish water treatment facilities to maintain or better the quality of water. The Subcontractor waives its right to make a claim against the United States, the Operating Agency, the Contractor, or another subcontractor because of changes in water quality caused by the commingling of Project Water with other water.

4.11 Exchange Water.

(a) Where the Contracting Officer determines the Subcontractor is physically able to receive Colorado River mainstream water in exchange for or in replacement of existing supplies of water from surface sources other than the Colorado River, the Contracting Officer may require that the Subcontractor accept said mainstream water in exchange for or in replacement of said existing supplies pursuant to the provisions of Section 304(d) of the Basin Project Act; provided, however, that a sub-contractor on the Project aqueduct shall not be required to enter into exchanges in which existing supplies of water from surface sources are diverted for use by other subcontractors downstream on the Project aqueduct.

(b) If, in the event of shortages, the Subcontractor has yielded water from other surface water sources in exchange for Colorado River mainstream water supplied by the Contractor or the Operating Agency, the Subcontractor shall have first priority against other users supplied with Project Water that have not yielded water from other surface water sources but only in quantities adequate to replace the water so yielded.

4.12 Entitlement to Project M&I Water.

(a) The Subcontractor is entitled to take a maximum of _____ acre-feet of Project Water for M&I uses including but not limited to underground storage.

(b) If at any time during the term of this subcontract there is available for allocation additional M&I Project Water, or Agricultural Water converted to M&I use, it shall be delivered to the Subcontractor at the same water service charge per acre-foot and with the same priority as other M&I Water, upon execution or amendment of an appropriate subcontract among the United States, the Contractor, and the Subcontractor and payment of an amount equal to the acre-foot charges previously paid by other subcontractors pursuant to Article 5.2 hereof plus interest. In the case of Agricultural Water conversions, the payment shall be reduced by all previous payments of agricultural capital charges for each acre-foot of water converted. The interest due shall be calculated for the period between issuance of the Notice of Completion of the Water Supply System and execution or amendment of the subcontract using the weighted interest rate received by the Contractor on all investments during that period.

4.13 Delivery of Project Water Prior to Completion of Project Works. Prior to the date of issuance of the Notice of Completion of the Water Supply System by the Secretary, water may be made available for delivery by the Secretary on a "when available" basis at a water rate and other terms to be determined by the Secretary after consultation with the Contractor.

5. PAYMENTS:

5.1 Water Service Charges for Payment of Operation, Maintenance, and Replacement Costs. Subject to the provisions of Article 5.4 hereof, the Subcontractor shall pay in advance for Project OM&R costs estimated to be incurred by the United States or the Operating Agency. At least 15 months prior to first delivery of Project Water, or as soon thereafter as is practicable, the Contractor shall furnish the Subcontractor with an estimate of the Subcontractor's share of OM&R costs to the end of the initial Year of water delivery and an estimate of such costs for the following Year. Within a reasonable time of the receipt of said estimates, as determined by the

Contractor, but prior to the delivery of water, the Subcontractor shall advance to the Contractor its share of such estimated costs to the end of the initial month of water delivery and without further notice or demand shall on or before the first day of each succeeding month of the initial Year of water delivery and the following Year advance to the Contractor in equal monthly installments the Subcontractor's share of such estimated costs. Advances of monthly payments for each subsequent Year shall be made by the Subcontractor to the Contractor on the basis of annual estimates to be furnished by the Contractor on or before June 1 preceding each said subsequent Year and the advances of payments for said estimated costs shall be due and payable in equal monthly payments on or before the first day of each month of the subsequent Year. Differences between actual OM&R costs and estimated OM&R costs shall be determined by the Contractor and shall be adjusted in the next succeeding annual estimates; provided, however, that if in the opinion of the Contractor the amount of any annual OM&R estimate is likely to be insufficient to cover the above-mentioned costs during such period, the Contractor may increase the annual estimate of the Subcontractor's OM&R costs by written notice thereof to the Subcontractor, and the Subcontractor shall forthwith increase its remaining monthly payments in such Year to the Contractor by the amount necessary to cover the insufficiency. All estimates of OM&R costs shall be accompanied by data and computations relied on by the Contractor in determining the amounts of the estimated OM&R costs and shall be subject to joint review by the Subcontractor and the Contractor.

5.2 M&I Water Service Charges.

(a) Subject to the provisions of Article 5.4 hereof and in addition to the OM&R payments required in Article 5.l hereof, the Subcontractor shall, in advance of the delivery of Project M&I Water by the United States or the Operating Agency, make payment to the Contractor in equal semiannual installments of an M&I Water service

capital charge based on a maximum entitlement of _____ acre-feet per year multiplied by the rate established by the Contractor for that year.

(b) The M&I Water service capital charge may be adjusted periodically by the Contractor as a result of repayment determinations provided for in the Repayment Contract and to reflect all sources of revenue, but said charge per acre-foot shall not be greater than the amount required to amortize Project capital costs allocated to the M&I function and determined by the Contracting Officer to be a part of the Contractor's Repayment Obligation. Such amortization shall include interest at 3.342 percent per annum. If any adjustment is made in the M&I Water service capital charge, notice thereof shall be given by the Contractor to the United States and to the Subcontractor on or before June 1 of the Year preceding the Year the adjusted charge becomes effective. The M&I Water service capital charge payment for the initial Year shall be advanced to the Contractor in equal semiannual installments on or before December 1 preceding the initial Year and June 1 of said initial Year; provided, however, that the payment of the initial M&I Water service capital charge shall not be due until the Year in which Project Water is available to the Subcontractor after Notice of Completion of the Water Supply System is issued. Thereafter, for each subsequent Year, payments by the Subcontractor in accordance with the foregoing provisions shall be made in equal semiannual installments on or before the December 1 preceding said subsequent Year and the June 1 of said subsequent Year as may be specified by the Contractor in written notices to the Subcontractor.

(c) Payment of all M&I Water service capital and corresponding OM&R charges becoming due hereunder prior to or on the dates stipulated in Articles 5.1 and 5.2 is a condition precedent to receiving M&I Water under this subcontract.

(d) All payments to be made to the Contractor or the United States under Articles 5.1 and 5.2 hereof shall be made by the Subcontractor as such

payments fall due from revenues legally available to the Subcontractor for such payment from the sale of water to its water users and from any and all other sources which might be legally available; Provided, That no portion of the general taxing authority of the Subcontractor, nor its general funds, nor funds from ad valorem taxes are obligated by the provisions of this subcontract, nor shall such sources be liable for the payments, contributions, and other costs pursuant to this subcontract, or to satisfy any obligation hereunder unless duly and lawfully allocated and budgeted for such purpose by the Subcontractor for the applicable budget year; and Provided, further, That no portion of this agreement shall ever be construed to create an obligation superior in lien to or on a parity with the Subcontractor's revenue bonds now or hereafter issued. The Subcontractor shall levy and impose such necessary water service charges and rates and use all the authority and resources available to it to collect all such necessary water service charges and rates in order that the Subcontractor may meet its obligations hereunder and make in full all payments required under this subcontract on or before the date such payments become due.

5.3 Loss of Entitlement. The Subcontractor shall have no right to delivery of water from Project facilities during any period in which the Subcontractor may be in arrears in the payment of any charges due the Contractor. The Contractor may sell to another entity any water determined to be available under the Subcontractor's entitlement for which payment is in arrears; provided, however, that the Subcontractor may regain the right to use any unsold portion of the water determined to be available under the original entitlement upon payment of all delinquent charges plus any difference between the subcontractual obligation and the price received in the sale of the water by the Contractor and payment of charges for the current period.

5.4 Refusal to Accept Delivery. In the event the Subcontractor fails or refuses in any Year to accept delivery of the quantity of water available for delivery to

and required to be accepted by it pursuant to this subcontract, or in the event the Subcontractor in any Year fails to submit a schedule for delivery as provided in Article 4.4 hereof, said failure or refusal shall not relieve the Subcontractor of its obligation to make the payments required in this subcontract.

5.5 Charge for Late Payments. The Subcontractor shall pay a late payment charge on installments or charges that are received after the due date. The late payment charge percentage rate calculated by the Department of the Treasury and published quarterly in the Federal Register shall be used; provided, that the late payment charge percentage rate shall not be less than 0.5 percent per month. The late payment charge percentage rate applied on an overdue payment shall remain in effect until payment is received. The late payment rate for a 30-day period shall be determined on the day immediately following the due date and shall be applied to the overdue payment for any portion of the 30-day period of delinquency. In the case of partial late payments, the amount received shall first be applied to the late charge on the overdue payment and then to the overdue payment.

6. GENERAL PROVISIONS:

6.1 Repayment Contract Controlling. Pursuant to the Repayment Contract, the United States has agreed to construct and, in the absence of an approved Operating Agency, to operate and maintain the works of the Central Arizona Project and to deliver Project Water to the various subcontractors within the Project Service Area; and the Contractor has obligated itself for the payment of various costs, expenses, and other amounts allocated to the Contractor pursuant to Article 9 of the Repayment Contract. The Subcontractor expressly approves and agrees to all the terms presently set out in the Repayment Contract including Subarticle 8.8(b)(viii) thereof, or as such

terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that Repayment Contract, except as otherwise provided herein.

6.2 Effluent Exchanges. The Subcontractor may enter into direct effluent exchanges with Indian entities that have received an allocation of Project Water and receive all benefits from the exchange.

6.3 Notices. Any notice, demand or request authorized or required by this subcontract shall be deemed to have been given when mailed, postage prepaid, or delivered to the Regional Director, Lower Colorado Region, Bureau of Reclamation, P.O. Box 61470, Boulder City, Nevada 89006-1470, on behalf of the Contractor or Subcontractor; to the Central Arizona Water Conservation District, P. O. Box 43020, Phoenix, Arizona 85080, on behalf of the United States or Subcontractor; and to the _____, _____ _____Arizona 85622-0373, on behalf of the United States or Contractor. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

6.4 Water Conservation Program.

(a) While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this subcontract. The Subcontractor shall develop and implement an effective water conservation program for all uses of water that is provided from or conveyed through Federally constructed or Federally financed facilities. That water conservation program

shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

(b) A water conservation program, acceptable to the Contractor and the Contracting Officer, shall be in existence prior to one or all of the following: (1) service of Federally stored/conveyed water; (2) transfer of operation and maintenance of the Project facilities to the Contractor or Operating Agency; or (3) transfer of the Project to an operation and maintenance status. The distribution and use of Federally stored/conveyed water and/or the operation of Project facilities transferred to the Contractor shall be consistent with the adopted water conservation program. Following execution of this subcontract, and at subsequent 5-year intervals, the Subcontractor shall resubmit the water conservation plan to the Contractor and the Contracting Officer for review and approval. After review of the results of the previous 5 years and after consultation with the Contractor, the Subcontractor, and the Arizona Department of Water Resources or its successor, the Contracting Officer may require modifications in the water conservation program to better achieve program goals.

6.5 Rules, Regulations, and Determinations.

(a) The Contracting Officer shall have the right to make, after an opportunity has been offered to the Contractor and Subcontractor for consultation, rules and regulations consistent with the provisions of this subcontract, the laws of the United States and the State of Arizona, to add to or to modify them as may be deemed proper and necessary to carry out this subcontract, and to supply necessary details of its administration which are not covered by express provisions of this subcontract. The Contractor and Subcontractor shall observe such rules and regulations.

(b) Where the terms of this subcontract provide for action to be based upon the opinion or determination of any party to this subcontract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the event that the Contractor or Subcontractor questions any factual determination made by the Contracting Officer, the findings as to the facts shall be made by the Secretary only after consultation with the Contractor or Subcontractor and shall be conclusive upon the parties.

6.6 Officials Not to Benefit.

(a) No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this subcontract or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this subcontract if made with a corporation or company for its general benefit.

(b) No official of the Subcontractor shall receive any benefit that may arise by reason of this subcontract other than as a water user within the Project and in the same manner as other water users within the Project.

6.7 Assignment Limited--Successors and Assigns Obligated. The provisions of this subcontract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this subcontract or any part or interest therein shall be valid until approved by the Contracting Officer.

6.8 Judicial Remedies Not Foreclosed. Nothing herein shall be construed (a) as depriving any party from pursuing and prosecuting any remedy in any appropriate court of the United States or the State of Arizona which would otherwise be available to such parties even though provisions herein may declare that determinations or decisions of the Secretary or other persons are conclusive or (b) as depriving any party of any defense thereto which would otherwise be available.

6.9 Books, Records, and Reports. The Subcontractor shall establish and maintain accounts and other books and records pertaining to its financial transactions, land use and crop census, water supply, water use, changes of Project works, and to other matters as the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as he may require. Subject to applicable Federal laws and regulations, each party shall have the right during office hours to examine and make copies of each other's books and records relating to matters covered by this subcontract.

6.10 Equal Opportunity. During the performance of this subcontract, the Subcontractor agrees as follows:

(a) The Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Subcontractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The Subcontractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Subcontractor, state that all qualified applicants shall receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Subcontractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of the Subcontractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Subcontractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Subcontractor shall furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Subcontractor's noncompliance with the nondiscrimination clauses of this subcontract or with any of such rules, regulations, or orders, this subcontract may be canceled, terminated, or suspended, in whole or in part, and the Subcontractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Subcontractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions shall be binding upon each subcontractor or vendor. The Subcontractor shall take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Subcontractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Subcontractor may request the United States to enter into such litigation to protect the interest of the United States.

6.11 Title VI, Civil Rights Act of 1964.

(a) The Subcontractor agrees that it shall comply with Title VI of the Civil Rights Act of July 2, 1964 (78 Stat. 241), and all requirements imposed by or pursuant to the Department of the Interior Regulation (43 CFR 17) issued pursuant to that title to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Subcontractor receives financial assistance from the United States and hereby gives assurance that it shall immediately take any measures to effectuate this agreement.

(b) If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Subcontractor by the United States, this assurance obligates the Subcontractor, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for

a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Subcontractor for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Subcontractor for the period during which the Federal financial assistance is extended to it by the United States.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the Subcontractor by the United States, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Subcontractor recognizes and agrees that such Federal financial assistance shall be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this assurance. This assurance is binding on the Subcontractor, its successors, transferees, and assignees.

6.12 Confirmation of Subcontract. The Subcontractor shall promptly seek a final decree of the proper court of the State of Arizona approving and confirming the subcontract and decreeing and adjudging it to be lawful, valid, and binding on the Subcontractor. The Subcontractor shall furnish to the United States a certified copy of such decree and of all pertinent supporting records. This subcontract shall not be binding on the United States, the Contractor, or the Subcontractor until such final decree has been entered.

6.13 Contingent on Appropriation or Allotment of Funds. The expenditure or advance of any money or the performance of any work by the United States hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the

Subcontractor from any obligation under this subcontract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

IN WITNESS WHEREOF, the parties hereto have executed this subcontract No._____ the day and year first above-written.

Legal Review and Approval

By:_____
Field Solicitor
Phoenix, Arizona

THE UNITED STATES OF AMERICA

By:_____
Regional Director
Lower Colorado Region
Bureau of Reclamation

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT

Attest:_____
Secretary

By: _____
President

[Subcontractor]

Attest:_____

Title:_____

By: _____

Title:_____

EXHIBIT 30.16B1

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF RECLAMATION

SUBCONTRACT AMONG THE UNITED STATES,
THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
AND THE CITY OF CHANDLER
PROVIDING FOR WATER SERVICE

CENTRAL ARIZONA PROJECT

1. PREAMBLE:

THIS SUBCONTRACT, made this ___ day of _____, 200__, in pursuance generally of the of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057), as amended, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), and particularly the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended, and the Arizona Water Settlements Act (118 Stat. 3478), all collectively hereinafter referred to as the "Federal Reclamation Laws," among the UNITED STATES OF AMERICA, hereinafter referred to as the "United States" acting through the Secretary of the Interior, the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as the "Contractor," a water conservation district organized under the laws of Arizona, with its principal place of

business in Phoenix, Arizona, and the CITY OF CHANDLER, hereinafter referred to as the "Subcontractor," with its principal place of business in Chandler, Arizona;

WITNESSETH, THAT:

2. EXPLANATORY RECITALS:

WHEREAS, the Colorado River Basin Project Act provides, among other things, that for the purposes of furnishing irrigation and municipal and industrial water supplies to water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior shall construct, operate, and maintain the Central Arizona Project; and

WHEREAS, pursuant to the provisions of Arizona Revised Statutes §§ 48-3701 *et seq*., the Contractor has been organized with the power to enter into a contract or contracts with the Secretary of the Interior to accomplish the purposes of Arizona Revised Statutes, §§ 48-3701 *et seq*.; and

WHEREAS, pursuant to Section 304(b)(1) of the Colorado River Basin Project Act, the Secretary of the Interior has determined that it is necessary to effect repayment of the cost of constructing the Central Arizona Project pursuant to a master contract and that the United States, together with the Contractor, shall be a party to contracts that are in conformity with and subsidiary to the master contract; and

WHEREAS, the United States and the Contractor entered into Contract No. 14-06-W-245, Amendment No. 1, dated December 1, 1988, hereinafter referred to as the "Repayment Contract," a copy of which is attached hereto as Exhibit "A" and by this

reference made a part hereof, whereby the Contractor agrees to repay to the United States the reimbursable costs of the Central Arizona Project allocated to the Contractor; and

WHEREAS, the Subcontractor has entered into a water service subcontract with the Contractor and the Contracting Officer for municipal and industrial water service from water supplies available from the Central Arizona Project, Contract No. 5-07-30-W0070; and

WHEREAS, the United States, the Central Arizona Water Conservation District, the Hohokam Irrigation and Drainage District ("Hohokam"), and the Arizona Cities of Chandler, Mesa, Phoenix, and Scottsdale (the "Cities"), have executed an agreement dated December 21, 1993 which, inter alia, provides for the assignment of Hohokam's agricultural entitlement to Project Water to the Cities hereinafter referred to as the "Agreement.". The Agreement has been modified by the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement.

WHEREAS, pursuant to the Agreement, the Contractor, the United States and the Subcontractor entered into a subcontract in 1993 for the delivery of Project Water as provided in the Agreement (the "1993 Subcontract"); and

WHEREAS, the 1993 Subcontract must be modified in accordance with the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, the Arizona Water Settlement Agreement and the Arizona Water Settlements Act, Pub. L. 108-451.

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, the Parties hereto agree as follows:

3. DEFINITIONS:

Definitions included in the Repayment Contract are applicable to this subcontract. In addition, the following definitions shall govern the interpretation of this Subcontract but shall not apply to or govern other CAP-related documents or other decisions or actions of the Secretary or the Bureau of Reclamation:

3.1 "Available CAP Supply" shall mean for any given Year all Fourth Priority Water available for delivery through the Central Arizona Project, water available from CAP dams and reservoirs other than Modified Roosevelt Dam, and return flows captured by the Secretary for CAP use.

3.2 "Fourth Priority Water" shall mean Colorado River water available for delivery within the State of Arizona for satisfaction of entitlements: (1) pursuant to contracts, Secretarial reservations, perfected rights, and other arrangements between the United States and water users in the State entered into or established subsequent to September 30, 1968, for use on Federal, State, or privately owned lands in the State (for a total quantity not to exceed 164,652 acre-feet of diversions annually); and (2), after first providing for the delivery of water under 43 U.S.C. §1524(e), pursuant to the Repayment Contract for the delivery of Colorado River water for the CAP including use of Colorado River water on Indian lands.

3.3 "CAP-Eligible Acres" shall mean those lands which were irrigated during the period of September 30, 1958, to September 30, 1968, and meet all other Federal requirements and which may be legally irrigated pursuant to Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

3.4 "Initial Year" of water delivery shall mean the Year in which the Secretary issues the Notice of Completion of the Water Supply System.

3.5 "CAP Indian Priority Water" shall mean that water having an Indian delivery priority as described in Article 4.7.

3.6 "CAP M&I Priority Water" shall mean that water having a municipal and industrial delivery priority as described in Article 4.7.

3.7 "CAP NIA Priority Water" shall mean that water having a non-Indian agricultural delivery priority as described in Article 4.7.

4. DELIVERY OF WATER:

4.1 Obligations of the United States.

(a) Subject to the terms, conditions, and provisions set forth herein and in the Repayment Contract, during such periods as it operates and maintains the Project Works, the United States shall deliver Project Water for M&I use by the Subcontractor. The United States shall use all reasonable diligence to make available to the Subcontractor the quantity of Project Water specified in the schedule submitted by the Subcontractor in accordance with Article 4.4. After transfer of OM&R to the Operating Agency, the United States shall make deliveries of Project Water to the Operating Agency which shall make subsequent deliver to the Subcontractor as provided herein.

(b) The Subcontractor's entitlement to Project Water under this subcontract shall be in addition to the Subcontractor's entitlement to Project Water for municipal and industrial use under the Subcontractor's Central Arizona Project M&I water service subcontract, (Contract No. 5-07-30-W0070) which has been duly validated by a court of competent jurisdiction.

4.2 Term of Subcontract. This subcontract shall become effective upon the later of: (i) the date on which it is confirmed as provided for in Article 7.12; and (ii) the date

on which the Secretary of the Interior publishes in the Federal Register the statement of findings described in section 207(c)(1) of the Arizona Water Settlements Act, 118 Stat. 3478. This subcontract shall be for permanent service as that term is used in Section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. §617d. Project Water shall be delivered under the terms of this subcontract for the life of the Central Arizona Project. Any rights created in this subcontract for the benefit of Hohokam shall terminate on December 31, 2043.

4.3 Conditions Relating to Delivery and Use. Delivery and use of water under this subcontract is conditioned on the following, and the Subcontractor hereby agrees that:

(a) All uses of Project Water and Return Flow shall be consistent with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

(b) The system or systems through which water for Agricultural, M&I (including underground storage), and Miscellaneous purposes is conveyed after delivery to the Subcontractor shall consist of pipelines, canals, distribution systems, or other conduits provided and maintained with linings adequate in the Contracting Officer's judgment to prevent excessive conveyance losses.

(c) The Subcontractor shall not pump, or within its legal authority, permit others to pump ground water from within the exterior boundaries of the Subcontractor's service area, which has been delineated on a map filed with the Contractor and approved by the Contractor and the Contracting Officer, for use outside of said service area unless such pumping is permitted under Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time, and the Contracting Officer, the Contractor, and the

Subcontractor shall agree, or shall have previously agreed, that a surplus of ground water exists and drainage is or was required; Provided, however, that such pumping may be approved by the Contracting Officer and the Contractor, and approval shall not be unreasonably withheld, if such pumping is in accord with the Basin Project Act and upon submittal by the Subcontractor of a written certification from the Arizona Department of Water Resources or its successor agency that the pumping and transportation of ground water is in accord with Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

(d) The Subcontractor shall not sell, lease, exchange, forbear or otherwise transfer Project Water; provided, however, that this does not prohibit exchanges of Project Water within the State of Arizona covered by separate agreements; and provided, further, that this does not prohibit effluent exchanges with Indian tribes pursuant to Article 7.2; and provided, further, that this does not prohibit the resale or exchange of Project Water pursuant to Subarticle 4.3(e).

(e) (i) The Subcontractor may resell or exchange its entitlement under this subcontract for use within Maricopa, Pinal and Pima Counties pursuant to an appropriate agreement approved by the Contracting Officer and the Contractor. The Contracting Officer, the Contractor and the Subcontractor shall review such an agreement every five (5) years during the term of the agreement and, if necessary shall renegotiate the terms and conditions of such agreement that may adversely impact the operation of the CAP. If said water is resold or exchanged by the Subcontractor for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's

Repayment Obligation to the United States; Provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs.

(ii) In any Year, if the Subcontractor does not intend to schedule all of its entitlement under this subcontract, which has not been resold or exchanged pursuant to Article 4.3(i) hereof, the Subcontractor shall offer to resell such unused portion of its entitlement to Hohokam. On or before August 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, the Subcontractor shall provide Hohokam a water delivery schedule indicating the amount of Project Water to which the Subcontractor is entitled under this subcontract, but which the Subcontractor does not intend to schedule for use during the following Year and which has not been resold or exchanged pursuant to this subcontract. On or before September 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, Hohokam shall submit a water delivery schedule to the Subcontractor indicating the amounts of the Subcontractor's unused entitlement desired by Hohokam during each month of the following Year. If Project Water is resold to Hohokam for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States; Provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs. The Subcontractor shall, in accordance with the procedures set out in Article 4.4 of this subcontract, submit a schedule to the Contractor and the Contracting Officer requesting delivery of: (1) the Project Water available to and

requested by Hohokam pursuant to this Article 4.3(e)(ii), and (2) the amount of Project Water desired by the Subcontractor. Provided, however, that the Subcontractor shall not be obligated to schedule Project Water requested by Hohokam pursuant to this Article 4.3(e)(ii) unless Hohokam has paid the Subcontractor the annual charges for such Project Water identified in Section 12.3 of the Agreement and Article 6 hereof.

(iii) Project Water scheduled for delivery in any Year under this subcontract that cannot be used, resold, or exchanged by the Subcontractor may be made available by the Contracting Officer and Contractor to other users. If such Project Water is sold to or exchanged with other users, the Subcontractor shall be relieved of its payments hereunder only to the extent of the amount paid to the Contractor by such other users, but not to exceed the amount the Subcontractor is obligated to pay under this subcontract for said water.

(iv) In the event the Subcontractor or the Contracting Officer and the Contractor are unable to sell any portion of the Subcontractor's Project Water scheduled for delivery under this subcontract and not required by the Subcontractor, the Subcontractor shall be relieved of the pumping energy portion of the OM&R charges associated with the undelivered water as determined by the Contractor.

(f) Notwithstanding any other provisions of this subcontract, Project Water shall not be delivered to the Subcontractor unless and until the Subcontractor has obtained final environmental clearance from the United States for the system or systems through which Project Water is to be conveyed after delivery to the Subcontractor at the Subcontractor's Project turnout(s). Such system(s) shall include all pipelines, canals, distribution systems, treatment, storage, and other facilities through or in which Project Water

is conveyed, stored, or treated after delivery to the Subcontractor at the Subcontractor's Project turnout(s). In each instance, final environmental clearance will be based upon a review by the United States of the Subcontractor's plans for taking and using Project Water and will be given or withheld by the United States in accordance with the Final Environmental Impact Statement – Water Allocations and Water Service Contracting (FES 82-7, filed March 19, 1982) and the National Environmental Policy Act of 1969 (83 Stat. 852). Any additional action(s) required on behalf of the Subcontractor in order to obtain final environmental clearance from the United States will be identified to the Subcontractor by the United States, and no Project Water shall be delivered to the Subcontractor unless and until the Subcontractor has completed all such action(s) to the satisfaction of the United States.

4.4 Procedure for Ordering Water.

(a) At least 15 months prior to the date the Secretary expects to issue the Notice of Completion of the Water Supply System, or as soon thereafter as is practicable, the Contracting Officer shall announce by written notice to the Contractor the amount of Project Water available for delivery during the Initial Year of water delivery and during the following Year. Within 30 days of receiving such notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor. The Subcontractor shall, within a reasonable period of time as determined by the Contractor, submit a written schedule to the Contractor and the Contracting Officer showing the quantity of water desired by the Subcontractor during each month of said Initial Year and the following Year. The Contractor shall notify the Subcontractor by written notice of the Contractor's action on the requested schedule within 2 months of the date of receipt of such request.

(b) The amounts, times, and rates of delivery of Project Water to the Subcontractor during each Year subsequent to the Year following said Initial Year of water delivery shall be in accordance with a water delivery schedule for that Year. Such schedule shall be determined in the following manner:

(i) On or before June 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, the Contracting Officer shall announce the amount of Project Water available for delivery during the following Year in a written notice to the Contractor. In arriving at this determination, the Contracting Officer, subject to the provisions of the Repayment Contract, shall use his best efforts to maximize the availability and delivery of Arizona's full entitlement of Colorado River water over the term of this subcontract. Within 30 days of receiving said notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor.

(ii) On or before October 1 of each Year beginning with the Year following said Initial Year of water delivery, the Subcontractor shall submit in writing to the Contractor and the Contracting Officer a water delivery schedule indicating the amounts of Project Water desired by the Subcontractor during each month of the following Year along with a preliminary estimate of Project Water desired for the succeeding 2 years.

(iii) Upon receipt of the schedule, the Contractor and the Contracting Officer shall review it and, after consultation with the Subcontractor, shall make only such modifications to the schedule as are necessary to ensure that the amounts, times, and rates of delivery to the Subcontractor are consistent with the delivery capability of the Project, considering, among other things, the availability of water and the delivery schedules

of all subcontractors; Provided, That this provision shall not be construed to reduce annual deliveries to the Subcontractor.

(iv) On or before November 15 of each Year beginning with the Year following said Initial Year of water delivery, the Contractor shall determine and furnish to the Subcontractor and the Contracting Officer the water delivery schedule for the following Year which shall show the amount of water to be delivered to the Subcontractor during each month of that Year, contingent upon the Subcontractor remaining eligible to receive water under all terms contained herein.

(c) The monthly water delivery schedules may be amended upon the Subcontractor's written request to the Contractor. Proposed amendments shall be submitted by the Subcontractor to the Contractor no later than 15 days before the desired change is to become effective, and shall be subject to review and modification in like manner as the schedule. The Contractor shall notify the Subcontractor and the Contracting Officer of its action on the Subcontractor's requested schedule modification within 10 days of the Contractor's receipt of such request.

(d) The Contractor and the Subcontractor shall hold the United States, its officers, agents, and employees, harmless on account of damage or claim of damage of any nature whatsoever arising out of or connected with the actions of the Contractor regarding water delivery schedules furnished to the Subcontractor.

(e) In no event shall the Contracting Officer or the Contractor be required to deliver to the Subcontractor from the Water Supply System in any one month a total amount of Project Water greater than 11 percent of the Subcontractor's maximum entitlement; Provided, however, that the Contracting Officer may deliver a greater percentage

in any month if such increased delivery is compatible with the overall delivery of Project Water to other subcontractors as determined by the Contracting Officer and the Contractor and if the Subcontractor agrees to accept such increased deliveries.

4.5 Points of Delivery—Measurement and Responsibility for Distribution of Water.

(a) The water to be furnished to the Subcontractor pursuant to this subcontract shall be delivered at turnouts to be constructed by the United States at such point(s) on the Water Supply System as may be agreed upon in writing by the Contracting Officer and the Contractor, after consultation with the Subcontractor.

(b) Unless the United States and the Subcontractor agree by contract to the contrary, the Subcontractor shall construct and install, at its sole cost and expense, connection facilities required to take and convey the water from the turnouts to the Subcontractor's service area. The Subcontractor shall furnish, for approval of the Contracting Officer, drawings showing the construction to be performed by the Subcontractor within the Water Supply System right-of-way 6 months before starting said construction. The facilities may be installed, operated, and maintained on the Water Supply System right-of-way subject to such reasonable restrictions and regulations as to type, location, method of installation, operation and maintenance as may be prescribed by the Contracting Officer.

(c) All water delivered from the Water Supply System shall be measured with equipment furnished and installed by the United States and operated and maintained by the United States or the Operating Agency. Upon the request of the Subcontractor or the Contractor, the accuracy of such measurements shall be investigated by the Contracting Officer or the Operating Agency, Contractor, and Subcontractor, and any

errors which may be mutually determined to have occurred therein shall be adjusted; Provided, That in the event the parties cannot agree on the required adjustment, the Contracting Officer's determination shall be conclusive.

(d) Neither the United States, the Contractor, nor the Operating Agency shall be responsible for the control, carriage, handling, use, disposal, or distribution of Project Water beyond the delivery point(s) agreed to pursuant to Subarticle 4.5(a). The Subcontractor shall hold the United States, the Contractor, and the Operating Agency harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury or death arising out of or connected with the Subcontractor's control, carriage, handling, use, disposal, or distribution of such water beyond said delivery point(s).

4.6 Temporary Reductions. In addition to the right of the United States under Subarticle 8.3(a)(iv) of the Repayment Contract temporarily to discontinue or reduce the amount of water to be delivered, the United States or the Operating Agency may, after consultation with the Contractor, temporarily discontinue or reduce the quantity of water to be furnished to the Subcontractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part thereof necessary for the furnishing of water to the Subcontractor, but so far as feasible the United States or the Operating Agency shall coordinate any such discontinuance or reduction with the Subcontractor and shall give the Subcontractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Neither the United States, its officers, agents, and employees, nor the Operating Agency, its officers, agents, and employees, shall be liable for damages when, for

any reason whatsoever, any such temporary discontinuance or reduction in delivery of water occurs. If any such discontinuance or temporary reduction results in deliveries to the Subcontractor of less water than what has been paid for in advance, the Subcontractor shall be entitled to be reimbursed for the appropriate proportion of such advance payments prior to the date of the Subcontractor's next payment of water service charges or the Subcontractor may be given credit toward the next payment of water charges if the Subcontractor should so desire.

4.7 Priority in Case of Shortage.

(a) On or before June 1 of each Year, the Secretary shall announce the Available CAP Supply for the following Year in a written notice to the Contractor.

(b) Shortages Occurring Before 2044. Through December 31, 2043, Project Water shall be delivered under this subcontract as CAP NIA Priority Water. If the Available CAP Supply is insufficient to satisfy all entitlements to CAP M&I Priority Water, CAP Indian Priority Water and CAP NIA Priority Water, then the Secretary and the CAP Operating Agency shall pro-rate the CAP NIA Priority Water to the CAP contractors and CAP subcontractors holding such entitlements on the basis of the quantity of CAP NIA Priority Water used by each such CAP contractor or CAP subcontractor in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. However, if during the last such Year the Gila River Indian Community (Community) had not completed construction of the distribution system necessary to take and use its entire entitlement to CAP NIA Priority Water, the Secretary shall impute in the calculation the quantity of CAP NIA Priority Water that the Community would have been expected to take had the distribution system, as it exists in the then current Year, been in place during the last

Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. For example, if the Secretary determines that: (1) in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water, the Community used only ninety thousand (90,000) acre-feet of its entitlement to the delivery of CAP NIA Priority Water because the Community's CAP distribution system was only partially completed and would permit the delivery of only ninety thousand (90,000) acre-feet, (2) as of the then current Year, additional construction of the Community's CAP distribution system has been completed, and (3) the Community can take and use, and has ordered for delivery, one hundred ten thousand (110,000) acre-feet of CAP NIA Priority Water, then the Secretary shall use an imputed quantity of one hundred ten thousand (110,000) acre-feet for the Community when pro-rating the CAP NIA Priority Water.

(c) Shortages Occurring After 2043. Commencing January 1, 2044, Project Water shall be delivered under this subcontract as CAP M&I Priority Water.

(1) On or after January 1, 2044, a time of shortage shall exist in any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements as set forth in subparagraphs (i) through (iv) below:

(i) Three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water;

(ii) Six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water;

(iii) Up to forty-seven thousand three hundred three (47,303) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water pursuant to the Agreement; and

(iv) Up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

(2) Initial distribution of water in time of shortage.

(i) If the Available CAP Supply is equal to or less than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then 36.37518% of the Available CAP Supply shall be available for delivery as CAP Indian Priority Water and the remainder shall be available for delivery as CAP M&I Priority Water.

(ii) If the Available CAP Supply is greater than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water shall be determined in accordance with the following equation and the remainder shall be available for delivery as CAP M&I Priority Water:

$$I = \{[32{,}770 \div (E - 853{,}079)] \times W\} + (343{,}079 - \{[32{,}770 \div (E - 853{,}079)] \times E\})$$

where

I = the quantity of water available for delivery as CAP Indian Priority Water

E = the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraphs 4.7(c)(1); and

W = the Available CAP Supply

Example. If, after January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraph 4.7(c)(1) is one million twenty-nine thousand three hundred twenty-three (1,029,323) acre-feet (343,079 + 638,823 + 47,303 + 118), then the quantity of water available for delivery as CAP Indian Priority Water would be one hundred fifty-one thousand six hundred ninety-one (151,691) acre-feet plus 18.59354% of the Available CAP Supply.

(3) In time of shortage unscheduled CAP Water shall be redistributed as follows:

(i) Any water available for delivery as CAP Indian Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP Indian Priority Water shall become available for delivery as CAP M&I Priority Water.

(ii) CAP M&I Priority Water shall be distributed among those entities with contracts for the delivery of CAP M&I Priority Water in a manner determined by the Secretary and the CAP Operating Agency in consultation with M&I water users to fulfill all delivery requests to the greatest extent possible. Any water available for delivery as CAP M&I Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP M&I Priority Water shall become available for delivery as CAP Indian Priority Water.

(4) Any water remaining after all requests for delivery of CAP Indian Priority Water and CAP M&I Priority Water have been satisfied shall become available for delivery as CAP NIA Priority Water.

(d) Nothing in this paragraph 4.7 shall be construed to allow or authorize any CAP contractor or CAP subcontractor to receive, pursuant to such contracts, CAP water in amounts greater than such contractor's entitlement.

4.8 Secretarial Control of Return Flow.

(a) The Secretary reserves the right to capture all Return Flow flowing from the exterior boundaries of the Contractor's Service Area as a source of supply and for distribution to and use of the Central Arizona Project to the fullest extent practicable. The Secretary also reserves the right to capture for Project use Return Flow which originates or results from water contracted for from the Central Arizona Project within the boundaries of the Contractor's Service Area if, in his judgment, such Return Flow is not being put to a beneficial use. The Subcontractor may recapture and reuse or sell its Return Flow; Provided, however, that such Return Flow may not be sold for use outside Maricopa, Pinal, and Pima Counties; and Provided, further, That this does not prohibit effluent exchanges with Indian tribes pursuant to Article 7.2. The Subcontractor shall, at least 60 days in advance of any proposed sale of such water, furnish the following information in writing to the Contracting Officer and the Contractor:

(i) The name and address of the prospective buyer.

(ii) The location and proposed use of the Return Flow.

(iii) The price to be charged for the Return Flow.

(b) The price charged for the Return Flow may cover the cost incurred by the Subcontractor for Project Water plus the cost required to make the Return Flow usable. If the price received for the Return Flow is greater than the costs incurred by the Subcontractor, as described above, the excess amount shall be forthwith returned by the

Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States. Costs required to make Return Flow usable shall include but not be limited to capital costs and OM&R costs including transportation, treatment and distribution, and the portion thereof which may be retained by the Subcontractor shall be subject to the advance approval of the Contractor and the Contracting Officer.

(c) Any Return Flow captured by the United States and determined by the Contracting Officer and the Contractor to be suitable and available for use by the Subcontractor may be delivered by the United States or Operating Agency to the Subcontractor as a part of the water supply for which the Subcontractor subcontracts hereunder and such water shall be accounted and paid for pursuant to the provisions hereof.

(d) All capture, recapture, use, reuse and sale of Return Flow under this article shall be in accord with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

4.9 Water and Air Pollution Control. The Subcontractor, in carrying out this subcontract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Arizona and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

4.10 Quality of Water. The operation and maintenance of Project facilities shall be performed in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. Neither the United States, the Contractor, nor the Operating Agency warrants the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The Subcontractor waives its right to make a claim against the United States, the Operating Agency, the Contractor or another

subcontractor because of changes in water quality caused by the commingling of Project Water with other water.

4.11 Exchange Water.

(a) Where the Contracting Officer determines the Subcontractor is physically able to receive Colorado River mainstream water in exchange for or in replacement of existing supplies of water from surface sources other than the Colorado River, the Contracting Officer may require that the Subcontractor accept said mainstream water in exchange for or in replacement of said existing supplies pursuant to the provisions of Section 304(d) of the Basin Project Act; Provided, however, that a subcontractor on the Project aqueduct shall not be required to enter into exchanges in which existing supplies of water from surface sources are diverted for use by other subcontractors downstream on the Project aqueduct.

(b) If, in the event of shortages, the Subcontractor has yielded water from other surface water sources in exchange for Colorado River mainstream water supplied by the Contractor or the Operating Agency, the Subcontractor shall have first priority against other users supplied with Project Water that have not yielded water from other surface water sources but only in quantities adequate to replace the water so yielded.

4.12 Entitlement to Project Water. Pursuant to this Subcontract, the Subcontractor is entitled to take a maximum of 2,952 acre-feet of Project Water for M&I uses, including but not limited to underground storage. The Subcontractor's entitlement under this Subcontract shall be reduced by the amount of any Project Water assigned under Article 5.

5. OBLIGATION TO ASSIGN PROJECT WATER FOR CONVERTED LANDS WITHIN HOHOKAM. As CAP-Eligible Acres within Hohokam's district

boundaries convert from agricultural use to M&I use, the Subcontractor shall assign up to a maximum 442 acre-feet of its entitlement to Project Water under this subcontract to the entity responsible for serving M&I water to the converted acres, or to the Secretary for allocation to that entity as provided in Sections 7.1 and 7.3 of the Agreement."

6. PAYMENTS:

6.1 Water Service Charges for Payment of Operation, Maintenance, and Replacement Costs. Subject to the provisions of Article 6.4 hereof, the Subcontractor shall pay in advance for Project OM&R costs estimated to be incurred by the United States or the Operating Agency. After execution and prior to the first delivery of Project Water, or as soon thereafter as is practicable, the Contractor shall furnish the Subcontractor with an estimate of the Subcontractor's share of OM&R costs to the end of the current Year and an estimate of such costs for the following Year. Within a reasonable time of the receipt of said estimates, as determined by the Contractor, but prior to the delivery of water, the Subcontractor shall advance to the Contractor its share of such estimated costs to the end of the initial month of water delivery and without further notice or demand shall on or before the first day of each succeeding month of the current Year and the following Year advance to the Contractor in equal monthly installments the Subcontractor's share of such estimated costs. Advances of monthly payments for each subsequent Year shall be made by the Subcontractor to the Contractor on the basis of annual estimates to be furnished by the Contractor on or before June 1 preceding each said subsequent Year and the advances of payments for said estimated costs shall be due and payable in equal monthly payments on or before the first day of each month of the subsequent Year. Differences between actual OM&R costs and estimated OM&R costs shall be determined by the Contractor and shall be adjusted in the next

succeeding annual estimates; Provided, however, that if in the opinion of the Contractor the amount of any annual OM&R estimate is likely to be insufficient to cover the above-mentioned costs during such period, the Contractor may increase the annual estimate of the Subcontractor's OM&R costs by written notice thereof to the Subcontractor, and the Subcontractor shall forthwith increase its remaining monthly payments in such Year to the Contractor by the amount necessary to cover the insufficiency. All estimates of OM&R costs shall be accompanied by data and computations relied on by the Contractor in determining the amounts of the estimated OM&R costs and shall be subject to joint review by the Subcontractor and the Contractor.

6.2 M&I Water Service Charges.

(a) Subject to the provisions of Article 6.4, and in addition to the OM&R payments required in Article 6.1, the Subcontractor shall, in advance of the delivery of Project Water by the United States or the Operating Agency, make payment to the Contractor in equal semiannual installments of an M&I Water service capital charge.

(b) Through December 31, 2043, the M&I Water service capital charge shall be determined by multiplying the amount of Project Water scheduled for delivery in any Year under this subcontract by the rate established by the Contractor for that Year; Provided, however, that the Subcontractor shall not be required to pay an M&I Water service capital charge for Project Water scheduled for delivery in any Year under this subcontract unless and until the total amount of Project Water scheduled for delivery by the Subcontractor in that same Year pursuant to this subcontract and Contract No. 5-07-30-W0070 exceeds the Subcontractor's entitlement under Contract No. 5-07-30-W0070. Provided, further, that the

preceding sentence shall have no force or effect if the Subcontractor is in arrears in any payments due under Contract No. 5-07-30-W0070.

(c) Commencing January 1, 2044, the M&I Water service capital charge shall be determined by multiplying the Subcontractor's entitlement to Project Water under this subcontract by the rate established by the Contractor for that Year.

(d) The M&I Water service capital charge may be adjusted periodically by the Contractor as a result of repayment determinations provided for in the Repayment Contract and to reflect all sources of revenue, but said charge per acre-foot shall not be greater than the amount required to amortize Project capital costs allocated to the M&I function and determined by the Contracting Officer to be a part of the Contractor's Repayment Obligation. Such amortization shall include interest at 3.342 percent per annum. If any adjustment is made in the M&I Water service capital charge, notice thereof shall be given by the Contractor to the United States and to the Subcontractor on or before June 1 of the Year preceding the Year the adjusted charge becomes effective. The M&I Water service capital charge payment for the initial Year shall be advanced to the Contractor in equal semiannual installments on or before December 1 preceding the initial Year and June 1 of said initial Year; Provided, however, that the payment of the initial M&I Water service capital charge shall not be due until the Year in which Project Water is available to the Subcontractor after Notice of Completion of the Water Supply System is issued. Thereafter, for each subsequent Year, payments by the Subcontractor in accordance with the foregoing provisions shall be made in equal semiannual installments on or before the December 1 preceding said subsequent Year and the June 1 of said subsequent Year as may be specified by the Contractor in written notices to the Subcontractor.

(e) Payment of all M&I Water service capital and corresponding OM&R charges becoming due hereunder prior to or on the dates stipulated in Articles 6.1 and 6.2 is a condition precedent to receiving Project Water under this subcontract.

(f) All payments to be made to the Contractor or the United States under Articles 6.1 and 6.2 hereof shall be made by the Subcontractor as such payments fall due from revenues legally available to the Subcontractor for such payment from the sale of water to its water users and from any and all other sources which might be legally available; Provided, That no portion of the general taxing authority of the Subcontractor, nor its general funds, nor funds from ad valorem taxes are obligated by the provisions of this subcontract, nor shall such sources be liable for the payments, contributions, and other costs pursuant to this subcontract, or to satisfy any obligation hereunder unless duly and lawfully allocated and budgeted for such purpose by the Subcontractor for the applicable budget year; and Provided, further, That no portion of this Agreement shall ever be construed to create an obligation superior in lien to or on a parity with the Subcontractor's revenue bonds now or hereafter issued. The Subcontractor shall levy and impose such necessary water service charges and rates and use all the authority and resources available to it to collect all such necessary water service charges and rates in order that the Subcontractor may meet its obligations hereunder and make in full all payments required under this subcontract on or before the date such payments become due.

6.3 Loss of Entitlement. The Subcontractor shall have no right to delivery of water from Project facilities during any period in which the Subcontractor may be in arrears in the payment of any charges due the Contractor. The Contractor may sell to another entity any water determined to be available under the Subcontractor's entitlement for which

payment is in arrears; Provided, however, that the Subcontractor may regain the right to use any unsold portion of the water determined to be available under the original entitlement upon payment of all delinquent charges plus any difference between the subcontractual obligation and the price received in the sale of the water by the Contractor and payment of charges for the current period.

6.4 Refusal to Accept Delivery. In the event the Subcontractor fails or refuses in any Year to accept delivery of the quantity of water available for delivery to and required to be accepted by it pursuant to this subcontract, or in the event the Subcontractor in any Year fails to submit a schedule for delivery as provided in Article 4.4 hereof, said failure or refusal shall not relieve the Subcontractor of its obligation to make the payments required in this subcontract.

6.5 Charge for Late Payments. The Subcontractor shall pay a late payment charge on installments or charges that are received after the due date. The late payment charge percentage rate calculated by the Department of the Treasury and published quarterly in the Federal Register shall be used; Provided, that the late payment charge percentage rate shall not be less than 0.5 percent per month. The late payment charge percentage rate applied on an overdue payment shall remain in effect until payment is received. The late payment rate for a 30-day period shall be determined on the day immediately following the due date and shall be applied to the overdue payment for any portion of the 30-day period of delinquency. In the case of partial late payments, the amount received shall first be applied to the late charge on the overdue payment and then to the overdue payment.

7. GENERAL PROVISIONS:

7.1 Repayment Contract Controlling. Pursuant to the Repayment Contract, the United States has agreed to construct and, in the absence of an approved Operating Agency, to operate and maintain the works of the Central Arizona Project and to deliver Project Water to the various subcontractors within the Project Service Area; and the Contractor has obligated itself for the payment of various costs, expenses, and other amounts allocated to the Contractor pursuant to Article 9 of the Repayment Contract. The

Subcontractor expressly approves and agrees to all the terms presently set out in the Repayment Contract including Subarticle 8.8(b)(viii) thereof, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that Repayment Contract, except as otherwise provided herein.

7.2 Effluent Exchanges. The Subcontractor may enter into direct effluent exchange agreements with Indian entities that have received an allocation of Project Water and receive all benefits from the exchange.

7.3 Notices. Any notice, demand or request authorized or required by this subcontract shall be deemed to have been given when mailed, postage prepaid, or delivered to the Regional Director, Lower Colorado Region, Bureau of Reclamation, P.O. Box 61470, Boulder City, Nevada 89006-1470, on behalf of the Contractor or Subcontractor; to the Central Arizona Water Conservation District, 23636 North 7th Street, Phoenix, Arizona 85024, on behalf of the United States or Subcontractor; and to the City of Chandler, Attention: City Manager, 55 N. Arizona Pl., Suite 301, M.S. 605, Chandler, Arizona 85225, on behalf of the United States or Contractor. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

7.4 Water Conservation Program

(a) While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this subcontract. The Subcontractor shall develop and implement an effective water conservation program for all uses of water which is provided from or conveyed through Federally constructed or Federally financed facilities. That water conservation program shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

(b) A water conservation program, acceptable to the Contractor and the Contracting Officer, shall be in existence prior to one or all of the following: (1) service of Federally stored/conveyed water; (2) transfer of operation and maintenance of the Project facilities to the Contractor or Operating Agency; or (3) transfer of the Project to an operation and maintenance status. The distribution and use of Federally stored/conveyed water and/or

the operation of Project facilities transferred to the Contractor shall be consistent with the adopted water conservation program. Following execution of this subcontract, and at subsequent 5-year intervals, the Subcontractor shall resubmit the water conservation plan to the Contractor and the Contracting Officer for review and approval. After review of the results of the previous 5 years and after consultation with the Contractor, the Subcontractor and the Arizona Department of Water Resources or its successor, the Contracting Officer may require modifications in the water conservation program to better achieve program goals.

7.5 Rules, Regulations, and Determinations.

(a) Any Project Water delivered under this subcontract for Agricultural purposes shall be subject to Reclamation law, as amended and supplemented, including but not limited to the Reclamation Reform Act of 1982 (Public Law 97-293).

(b) The Contracting Officer shall have the right to make, after an opportunity has been offered to the Contractor and Subcontractor for consultation, rules and regulations consistent with the provisions of this subcontract, the laws of the United States and the State of Arizona, to add to or to modify them as may be deemed proper and necessary to carry out this subcontract, and to supply necessary details of its administration which are not covered by express provisions of this subcontract. The Contractor and Subcontractor shall observe such rules and regulations.

(c) Where the terms of this subcontract provide for action to be based upon the opinion or determination of any party to this subcontract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the event that the Contractor or Subcontractor questions any factual determination made by the Contracting Officer, the findings as to the facts shall be made by the Secretary only after consultation with the Contractor or Subcontractor and shall be conclusive upon the parties.

7.6 Officials Not to Benefit.

(a) No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this subcontract or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this subcontract if made with a corporation or company for its general benefit.

(b) No official of the Subcontractor shall receive any benefit that may arise by reason of this subcontract other than as a water user within the Project and in the same manner as other water users within the Project.

7.7 Assignment Limited—Successors and Assigns Obligated. The provisions of this subcontract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this subcontract or any part or interest therein shall be valid until approved by the Contracting Officer.

7.8 Judicial Remedies Not Foreclosed. Nothing herein shall be construed (a) as depriving any party from pursuing and prosecuting any remedy in any appropriate court of the United States or the State of Arizona which would otherwise be available to such parties even though provisions herein may declare that determinations or decisions of the Secretary or other persons are conclusive or (b) as depriving any party of any defense thereto which would otherwise be available.

7.9 Books, Records, and Reports. The Subcontractor shall establish and maintain accounts and other books and records pertaining to its financial transactions, land use and crop census, water supply, water use, changes of Project works, and to other matters as the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as he may require. Subject to applicable Federal laws and regulations, each party shall have the right during office hours to examine and make copies of each other's books and records relating to matters covered by this subcontract.

7.10 Equal Opportunity. During the performance of this subcontract, the Subcontractor agrees as follows:

(a) The Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Subcontractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The Subcontractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Subcontractor, state that all qualified applicants shall receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Subcontractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of the Subcontractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Subcontractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Subcontractor shall furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Subcontractor's noncompliance with the nondiscrimination clauses of this subcontract or with any of the rules, regulations, or orders, this subcontract may be canceled, terminated, or suspended, in whole or in part, and the Subcontractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Subcontractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of said amended Executive Order, so that such provisions shall be binding upon each subcontractor or vendor. The Subcontractor shall take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, that in the event a Subcontractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Subcontractor may request the United States to enter into such litigation to protect the interest of the United States.

7.11 Title VI, Civil Rights Act of 1964.

(a) The Subcontractor agrees that it shall comply with Title VI of the Civil Rights Act of July 2, 1964 (78 Stat 241), and all requirements imposed by or pursuant to the Department of the Interior regulation (43 CFR 17) issued pursuant to that title to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Subcontractor receives financial assistance from the

United States and hereby give assurance that it shall immediately take any measures to effectuate this Agreement.

(b) If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Subcontractor by the United States, this assurance obligates the Subcontractor, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Subcontractor for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Subcontractor for the period during which the Federal financial assistance is extended to it by the United States.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the Subcontractor by the United States, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Subcontractor recognizes and agrees that such Federal financial assistance shall be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this assurance. This assurance is binding on the Subcontractor, its successors, transferees, and assignees.

7.12 Confirmation of Subcontract. The Subcontractor shall promptly seek judicial validation of this subcontract pursuant to A.R.S. §§ 48-3731 *et seq*.

7.13 Contingent on Appropriation or Allotment of Funds. The expenditure or advance of any money or the performance of any work by the United States hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the Subcontractor from any obligation under this subcontract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

7.14 This Subcontract, when it becomes effective, supersedes and replaces the 1993 Subcontract.

IN WITNESS WHEREOF, the parties hereto have executed this subcontract No. _____ the day and year first above written.

THE UNITED STATES OF AMERICA

Legal Review and Approval

By: _____
Field Solicitor
Phoenix, Arizona

By: _____
Regional Director
Lower Colorado Region
Bureau of Reclamation

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT

Attest: _____
Secretary

By: _____
President

CITY OF CHANDLER

Attest: _____
City Clerk

By: _____
Title:

Approved as to form:

_____
City Attorney

EXHIBIT 30.16B2

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF RECLAMATION

SUBCONTRACT AMONG THE UNITED STATES,
THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
AND THE CITY OF MESA
PROVIDING FOR WATER SERVICE

CENTRAL ARIZONA PROJECT

1. PREAMBLE:

THIS SUBCONTRACT, made this ___ day of _____, 200__, in pursuance generally of the of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057), as amended, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), and particularly the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended, and the Arizona Water Settlements Act (118 Stat. 3478), all collectively hereinafter referred to as the "Federal Reclamation Laws," among the UNITED STATES OF AMERICA, hereinafter referred to as the "United States" acting through the Secretary of the Interior, the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as the "Contractor," a water conservation district organized under the laws of Arizona, with its principal place of

business in Phoenix, Arizona, and the CITY OF MESA, hereinafter referred to as the "Subcontractor," with its principal place of business in Mesa, Arizona;

WITNESSETH, THAT:

2. EXPLANATORY RECITALS:

WHEREAS, the Colorado River Basin Project Act provides, among other things, that for the purposes of furnishing irrigation and municipal and industrial water supplies to water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior shall construct, operate, and maintain the Central Arizona Project; and

WHEREAS, pursuant to the provisions of Arizona Revised Statutes §§ 48-3701 *et seq*., the Contractor has been organized with the power to enter into a contract or contracts with the Secretary of the Interior to accomplish the purposes of Arizona Revised Statutes, §§ 48-3701 *et seq*.; and

WHEREAS, pursuant to Section 304(b)(1) of the Colorado River Basin Project Act, the Secretary of the Interior has determined that it is necessary to effect repayment of the cost of constructing the Central Arizona Project pursuant to a master contract and that the United States, together with the Contractor, shall be a party to contracts that are in conformity with and subsidiary to the master contract; and

WHEREAS, the United States and the Contractor entered into Contract No. 14-06-W-245, Amendment No. 1, dated December 1, 1988, hereinafter referred to as the "Repayment Contract," a copy of which is attached hereto as Exhibit "A" and by this

reference made a part hereof, whereby the Contractor agrees to repay to the United States the reimbursable costs of the Central Arizona Project allocated to the Contractor; and

WHEREAS, the Subcontractor has entered into a water service subcontract with the Contractor and the Contracting Officer for municipal and industrial water service from water supplies available from the Central Arizona Project, Contract No. 5-07-30-W0060; and

WHEREAS, the United States, the Central Arizona Water Conservation District, the Hohokam Irrigation and Drainage District ("Hohokam"), and the Arizona Cities of Chandler, Mesa, Phoenix, and Scottsdale (the "Cities"), have executed an agreement dated December 21, 1993 which, inter alia, provides for the assignment of Hohokam's agricultural entitlement to Project Water to the Cities hereinafter referred to as the "Agreement.". The Agreement has been modified by the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement.

WHEREAS, pursuant to the Agreement, the Contractor, the United States and the Subcontractor entered into a subcontract in 1993 for the delivery of Project Water as provided in the Agreement (the "1993 Subcontract"); and

WHEREAS, the 1993 Subcontract must be modified in accordance with the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, the Arizona Water Settlement Agreement and the Arizona Water Settlements Act, Pub. L. 108-451.

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, the Parties hereto agree as follows:

3. DEFINITIONS:

Definitions included in the Repayment Contract are applicable to this subcontract. In addition, the following definitions shall govern the interpretation of this Subcontract but shall not apply to or govern other CAP-related documents or other decisions or actions of the Secretary or the Bureau of Reclamation:

3.1 "Available CAP Supply" shall mean for any given Year all Fourth Priority Water available for delivery through the Central Arizona Project, water available from CAP dams and reservoirs other than Modified Roosevelt Dam, and return flows captured by the Secretary for CAP use.

3.2 "Fourth Priority Water" shall mean Colorado River water available for delivery within the State of Arizona for satisfaction of entitlements: (1) pursuant to contracts, Secretarial reservations, perfected rights, and other arrangements between the United States and water users in the State entered into or established subsequent to September 30, 1968, for use on Federal, State, or privately owned lands in the State (for a total quantity not to exceed 164,652 acre-feet of diversions annually); and (2), after first providing for the delivery of water under 43 U.S.C. §1524(e), pursuant to the Repayment Contract for the delivery of Colorado River water for the CAP including use of Colorado River water on Indian lands.

3.3 "CAP-Eligible Acres" shall mean those lands which were irrigated during the period of September 30, 1958, to September 30, 1968, and meet all other Federal requirements and which may be legally irrigated pursuant to Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

3.4 "Initial Year" of water delivery shall mean the Year in which the Secretary issues the Notice of Completion of the Water Supply System.

3.5 "CAP Indian Priority Water" shall mean that water having an Indian delivery priority as described in Article 4.7.

3.6 "CAP M&I Priority Water" shall mean that water having a municipal and industrial delivery priority as described in Article 4.7.

3.7 "CAP NIA Priority Water" shall mean that water having a non-Indian agricultural delivery priority as described in Article 4.7.

4. DELIVERY OF WATER:

4.1 Obligations of the United States.

(a) Subject to the terms, conditions, and provisions set forth herein and in the Repayment Contract, during such periods as it operates and maintains the Project Works, the United States shall deliver Project Water for M&I use by the Subcontractor. The United States shall use all reasonable diligence to make available to the Subcontractor the quantity of Project Water specified in the schedule submitted by the Subcontractor in accordance with Article 4.4. After transfer of OM&R to the Operating Agency, the United States shall make deliveries of Project Water to the Operating Agency which shall make subsequent deliver to the Subcontractor as provided herein.

(b) The Subcontractor's entitlement to Project Water under this subcontract shall be in addition to the Subcontractor's entitlement to Project Water for municipal and industrial use under the Subcontractor's Central Arizona Project M&I water service subcontract, (Contract No. 5-07-30-W0060) which has been duly validated by a court of competent jurisdiction.

4.2 Term of Subcontract. This subcontract shall become effective upon the later of: (i) the date on which it is confirmed as provided for in Article 7.12; and (ii) the date

on which the Secretary of the Interior publishes in the Federal Register the statement of findings described in section 207(c)(1) of the Arizona Water Settlements Act, 118 Stat. 3478. This subcontract shall be for permanent service as that term is used in Section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. §617d. Project Water shall be delivered under the terms of this subcontract for the life of the Central Arizona Project. Any rights created in this subcontract for the benefit of Hohokam shall terminate on December 31, 2043.

4.3 Conditions Relating to Delivery and Use. Delivery and use of water under this subcontract is conditioned on the following, and the Subcontractor hereby agrees that:

(a) All uses of Project Water and Return Flow shall be consistent with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

(b) The system or systems through which water for Agricultural, M&I (including underground storage), and Miscellaneous purposes is conveyed after delivery to the Subcontractor shall consist of pipelines, canals, distribution systems, or other conduits provided and maintained with linings adequate in the Contracting Officer's judgment to prevent excessive conveyance losses.

(c) The Subcontractor shall not pump, or within its legal authority, permit others to pump ground water from within the exterior boundaries of the Subcontractor's service area, which has been delineated on a map filed with the Contractor and approved by the Contractor and the Contracting Officer, for use outside of said service area unless such pumping is permitted under Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time, and the Contracting Officer, the Contractor, and the

Subcontractor shall agree, or shall have previously agreed, that a surplus of ground water exists and drainage is or was required; Provided, however, that such pumping may be approved by the Contracting Officer and the Contractor, and approval shall not be unreasonably withheld, if such pumping is in accord with the Basin Project Act and upon submittal by the Subcontractor of a written certification from the Arizona Department of Water Resources or its successor agency that the pumping and transportation of ground water is in accord with Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

(d) The Subcontractor shall not sell, lease, exchange, forbear or otherwise transfer Project Water; provided, however, that this does not prohibit exchanges of Project Water within the State of Arizona covered by separate agreements; and provided, further, that this does not prohibit effluent exchanges with Indian tribes pursuant to Article 7.2; and provided, further, that this does not prohibit the resale or exchange of Project Water pursuant to Subarticle 4.3(e).

(e) (i) The Subcontractor may resell or exchange its entitlement under this subcontract for use within Maricopa, Pinal and Pima Counties pursuant to an appropriate agreement approved by the Contracting Officer and the Contractor. The Contracting Officer, the Contractor and the Subcontractor shall review such an agreement every five (5) years during the term of the agreement and, if necessary shall renegotiate the terms and conditions of such agreement that may adversely impact the operation of the CAP. If said water is resold or exchanged by the Subcontractor for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's

Repayment Obligation to the United States; Provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs.

(ii) In any Year, if the Subcontractor does not intend to schedule all of its entitlement under this subcontract, which has not been resold or exchanged pursuant to Article 4.3(i) hereof, the Subcontractor shall offer to resell such unused portion of its entitlement to Hohokam. On or before August 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, the Subcontractor shall provide Hohokam a water delivery schedule indicating the amount of Project Water to which the Subcontractor is entitled under this subcontract, but which the Subcontractor does not intend to schedule for use during the following Year and which has not been resold or exchanged pursuant to this subcontract. On or before September 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, Hohokam shall submit a water delivery schedule to the Subcontractor indicating the amounts of the Subcontractor's unused entitlement desired by Hohokam during each month of the following Year. If Project Water is resold to Hohokam for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States; Provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs. The Subcontractor shall, in accordance with the procedures set out in Article 4.4 of this subcontract, submit a schedule to the Contractor and the Contracting Officer requesting delivery of: (1) the Project Water available to and

requested by Hohokam pursuant to this Article 4.3(e)(ii), and (2) the amount of Project Water desired by the Subcontractor. Provided, however, that the Subcontractor shall not be obligated to schedule Project Water requested by Hohokam pursuant to this Article 4.3(e)(ii) unless Hohokam has paid the Subcontractor the annual charges for such Project Water identified in Section 12.3 of the Agreement and Article 6 hereof.

(iii) Project Water scheduled for delivery in any Year under this subcontract that cannot be used, resold, or exchanged by the Subcontractor may be made available by the Contracting Officer and Contractor to other users. If such Project Water is sold to or exchanged with other users, the Subcontractor shall be relieved of its payments hereunder only to the extent of the amount paid to the Contractor by such other users, but not to exceed the amount the Subcontractor is obligated to pay under this subcontract for said water.

(iv) In the event the Subcontractor or the Contracting Officer and the Contractor are unable to sell any portion of the Subcontractor's Project Water scheduled for delivery under this subcontract and not required by the Subcontractor, the Subcontractor shall be relieved of the pumping energy portion of the OM&R charges associated with the undelivered water as determined by the Contractor.

(f) Notwithstanding any other provisions of this subcontract, Project Water shall not be delivered to the Subcontractor unless and until the Subcontractor has obtained final environmental clearance from the United States for the system or systems through which Project Water is to be conveyed after delivery to the Subcontractor at the Subcontractor's Project turnout(s). Such system(s) shall include all pipelines, canals, distribution systems, treatment, storage, and other facilities through or in which Project Water

is conveyed, stored, or treated after delivery to the Subcontractor at the Subcontractor's Project turnout(s). In each instance, final environmental clearance will be based upon a review by the United States of the Subcontractor's plans for taking and using Project Water and will be given or withheld by the United States in accordance with the Final Environmental Impact Statement – Water Allocations and Water Service Contracting (FES 82-7, filed March 19, 1982) and the National Environmental Policy Act of 1969 (83 Stat. 852). Any additional action(s) required on behalf of the Subcontractor in order to obtain final environmental clearance from the United States will be identified to the Subcontractor by the United States, and no Project Water shall be delivered to the Subcontractor unless and until the Subcontractor has completed all such action(s) to the satisfaction of the United States.

4.4 Procedure for Ordering Water.

(a) At least 15 months prior to the date the Secretary expects to issue the Notice of Completion of the Water Supply System, or as soon thereafter as is practicable, the Contracting Officer shall announce by written notice to the Contractor the amount of Project Water available for delivery during the Initial Year of water delivery and during the following Year. Within 30 days of receiving such notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor. The Subcontractor shall, within a reasonable period of time as determined by the Contractor, submit a written schedule to the Contractor and the Contracting Officer showing the quantity of water desired by the Subcontractor during each month of said Initial Year and the following Year. The Contractor shall notify the Subcontractor by written notice of the Contractor's action on the requested schedule within 2 months of the date of receipt of such request.

(b) The amounts, times, and rates of delivery of Project Water to the Subcontractor during each Year subsequent to the Year following said Initial Year of water delivery shall be in accordance with a water delivery schedule for that Year. Such schedule shall be determined in the following manner:

(i) On or before June 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, the Contracting Officer shall announce the amount of Project Water available for delivery during the following Year in a written notice to the Contractor. In arriving at this determination, the Contracting Officer, subject to the provisions of the Repayment Contract, shall use his best efforts to maximize the availability and delivery of Arizona's full entitlement of Colorado River water over the term of this subcontract. Within 30 days of receiving said notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor.

(ii) On or before October 1 of each Year beginning with the Year following said Initial Year of water delivery, the Subcontractor shall submit in writing to the Contractor and the Contracting Officer a water delivery schedule indicating the amounts of Project Water desired by the Subcontractor during each month of the following Year along with a preliminary estimate of Project Water desired for the succeeding 2 years.

(iii) Upon receipt of the schedule, the Contractor and the Contracting Officer shall review it and, after consultation with the Subcontractor, shall make only such modifications to the schedule as are necessary to ensure that the amounts, times, and rates of delivery to the Subcontractor are consistent with the delivery capability of the Project, considering, among other things, the availability of water and the delivery schedules

of all subcontractors; Provided, That this provision shall not be construed to reduce annual deliveries to the Subcontractor.

(iv) On or before November 15 of each Year beginning with the Year following said Initial Year of water delivery, the Contractor shall determine and furnish to the Subcontractor and the Contracting Officer the water delivery schedule for the following Year which shall show the amount of water to be delivered to the Subcontractor during each month of that Year, contingent upon the Subcontractor remaining eligible to receive water under all terms contained herein.

(c) The monthly water delivery schedules may be amended upon the Subcontractor's written request to the Contractor. Proposed amendments shall be submitted by the Subcontractor to the Contractor no later than 15 days before the desired change is to become effective, and shall be subject to review and modification in like manner as the schedule. The Contractor shall notify the Subcontractor and the Contracting Officer of its action on the Subcontractor's requested schedule modification within 10 days of the Contractor's receipt of such request.

(d) The Contractor and the Subcontractor shall hold the United States, its officers, agents, and employees, harmless on account of damage or claim of damage of any nature whatsoever arising out of or connected with the actions of the Contractor regarding water delivery schedules furnished to the Subcontractor.

(e) In no event shall the Contracting Officer or the Contractor be required to deliver to the Subcontractor from the Water Supply System in any one month a total amount of Project Water greater than 11 percent of the Subcontractor's maximum entitlement; Provided, however, that the Contracting Officer may deliver a greater percentage

in any month if such increased delivery is compatible with the overall delivery of Project Water to other subcontractors as determined by the Contracting Officer and the Contractor and if the Subcontractor agrees to accept such increased deliveries.

4.5 Points of Delivery—Measurement and Responsibility for Distribution of Water.

(a) The water to be furnished to the Subcontractor pursuant to this subcontract shall be delivered at turnouts to be constructed by the United States at such point(s) on the Water Supply System as may be agreed upon in writing by the Contracting Officer and the Contractor, after consultation with the Subcontractor.

(b) Unless the United States and the Subcontractor agree by contract to the contrary, the Subcontractor shall construct and install, at its sole cost and expense, connection facilities required to take and convey the water from the turnouts to the Subcontractor's service area. The Subcontractor shall furnish, for approval of the Contracting Officer, drawings showing the construction to be performed by the Subcontractor within the Water Supply System right-of-way 6 months before starting said construction. The facilities may be installed, operated, and maintained on the Water Supply System right-of-way subject to such reasonable restrictions and regulations as to type, location, method of installation, operation and maintenance as may be prescribed by the Contracting Officer.

(c) All water delivered from the Water Supply System shall be measured with equipment furnished and installed by the United States and operated and maintained by the United States or the Operating Agency. Upon the request of the Subcontractor or the Contractor, the accuracy of such measurements shall be investigated by the Contracting Officer or the Operating Agency, Contractor, and Subcontractor, and any

errors which may be mutually determined to have occurred therein shall be adjusted; Provided, That in the event the parties cannot agree on the required adjustment, the Contracting Officer's determination shall be conclusive.

(d) Neither the United States, the Contractor, nor the Operating Agency shall be responsible for the control, carriage, handling, use, disposal, or distribution of Project Water beyond the delivery point(s) agreed to pursuant to Subarticle 4.5(a). The Subcontractor shall hold the United States, the Contractor, and the Operating Agency harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury or death arising out of or connected with the Subcontractor's control, carriage, handling, use, disposal, or distribution of such water beyond said delivery point(s).

4.6 Temporary Reductions. In addition to the right of the United States under Subarticle 8.3(a)(iv) of the Repayment Contract temporarily to discontinue or reduce the amount of water to be delivered, the United States or the Operating Agency may, after consultation with the Contractor, temporarily discontinue or reduce the quantity of water to be furnished to the Subcontractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part thereof necessary for the furnishing of water to the Subcontractor, but so far as feasible the United States or the Operating Agency shall coordinate any such discontinuance or reduction with the Subcontractor and shall give the Subcontractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Neither the United States, its officers, agents, and employees, nor the Operating Agency, its officers, agents, and employees, shall be liable for damages when, for

any reason whatsoever, any such temporary discontinuance or reduction in delivery of water occurs. If any such discontinuance or temporary reduction results in deliveries to the Subcontractor of less water than what has been paid for in advance, the Subcontractor shall be entitled to be reimbursed for the appropriate proportion of such advance payments prior to the date of the Subcontractor's next payment of water service charges or the Subcontractor may be given credit toward the next payment of water charges if the Subcontractor should so desire.

4.7 Priority in Case of Shortage.

(a) On or before June 1 of each Year, the Secretary shall announce the Available CAP Supply for the following Year in a written notice to the Contractor.

(b) Shortages Occurring Before 2044. Through December 31, 2043, Project Water shall be delivered under this subcontract as CAP NIA Priority Water. If the Available CAP Supply is insufficient to satisfy all entitlements to CAP M&I Priority Water, CAP Indian Priority Water and CAP NIA Priority Water, then the Secretary and the CAP Operating Agency shall pro-rate the CAP NIA Priority Water to the CAP contractors and CAP subcontractors holding such entitlements on the basis of the quantity of CAP NIA Priority Water used by each such CAP contractor or CAP subcontractor in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. However, if during the last such Year the Gila River Indian Community (Community) had not completed construction of the distribution system necessary to take and use its entire entitlement to CAP NIA Priority Water, the Secretary shall impute in the calculation the quantity of CAP NIA Priority Water that the Community would have been expected to take had the distribution system, as it exists in the then current Year, been in place during the last

Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. For example, if the Secretary determines that: (1) in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water, the Community used only ninety thousand (90,000) acre-feet of its entitlement to the delivery of CAP NIA Priority Water because the Community's CAP distribution system was only partially completed and would permit the delivery of only ninety thousand (90,000) acre-feet, (2) as of the then current Year, additional construction of the Community's CAP distribution system has been completed, and (3) the Community can take and use, and has ordered for delivery, one hundred ten thousand (110,000) acre-feet of CAP NIA Priority Water, then the Secretary shall use an imputed quantity of one hundred ten thousand (110,000) acre-feet for the Community when pro-rating the CAP NIA Priority Water.

(c) Shortages Occurring After 2043. Commencing January 1, 2044, Project Water shall be delivered under this subcontract as CAP M&I Priority Water.

(1) On or after January 1, 2044, a time of shortage shall exist in any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements as set forth in subparagraphs (i) through (iv) below:

(i) Three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water;

(ii) Six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water;

(iii) Up to forty-seven thousand three hundred three (47,303) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water pursuant to the Agreement; and

(iv) Up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

(2) Initial distribution of water in time of shortage.

(i) If the Available CAP Supply is equal to or less than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then 36.37518% of the Available CAP Supply shall be available for delivery as CAP Indian Priority Water and the remainder shall be available for delivery as CAP M&I Priority Water.

(ii) If the Available CAP Supply is greater than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water shall be determined in accordance with the following equation and the remainder shall be available for delivery as CAP M&I Priority Water:

$$I = \{[32{,}770 \div (E - 853{,}079)] \times W\} + (343{,}079 - \{[32{,}770 \div (E - 853{,}079)] \times E\})$$

where

I = the quantity of water available for delivery as CAP Indian Priority Water

E = the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraphs 4.7(c)(1); and

W = the Available CAP Supply

Example. If, after January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraph 4.7(c)(1) is one million twenty-nine thousand three hundred twenty-three (1,029,323) acre-feet (343,079 + 638,823 + 47,303 + 118), then the quantity of water available for delivery as CAP Indian Priority Water would be one hundred fifty-one thousand six hundred ninety-one (151,691) acre-feet plus 18.59354% of the Available CAP Supply.

(3) In time of shortage unscheduled CAP Water shall be redistributed as follows:

(i) Any water available for delivery as CAP Indian Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP Indian Priority Water shall become available for delivery as CAP M&I Priority Water.

(ii) CAP M&I Priority Water shall be distributed among those entities with contracts for the delivery of CAP M&I Priority Water in a manner determined by the Secretary and the CAP Operating Agency in consultation with M&I water users to fulfill all delivery requests to the greatest extent possible. Any water available for delivery as CAP M&I Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP M&I Priority Water shall become available for delivery as CAP Indian Priority Water.

(4) Any water remaining after all requests for delivery of CAP Indian Priority Water and CAP M&I Priority Water have been satisfied shall become available for delivery as CAP NIA Priority Water.

(d) Nothing in this paragraph 4.7 shall be construed to allow or authorize any CAP contractor or CAP subcontractor to receive, pursuant to such contracts, CAP water in amounts greater than such contractor's entitlement.

4.8 Secretarial Control of Return Flow.

(a) The Secretary reserves the right to capture all Return Flow flowing from the exterior boundaries of the Contractor's Service Area as a source of supply and for distribution to and use of the Central Arizona Project to the fullest extent practicable. The Secretary also reserves the right to capture for Project use Return Flow which originates or results from water contracted for from the Central Arizona Project within the boundaries of the Contractor's Service Area if, in his judgment, such Return Flow is not being put to a beneficial use. The Subcontractor may recapture and reuse or sell its Return Flow; Provided, however, that such Return Flow may not be sold for use outside Maricopa, Pinal, and Pima Counties; and Provided, further, That this does not prohibit effluent exchanges with Indian tribes pursuant to Article 7.2. The Subcontractor shall, at least 60 days in advance of any proposed sale of such water, furnish the following information in writing to the Contracting Officer and the Contractor:

(i) The name and address of the prospective buyer.

(ii) The location and proposed use of the Return Flow.

(iii) The price to be charged for the Return Flow.

(b) The price charged for the Return Flow may cover the cost incurred by the Subcontractor for Project Water plus the cost required to make the Return Flow usable. If the price received for the Return Flow is greater than the costs incurred by the Subcontractor, as described above, the excess amount shall be forthwith returned by the

Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States. Costs required to make Return Flow usable shall include but not be limited to capital costs and OM&R costs including transportation, treatment and distribution, and the portion thereof which may be retained by the Subcontractor shall be subject to the advance approval of the Contractor and the Contracting Officer.

(c) Any Return Flow captured by the United States and determined by the Contracting Officer and the Contractor to be suitable and available for use by the Subcontractor may be delivered by the United States or Operating Agency to the Subcontractor as a part of the water supply for which the Subcontractor subcontracts hereunder and such water shall be accounted and paid for pursuant to the provisions hereof.

(d) All capture, recapture, use, reuse and sale of Return Flow under this article shall be in accord with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

4.9 Water and Air Pollution Control. The Subcontractor, in carrying out this subcontract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Arizona and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

4.10 Quality of Water. The operation and maintenance of Project facilities shall be performed in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. Neither the United States, the Contractor, nor the Operating Agency warrants the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The Subcontractor waives its right to make a claim against the United States, the Operating Agency, the Contractor or another

subcontractor because of changes in water quality caused by the commingling of Project Water with other water.

4.11 Exchange Water.

(a) Where the Contracting Officer determines the Subcontractor is physically able to receive Colorado River mainstream water in exchange for or in replacement of existing supplies of water from surface sources other than the Colorado River, the Contracting Officer may require that the Subcontractor accept said mainstream water in exchange for or in replacement of said existing supplies pursuant to the provisions of Section 304(d) of the Basin Project Act; Provided, however, that a subcontractor on the Project aqueduct shall not be required to enter into exchanges in which existing supplies of water from surface sources are diverted for use by other subcontractors downstream on the Project aqueduct.

(b) If, in the event of shortages, the Subcontractor has yielded water from other surface water sources in exchange for Colorado River mainstream water supplied by the Contractor or the Operating Agency, the Subcontractor shall have first priority against other users supplied with Project Water that have not yielded water from other surface water sources but only in quantities adequate to replace the water so yielded.

4.12 Entitlement to Project Water. Pursuant to this Subcontract, the Subcontractor is entitled to take a maximum of 4,924 acre-feet of Project Water for M&I uses, including but not limited to underground storage. The Subcontractor's entitlement under this Subcontract shall be reduced by the amount of any Project Water assigned under Article 5.

5. OBLIGATION TO ASSIGN PROJECT WATER FOR CONVERTED LANDS WITHIN HOHOKAM. As CAP-Eligible Acres within Hohokam's district

boundaries convert from agricultural use to M&I use, the Subcontractor shall assign up to a maximum 737 acre-feet of its entitlement to Project Water under this subcontract to the entity responsible for serving M&I water to the converted acres, or to the Secretary for allocation to that entity as provided in Sections 7.1 and 7.3 of the Agreement attached hereto Exhibit "B."

6. PAYMENTS:

6.1 Water Service Charges for Payment of Operation, Maintenance, and Replacement Costs. Subject to the provisions of Article 6.4 hereof, the Subcontractor shall pay in advance for Project OM&R costs estimated to be incurred by the United States or the Operating Agency. After execution and prior to the first delivery of Project Water, or as soon thereafter as is practicable, the Contractor shall furnish the Subcontractor with an estimate of the Subcontractor's share of OM&R costs to the end of the current Year and an estimate of such costs for the following Year. Within a reasonable time of the receipt of said estimates, as determined by the Contractor, but prior to the delivery of water, the Subcontractor shall advance to the Contractor its share of such estimated costs to the end of the initial month of water delivery and without further notice or demand shall on or before the first day of each succeeding month of the current Year and the following Year advance to the Contractor in equal monthly installments the Subcontractor's share of such estimated costs. Advances of monthly payments for each subsequent Year shall be made by the Subcontractor to the Contractor on the basis of annual estimates to be furnished by the Contractor on or before June 1 preceding each said subsequent Year and the advances of payments for said estimated costs shall be due and payable in equal monthly payments on or before the first day of each month of the subsequent Year. Differences between actual OM&R costs and estimated OM&R costs shall be determined by the Contractor and shall be adjusted in the next

succeeding annual estimates; Provided, however, that if in the opinion of the Contractor the amount of any annual OM&R estimate is likely to be insufficient to cover the above-mentioned costs during such period, the Contractor may increase the annual estimate of the Subcontractor's OM&R costs by written notice thereof to the Subcontractor, and the Subcontractor shall forthwith increase its remaining monthly payments in such Year to the Contractor by the amount necessary to cover the insufficiency. All estimates of OM&R costs shall be accompanied by data and computations relied on by the Contractor in determining the amounts of the estimated OM&R costs and shall be subject to joint review by the Subcontractor and the Contractor.

6.2 M&I Water Service Charges.

(a) Subject to the provisions of Article 6.4, and in addition to the OM&R payments required in Article 6.1, the Subcontractor shall, in advance of the delivery of Project Water by the United States or the Operating Agency, make payment to the Contractor in equal semiannual installments of an M&I Water service capital charge.

(b) Through December 31, 2043, the M&I Water service capital charge shall be determined by multiplying the amount of Project Water scheduled for delivery in any Year under this subcontract by the rate established by the Contractor for that Year; Provided, however, that the Subcontractor shall not be required to pay an M&I Water service capital charge for Project Water scheduled for delivery in any Year under this subcontract unless and until the total amount of Project Water scheduled for delivery by the Subcontractor in that same Year pursuant to this subcontract and Contract No. 5-07-30-W0060 exceeds the Subcontractor's entitlement under Contract No. 5-07-30-W0060. Provided, further, that the

preceding sentence shall have no force or effect if the Subcontractor is in arrears in any payments due under Contract No. 5-07-30-W0060.

(c) Commencing January 1, 2044, the M&I Water service capital charge shall be determined by multiplying the Subcontractor's entitlement to Project Water under this subcontract by the rate established by the Contractor for that Year.

(d) The M&I Water service capital charge may be adjusted periodically by the Contractor as a result of repayment determinations provided for in the Repayment Contract and to reflect all sources of revenue, but said charge per acre-foot shall not be greater than the amount required to amortize Project capital costs allocated to the M&I function and determined by the Contracting Officer to be a part of the Contractor's Repayment Obligation. Such amortization shall include interest at 3.342 percent per annum. If any adjustment is made in the M&I Water service capital charge, notice thereof shall be given by the Contractor to the United States and to the Subcontractor on or before June 1 of the Year preceding the Year the adjusted charge becomes effective. The M&I Water service capital charge payment for the initial Year shall be advanced to the Contractor in equal semiannual installments on or before December 1 preceding the initial Year and June 1 of said initial Year; Provided, however, that the payment of the initial M&I Water service capital charge shall not be due until the Year in which Project Water is available to the Subcontractor after Notice of Completion of the Water Supply System is issued. Thereafter, for each subsequent Year, payments by the Subcontractor in accordance with the foregoing provisions shall be made in equal semiannual installments on or before the December 1 preceding said subsequent Year and the June 1 of said subsequent Year as may be specified by the Contractor in written notices to the Subcontractor.

(e) Payment of all M&I Water service capital and corresponding OM&R charges becoming due hereunder prior to or on the dates stipulated in Articles 6.1 and 6.2 is a condition precedent to receiving Project Water under this subcontract.

(f) All payments to be made to the Contractor or the United States under Articles 6.1 and 6.2 hereof shall be made by the Subcontractor as such payments fall due from revenues legally available to the Subcontractor for such payment from the sale of water to its water users and from any and all other sources which might be legally available; Provided, That no portion of the general taxing authority of the Subcontractor, nor its general funds, nor funds from ad valorem taxes are obligated by the provisions of this subcontract, nor shall such sources be liable for the payments, contributions, and other costs pursuant to this subcontract, or to satisfy any obligation hereunder unless duly and lawfully allocated and budgeted for such purpose by the Subcontractor for the applicable budget year; and Provided, further, That no portion of this Agreement shall ever be construed to create an obligation superior in lien to or on a parity with the Subcontractor's revenue bonds now or hereafter issued. The Subcontractor shall levy and impose such necessary water service charges and rates and use all the authority and resources available to it to collect all such necessary water service charges and rates in order that the Subcontractor may meet its obligations hereunder and make in full all payments required under this subcontract on or before the date such payments become due.

6.3 Loss of Entitlement. The Subcontractor shall have no right to delivery of water from Project facilities during any period in which the Subcontractor may be in arrears in the payment of any charges due the Contractor. The Contractor may sell to another entity any water determined to be available under the Subcontractor's entitlement for which

payment is in arrears; Provided, however, that the Subcontractor may regain the right to use any unsold portion of the water determined to be available under the original entitlement upon payment of all delinquent charges plus any difference between the subcontractual obligation and the price received in the sale of the water by the Contractor and payment of charges for the current period.

6.4 Refusal to Accept Delivery. In the event the Subcontractor fails or refuses in any Year to accept delivery of the quantity of water available for delivery to and required to be accepted by it pursuant to this subcontract, or in the event the Subcontractor in any Year fails to submit a schedule for delivery as provided in Article 4.4 hereof, said failure or refusal shall not relieve the Subcontractor of its obligation to make the payments required in this subcontract.

6.5 Charge for Late Payments. The Subcontractor shall pay a late payment charge on installments or charges that are received after the due date. The late payment charge percentage rate calculated by the Department of the Treasury and published quarterly in the Federal Register shall be used; Provided, that the late payment charge percentage rate shall not be less than 0.5 percent per month. The late payment charge percentage rate applied on an overdue payment shall remain in effect until payment is received. The late payment rate for a 30-day period shall be determined on the day immediately following the due date and shall be applied to the overdue payment for any portion of the 30-day period of delinquency. In the case of partial late payments, the amount received shall first be applied to the late charge on the overdue payment and then to the overdue payment.

7. GENERAL PROVISIONS:

7.1 Repayment Contract Controlling. Pursuant to the Repayment Contract, the United States has agreed to construct and, in the absence of an approved Operating Agency, to operate and maintain the works of the Central Arizona Project and to deliver Project Water to the various subcontractors within the Project Service Area; and the Contractor has obligated itself for the payment of various costs, expenses, and other amounts allocated to the Contractor pursuant to Article 9 of the Repayment Contract. The

Subcontractor expressly approves and agrees to all the terms presently set out in the Repayment Contract including Subarticle 8.8(b)(viii) thereof, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that Repayment Contract, except as otherwise provided herein.

7.2 Effluent Exchanges. The Subcontractor may enter into direct effluent exchange agreements with Indian entities that have received an allocation of Project Water and receive all benefits from the exchange.

7.3 Notices. Any notice, demand or request authorized or required by this subcontract shall be deemed to have been given when mailed, postage prepaid, or delivered to the Regional Director, Lower Colorado Region, Bureau of Reclamation, P.O. Box 61470, Boulder City, Nevada 89006-1470, on behalf of the Contractor or Subcontractor; to the Central Arizona Water Conservation District, 23636 North 7th Street, Phoenix, Arizona 85024, on behalf of the United States or Subcontractor; and to the City of Mesa, Attention: City Manager, P.O. Box 1466, Mesa, Arizona 85211, on behalf of the United States or Contractor. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

7.4 Water Conservation Program

(a) While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this subcontract. The Subcontractor shall develop and implement an effective water conservation program for all uses of water which is provided from or conveyed through Federally constructed or Federally financed facilities. That water conservation program shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

(b) A water conservation program, acceptable to the Contractor and the Contracting Officer, shall be in existence prior to one or all of the following: (1) service of Federally stored/conveyed water; (2) transfer of operation and maintenance of the Project facilities to the Contractor or Operating Agency; or (3) transfer of the Project to an operation and maintenance status. The distribution and use of Federally stored/conveyed water and/or the operation of Project facilities transferred to the Contractor shall be consistent with the

adopted water conservation program. Following execution of this subcontract, and at subsequent 5-year intervals, the Subcontractor shall resubmit the water conservation plan to the Contractor and the Contracting Officer for review and approval. After review of the results of the previous 5 years and after consultation with the Contractor, the Subcontractor and the Arizona Department of Water Resources or its successor, the Contracting Officer may require modifications in the water conservation program to better achieve program goals.

7.5 Rules, Regulations, and Determinations.

(a) Any Project Water delivered under this subcontract for Agricultural purposes shall be subject to Reclamation law, as amended and supplemented, including but not limited to the Reclamation Reform Act of 1982 (Public Law 97-293).

(b) The Contracting Officer shall have the right to make, after an opportunity has been offered to the Contractor and Subcontractor for consultation, rules and regulations consistent with the provisions of this subcontract, the laws of the United States and the State of Arizona, to add to or to modify them as may be deemed proper and necessary to carry out this subcontract, and to supply necessary details of its administration which are not covered by express provisions of this subcontract. The Contractor and Subcontractor shall observe such rules and regulations.

(c) Where the terms of this subcontract provide for action to be based upon the opinion or determination of any party to this subcontract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the event that the Contractor or Subcontractor questions any factual determination made by the Contracting Officer, the findings as to the facts shall be made by the Secretary only after consultation with the Contractor or Subcontractor and shall be conclusive upon the parties.

7.6 Officials Not to Benefit.

(a) No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this subcontract or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this subcontract if made with a corporation or company for its general benefit.

(b) No official of the Subcontractor shall receive any benefit that may arise by reason of this subcontract other than as a water user within the Project and in the same manner as other water users within the Project.

7.7 Assignment Limited—Successors and Assigns Obligated. The provisions of this subcontract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this subcontract or any part or interest therein shall be valid until approved by the Contracting Officer.

7.8 Judicial Remedies Not Foreclosed. Nothing herein shall be construed (a) as depriving any party from pursuing and prosecuting any remedy in any appropriate court of the United States or the State of Arizona which would otherwise be available to such parties even though provisions herein may declare that determinations or decisions of the Secretary or other persons are conclusive or (b) as depriving any party of any defense thereto which would otherwise be available.

7.9 Books, Records, and Reports. The Subcontractor shall establish and maintain accounts and other books and records pertaining to its financial transactions, land use and crop census, water supply, water use, changes of Project works, and to other matters as the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as he may require. Subject to applicable Federal laws and regulations, each party shall have the right during office hours to examine and make copies of each other's books and records relating to matters covered by this subcontract.

7.10 Equal Opportunity. During the performance of this subcontract, the Subcontractor agrees as follows:

(a) The Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Subcontractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The Subcontractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Subcontractor, state that all qualified applicants shall receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Subcontractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of the Subcontractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Subcontractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Subcontractor shall furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Subcontractor's noncompliance with the nondiscrimination clauses of this subcontract or with any of the rules, regulations, or orders, this subcontract may be canceled, terminated, or suspended, in whole or in part, and the Subcontractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Subcontractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of said amended Executive Order, so that such provisions shall be binding upon each subcontractor or vendor. The Subcontractor shall take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, that in the event a Subcontractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Subcontractor may request the United States to enter into such litigation to protect the interest of the United States.

7.11 Title VI, Civil Rights Act of 1964.

(a) The Subcontractor agrees that it shall comply with Title VI of the Civil Rights Act of July 2, 1964 (78 Stat 241), and all requirements imposed by or pursuant to the Department of the Interior regulation (43 CFR 17) issued pursuant to that title to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Subcontractor receives financial assistance from the

United States and hereby give assurance that it shall immediately take any measures to effectuate this Agreement.

(b) If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Subcontractor by the United States, this assurance obligates the Subcontractor, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Subcontractor for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Subcontractor for the period during which the Federal financial assistance is extended to it by the United States.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the Subcontractor by the United States, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Subcontractor recognizes and agrees that such Federal financial assistance shall be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this assurance. This assurance is binding on the Subcontractor, its successors, transferees, and assignees.

7.12 Confirmation of Subcontract. The Subcontractor shall promptly seek judicial validation of this subcontract pursuant to A.R.S. §§ 48-3731 *et seq*.

7.13 Contingent on Appropriation or Allotment of Funds. The expenditure or advance of any money or the performance of any work by the United States hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the Subcontractor from any obligation under this subcontract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

7.14 This Subcontract, when it becomes effective, supersedes and replaces the 1993 Subcontract.

IN WITNESS WHEREOF, the parties hereto have executed this subcontract No. _____ the day and year first above written.

THE UNITED STATES OF AMERICA

Legal Review and Approval

By: _____
Field Solicitor
Phoenix, Arizona

By: _____
Regional Director
Lower Colorado Region
Bureau of Reclamation

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT

Attest: _____
Secretary

By: _____
President

CITY OF MESA

Attest: _____
City Clerk

By: _____
Title:

Approved as to form:

_____
City Attorney

EXHIBIT 30.16B3

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF RECLAMATION

SUBCONTRACT AMONG THE UNITED STATES,
THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
AND THE CITY OF PHOENIX
PROVIDING FOR WATER SERVICE

CENTRAL ARIZONA PROJECT

1. PREAMBLE:

THIS SUBCONTRACT, made this ___ day of _____, 200__, in pursuance generally of the of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057), as amended, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), and particularly the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended, and the Arizona Water Settlements Act (118 Stat. 3478), all collectively hereinafter referred to as the "Federal Reclamation Laws," among the UNITED STATES OF AMERICA, hereinafter referred to as the "United States" acting through the Secretary of the Interior, the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as the "Contractor," a water conservation district organized under the laws of Arizona, with its principal place of

business in Phoenix, Arizona, and the CITY OF PHOENIX, hereinafter referred to as the "Subcontractor," with its principal place of business in Phoenix, Arizona;

WITNESSETH, THAT:

2. EXPLANATORY RECITALS:

WHEREAS, the Colorado River Basin Project Act provides, among other things, that for the purposes of furnishing irrigation and municipal and industrial water supplies to water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior shall construct, operate, and maintain the Central Arizona Project; and

WHEREAS, pursuant to the provisions of Arizona Revised Statutes §§ 48-3701 *et seq*., the Contractor has been organized with the power to enter into a contract or contracts with the Secretary of the Interior to accomplish the purposes of Arizona Revised Statutes, §§ 48-3701 *et seq*.; and

WHEREAS, pursuant to Section 304(b)(1) of the Colorado River Basin Project Act, the Secretary of the Interior has determined that it is necessary to effect repayment of the cost of constructing the Central Arizona Project pursuant to a master contract and that the United States, together with the Contractor, shall be a party to contracts that are in conformity with and subsidiary to the master contract; and

WHEREAS, the United States and the Contractor entered into Contract No. 14-06-W-245, Amendment No. 1, dated December 1, 1988, hereinafter referred to as the "Repayment Contract," a copy of which is attached hereto as Exhibit "A" and by this

reference made a part hereof, whereby the Contractor agrees to repay to the United States the reimbursable costs of the Central Arizona Project allocated to the Contractor; and

WHEREAS, the Subcontractor has entered into a water service subcontract with the Contractor and the Contracting Officer for municipal and industrial water service from water supplies available from the Central Arizona Project, Contract No. 5-07-30-W0059; and

WHEREAS, the United States, the Central Arizona Water Conservation District, the Hohokam Irrigation and Drainage District ("Hohokam"), and the Arizona Cities of Chandler, Mesa, Phoenix, and Scottsdale (the "Cities"), have executed an agreement dated December 21, 1993 which, inter alia, provides for the assignment of Hohokam's agricultural entitlement to Project Water to the Cities hereinafter referred to as the "Agreement.". The Agreement has been modified by the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement.

WHEREAS, pursuant to the Agreement, the Contractor, the United States and the Subcontractor entered into a subcontract in 1993 for the delivery of Project Water as provided in the Agreement (the "1993 Subcontract"); and

WHEREAS, the 1993 Subcontract must be modified in accordance with the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, the Arizona Water Settlement Agreement and the Arizona Water Settlements Act, Pub. L. 108-451.

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, the Parties hereto agree as follows:

3. DEFINITIONS:

Definitions included in the Repayment Contract are applicable to this subcontract. In addition, the following definitions shall govern the interpretation of this Subcontract but shall not apply to or govern other CAP-related documents or other decisions or actions of the Secretary or the Bureau of Reclamation:

3.1 "Available CAP Supply" shall mean for any given Year all Fourth Priority Water available for delivery through the Central Arizona Project, water available from CAP dams and reservoirs other than Modified Roosevelt Dam, and return flows captured by the Secretary for CAP use.

3.2 "Fourth Priority Water" shall mean Colorado River water available for delivery within the State of Arizona for satisfaction of entitlements: (1) pursuant to contracts, Secretarial reservations, perfected rights, and other arrangements between the United States and water users in the State entered into or established subsequent to September 30, 1968, for use on Federal, State, or privately owned lands in the State (for a total quantity not to exceed 164,652 acre-feet of diversions annually); and (2), after first providing for the delivery of water under 43 U.S.C. §1524(e), pursuant to the Repayment Contract for the delivery of Colorado River water for the CAP including use of Colorado River water on Indian lands.

3.3 "CAP-Eligible Acres" shall mean those lands which were irrigated during the period of September 30, 1958, to September 30, 1968, and meet all other Federal requirements and which may be legally irrigated pursuant to Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

3.4 "Initial Year" of water delivery shall mean the Year in which the Secretary issues the Notice of Completion of the Water Supply System.

3.5 "CAP Indian Priority Water" shall mean that water having an Indian delivery priority as described in Article 4.7.

3.6 "CAP M&I Priority Water" shall mean that water having a municipal and industrial delivery priority as described in Article 4.7.

3.7 "CAP NIA Priority Water" shall mean that water having a non-Indian agricultural delivery priority as described in Article 4.7.

4. DELIVERY OF WATER:

4.1 Obligations of the United States.

(a) Subject to the terms, conditions, and provisions set forth herein and in the Repayment Contract, during such periods as it operates and maintains the Project Works, the United States shall deliver Project Water for M&I use by the Subcontractor. The United States shall use all reasonable diligence to make available to the Subcontractor the quantity of Project Water specified in the schedule submitted by the Subcontractor in accordance with Article 4.4. After transfer of OM&R to the Operating Agency, the United States shall make deliveries of Project Water to the Operating Agency which shall make subsequent deliver to the Subcontractor as provided herein.

(b) The Subcontractor's entitlement to Project Water under this subcontract shall be in addition to the Subcontractor's entitlement to Project Water for municipal and industrial use under the Subcontractor's Central Arizona Project M&I water service subcontract, (Contract No. 5-07-30-W0059) which has been duly validated by a court of competent jurisdiction.

4.2 Term of Subcontract. This subcontract shall become effective upon the later of: (i) the date on which it is confirmed as provided for in Article 7.12; and (ii) the date

on which the Secretary of the Interior publishes in the Federal Register the statement of findings described in section 207(c)(1) of the Arizona Water Settlements Act, 118 Stat. 3478. This subcontract shall be for permanent service as that term is used in Section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. §617d. Project Water shall be delivered under the terms of this subcontract for the life of the Central Arizona Project. Any rights created in this subcontract for the benefit of Hohokam shall terminate on December 31, 2043.

4.3 Conditions Relating to Delivery and Use. Delivery and use of water under this subcontract is conditioned on the following, and the Subcontractor hereby agrees that:

(a) All uses of Project Water and Return Flow shall be consistent with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

(b) The system or systems through which water for Agricultural, M&I (including underground storage), and Miscellaneous purposes is conveyed after delivery to the Subcontractor shall consist of pipelines, canals, distribution systems, or other conduits provided and maintained with linings adequate in the Contracting Officer's judgment to prevent excessive conveyance losses.

(c) The Subcontractor shall not pump, or within its legal authority, permit others to pump ground water from within the exterior boundaries of the Subcontractor's service area, which has been delineated on a map filed with the Contractor and approved by the Contractor and the Contracting Officer, for use outside of said service area unless such pumping is permitted under Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time, and the Contracting Officer, the Contractor, and the

Subcontractor shall agree, or shall have previously agreed, that a surplus of ground water exists and drainage is or was required; Provided, however, that such pumping may be approved by the Contracting Officer and the Contractor, and approval shall not be unreasonably withheld, if such pumping is in accord with the Basin Project Act and upon submittal by the Subcontractor of a written certification from the Arizona Department of Water Resources or its successor agency that the pumping and transportation of ground water is in accord with Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

(d) The Subcontractor shall not sell, lease, exchange, forbear or otherwise transfer Project Water; provided, however, that this does not prohibit exchanges of Project Water within the State of Arizona covered by separate agreements; and provided, further, that this does not prohibit effluent exchanges with Indian tribes pursuant to Article 7.2; and provided, further, that this does not prohibit the resale or exchange of Project Water pursuant to Subarticle 4.3(e).

(e) (i) The Subcontractor may resell or exchange its entitlement under this subcontract for use within Maricopa, Pinal and Pima Counties pursuant to an appropriate agreement approved by the Contracting Officer and the Contractor. The Contracting Officer, the Contractor and the Subcontractor shall review such an agreement every five (5) years during the term of the agreement and, if necessary shall renegotiate the terms and conditions of such agreement that may adversely impact the operation of the CAP. If said water is resold or exchanged by the Subcontractor for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's

Repayment Obligation to the United States; Provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs.

(ii) In any Year, if the Subcontractor does not intend to schedule all of its entitlement under this subcontract, which has not been resold or exchanged pursuant to Article 4.3(i) hereof, the Subcontractor shall offer to resell such unused portion of its entitlement to Hohokam. On or before August 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, the Subcontractor shall provide Hohokam a water delivery schedule indicating the amount of Project Water to which the Subcontractor is entitled under this subcontract, but which the Subcontractor does not intend to schedule for use during the following Year and which has not been resold or exchanged pursuant to this subcontract. On or before September 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, Hohokam shall submit a water delivery schedule to the Subcontractor indicating the amounts of the Subcontractor's unused entitlement desired by Hohokam during each month of the following Year. If Project Water is resold to Hohokam for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States; Provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs. The Subcontractor shall, in accordance with the procedures set out in Article 4.4 of this subcontract, submit a schedule to the Contractor and the Contracting Officer requesting delivery of: (1) the Project Water available to and

requested by Hohokam pursuant to this Article 4.3(e)(ii), and (2) the amount of Project Water desired by the Subcontractor. Provided, however, that the Subcontractor shall not be obligated to schedule Project Water requested by Hohokam pursuant to this Article 4.3(e)(ii) unless Hohokam has paid the Subcontractor the annual charges for such Project Water identified in Section 12.3 of the Agreement and Article 6 hereof.

(iii) Project Water scheduled for delivery in any Year under this subcontract that cannot be used, resold, or exchanged by the Subcontractor may be made available by the Contracting Officer and Contractor to other users. If such Project Water is sold to or exchanged with other users, the Subcontractor shall be relieved of its payments hereunder only to the extent of the amount paid to the Contractor by such other users, but not to exceed the amount the Subcontractor is obligated to pay under this subcontract for said water.

(iv) In the event the Subcontractor or the Contracting Officer and the Contractor are unable to sell any portion of the Subcontractor's Project Water scheduled for delivery under this subcontract and not required by the Subcontractor, the Subcontractor shall be relieved of the pumping energy portion of the OM&R charges associated with the undelivered water as determined by the Contractor.

(f) Notwithstanding any other provisions of this subcontract, Project Water shall not be delivered to the Subcontractor unless and until the Subcontractor has obtained final environmental clearance from the United States for the system or systems through which Project Water is to be conveyed after delivery to the Subcontractor at the Subcontractor's Project turnout(s). Such system(s) shall include all pipelines, canals, distribution systems, treatment, storage, and other facilities through or in which Project Water

is conveyed, stored, or treated after delivery to the Subcontractor at the Subcontractor's Project turnout(s). In each instance, final environmental clearance will be based upon a review by the United States of the Subcontractor's plans for taking and using Project Water and will be given or withheld by the United States in accordance with the Final Environmental Impact Statement – Water Allocations and Water Service Contracting (FES 82-7, filed March 19, 1982) and the National Environmental Policy Act of 1969 (83 Stat. 852). Any additional action(s) required on behalf of the Subcontractor in order to obtain final environmental clearance from the United States will be identified to the Subcontractor by the United States, and no Project Water shall be delivered to the Subcontractor unless and until the Subcontractor has completed all such action(s) to the satisfaction of the United States.

4.4 Procedure for Ordering Water.

(a) At least 15 months prior to the date the Secretary expects to issue the Notice of Completion of the Water Supply System, or as soon thereafter as is practicable, the Contracting Officer shall announce by written notice to the Contractor the amount of Project Water available for delivery during the Initial Year of water delivery and during the following Year. Within 30 days of receiving such notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor. The Subcontractor shall, within a reasonable period of time as determined by the Contractor, submit a written schedule to the Contractor and the Contracting Officer showing the quantity of water desired by the Subcontractor during each month of said Initial Year and the following Year. The Contractor shall notify the Subcontractor by written notice of the Contractor's action on the requested schedule within 2 months of the date of receipt of such request.

(b) The amounts, times, and rates of delivery of Project Water to the Subcontractor during each Year subsequent to the Year following said Initial Year of water delivery shall be in accordance with a water delivery schedule for that Year. Such schedule shall be determined in the following manner:

(i) On or before June 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, the Contracting Officer shall announce the amount of Project Water available for delivery during the following Year in a written notice to the Contractor. In arriving at this determination, the Contracting Officer, subject to the provisions of the Repayment Contract, shall use his best efforts to maximize the availability and delivery of Arizona's full entitlement of Colorado River water over the term of this subcontract. Within 30 days of receiving said notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor.

(ii) On or before October 1 of each Year beginning with the Year following said Initial Year of water delivery, the Subcontractor shall submit in writing to the Contractor and the Contracting Officer a water delivery schedule indicating the amounts of Project Water desired by the Subcontractor during each month of the following Year along with a preliminary estimate of Project Water desired for the succeeding 2 years.

(iii) Upon receipt of the schedule, the Contractor and the Contracting Officer shall review it and, after consultation with the Subcontractor, shall make only such modifications to the schedule as are necessary to ensure that the amounts, times, and rates of delivery to the Subcontractor are consistent with the delivery capability of the Project, considering, among other things, the availability of water and the delivery schedules

of all subcontractors; Provided, That this provision shall not be construed to reduce annual deliveries to the Subcontractor.

(iv) On or before November 15 of each Year beginning with the Year following said Initial Year of water delivery, the Contractor shall determine and furnish to the Subcontractor and the Contracting Officer the water delivery schedule for the following Year which shall show the amount of water to be delivered to the Subcontractor during each month of that Year, contingent upon the Subcontractor remaining eligible to receive water under all terms contained herein.

(c) The monthly water delivery schedules may be amended upon the Subcontractor's written request to the Contractor. Proposed amendments shall be submitted by the Subcontractor to the Contractor no later than 15 days before the desired change is to become effective, and shall be subject to review and modification in like manner as the schedule. The Contractor shall notify the Subcontractor and the Contracting Officer of its action on the Subcontractor's requested schedule modification within 10 days of the Contractor's receipt of such request.

(d) The Contractor and the Subcontractor shall hold the United States, its officers, agents, and employees, harmless on account of damage or claim of damage of any nature whatsoever arising out of or connected with the actions of the Contractor regarding water delivery schedules furnished to the Subcontractor.

(e) In no event shall the Contracting Officer or the Contractor be required to deliver to the Subcontractor from the Water Supply System in any one month a total amount of Project Water greater than 11 percent of the Subcontractor's maximum entitlement; Provided, however, that the Contracting Officer may deliver a greater percentage

in any month if such increased delivery is compatible with the overall delivery of Project Water to other subcontractors as determined by the Contracting Officer and the Contractor and if the Subcontractor agrees to accept such increased deliveries.

4.5 Points of Delivery—Measurement and Responsibility for Distribution of Water.

(a) The water to be furnished to the Subcontractor pursuant to this subcontract shall be delivered at turnouts to be constructed by the United States at such point(s) on the Water Supply System as may be agreed upon in writing by the Contracting Officer and the Contractor, after consultation with the Subcontractor.

(b) Unless the United States and the Subcontractor agree by contract to the contrary, the Subcontractor shall construct and install, at its sole cost and expense, connection facilities required to take and convey the water from the turnouts to the Subcontractor's service area. The Subcontractor shall furnish, for approval of the Contracting Officer, drawings showing the construction to be performed by the Subcontractor within the Water Supply System right-of-way 6 months before starting said construction. The facilities may be installed, operated, and maintained on the Water Supply System right-of-way subject to such reasonable restrictions and regulations as to type, location, method of installation, operation and maintenance as may be prescribed by the Contracting Officer.

(c) All water delivered from the Water Supply System shall be measured with equipment furnished and installed by the United States and operated and maintained by the United States or the Operating Agency. Upon the request of the Subcontractor or the Contractor, the accuracy of such measurements shall be investigated by the Contracting Officer or the Operating Agency, Contractor, and Subcontractor, and any

errors which may be mutually determined to have occurred therein shall be adjusted; Provided, That in the event the parties cannot agree on the required adjustment, the Contracting Officer's determination shall be conclusive.

(d) Neither the United States, the Contractor, nor the Operating Agency shall be responsible for the control, carriage, handling, use, disposal, or distribution of Project Water beyond the delivery point(s) agreed to pursuant to Subarticle 4.5(a). The Subcontractor shall hold the United States, the Contractor, and the Operating Agency harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury or death arising out of or connected with the Subcontractor's control, carriage, handling, use, disposal, or distribution of such water beyond said delivery point(s).

4.6 Temporary Reductions. In addition to the right of the United States under Subarticle 8.3(a)(iv) of the Repayment Contract temporarily to discontinue or reduce the amount of water to be delivered, the United States or the Operating Agency may, after consultation with the Contractor, temporarily discontinue or reduce the quantity of water to be furnished to the Subcontractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part thereof necessary for the furnishing of water to the Subcontractor, but so far as feasible the United States or the Operating Agency shall coordinate any such discontinuance or reduction with the Subcontractor and shall give the Subcontractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Neither the United States, its officers, agents, and employees, nor the Operating Agency, its officers, agents, and employees, shall be liable for damages when, for

any reason whatsoever, any such temporary discontinuance or reduction in delivery of water occurs. If any such discontinuance or temporary reduction results in deliveries to the Subcontractor of less water than what has been paid for in advance, the Subcontractor shall be entitled to be reimbursed for the appropriate proportion of such advance payments prior to the date of the Subcontractor's next payment of water service charges or the Subcontractor may be given credit toward the next payment of water charges if the Subcontractor should so desire.

4.7 Priority in Case of Shortage.

(a) On or before June 1 of each Year, the Secretary shall announce the Available CAP Supply for the following Year in a written notice to the Contractor.

(b) Shortages Occurring Before 2044. Through December 31, 2043, Project Water shall be delivered under this subcontract as CAP NIA Priority Water. If the Available CAP Supply is insufficient to satisfy all entitlements to CAP M&I Priority Water, CAP Indian Priority Water and CAP NIA Priority Water, then the Secretary and the CAP Operating Agency shall pro-rate the CAP NIA Priority Water to the CAP contractors and CAP subcontractors holding such entitlements on the basis of the quantity of CAP NIA Priority Water used by each such CAP contractor or CAP subcontractor in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. However, if during the last such Year the Gila River Indian Community (Community) had not completed construction of the distribution system necessary to take and use its entire entitlement to CAP NIA Priority Water, the Secretary shall impute in the calculation the quantity of CAP NIA Priority Water that the Community would have been expected to take had the distribution system, as it exists in the then current Year, been in place during the last

Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. For example, if the Secretary determines that: (1) in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water, the Community used only ninety thousand (90,000) acre-feet of its entitlement to the delivery of CAP NIA Priority Water because the Community's CAP distribution system was only partially completed and would permit the delivery of only ninety thousand (90,000) acre-feet, (2) as of the then current Year, additional construction of the Community's CAP distribution system has been completed, and (3) the Community can take and use, and has ordered for delivery, one hundred ten thousand (110,000) acre-feet of CAP NIA Priority Water, then the Secretary shall use an imputed quantity of one hundred ten thousand (110,000) acre-feet for the Community when pro-rating the CAP NIA Priority Water.

(c) Shortages Occurring After 2043. Commencing January 1, 2044, Project Water shall be delivered under this subcontract as CAP M&I Priority Water.

(1) On or after January 1, 2044, a time of shortage shall exist in any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements as set forth in subparagraphs (i) through (iv) below:

(i) Three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water;

(ii) Six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water;

(iii) Up to forty-seven thousand three hundred three (47,303) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water pursuant to the Agreement; and

(iv) Up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

(2) Initial distribution of water in time of shortage.

(i) If the Available CAP Supply is equal to or less than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then 36.37518% of the Available CAP Supply shall be available for delivery as CAP Indian Priority Water and the remainder shall be available for delivery as CAP M&I Priority Water.

(ii) If the Available CAP Supply is greater than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water shall be determined in accordance with the following equation and the remainder shall be available for delivery as CAP M&I Priority Water:

$$I = \{[32{,}770 \div (E - 853{,}079)] \times W\} + (343{,}079 - \{[32{,}770 \div (E - 853{,}079)] \times E\})$$

where

I = the quantity of water available for delivery as CAP Indian Priority Water

E = the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraphs 4.7(c)(1); and

W = the Available CAP Supply

Example. If, after January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraph 4.7(c)(1) is one million twenty-nine thousand three hundred twenty-three (1,029,323) acre-feet (343,079 + 638,823 + 47,303 + 118), then the quantity of water available for delivery as CAP Indian Priority Water would be one hundred fifty-one thousand six hundred ninety-one (151,691) acre-feet plus 18.59354% of the Available CAP Supply.

(3) In time of shortage unscheduled CAP Water shall be redistributed as follows:

(i) Any water available for delivery as CAP Indian Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP Indian Priority Water shall become available for delivery as CAP M&I Priority Water.

(ii) CAP M&I Priority Water shall be distributed among those entities with contracts for the delivery of CAP M&I Priority Water in a manner determined by the Secretary and the CAP Operating Agency in consultation with M&I water users to fulfill all delivery requests to the greatest extent possible. Any water available for delivery as CAP M&I Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP M&I Priority Water shall become available for delivery as CAP Indian Priority Water.

(4) Any water remaining after all requests for delivery of CAP Indian Priority Water and CAP M&I Priority Water have been satisfied shall become available for delivery as CAP NIA Priority Water.

(d) Nothing in this paragraph 4.7 shall be construed to allow or authorize any CAP contractor or CAP subcontractor to receive, pursuant to such contracts, CAP water in amounts greater than such contractor's entitlement.

4.8 Secretarial Control of Return Flow.

(a) The Secretary reserves the right to capture all Return Flow flowing from the exterior boundaries of the Contractor's Service Area as a source of supply and for distribution to and use of the Central Arizona Project to the fullest extent practicable. The Secretary also reserves the right to capture for Project use Return Flow which originates or results from water contracted for from the Central Arizona Project within the boundaries of the Contractor's Service Area if, in his judgment, such Return Flow is not being put to a beneficial use. The Subcontractor may recapture and reuse or sell its Return Flow; Provided, however, that such Return Flow may not be sold for use outside Maricopa, Pinal, and Pima Counties; and Provided, further, That this does not prohibit effluent exchanges with Indian tribes pursuant to Article 7.2. The Subcontractor shall, at least 60 days in advance of any proposed sale of such water, furnish the following information in writing to the Contracting Officer and the Contractor:

(i) The name and address of the prospective buyer.

(ii) The location and proposed use of the Return Flow.

(iii) The price to be charged for the Return Flow.

(b) The price charged for the Return Flow may cover the cost incurred by the Subcontractor for Project Water plus the cost required to make the Return Flow usable. If the price received for the Return Flow is greater than the costs incurred by the Subcontractor, as described above, the excess amount shall be forthwith returned by the

Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States. Costs required to make Return Flow usable shall include but not be limited to capital costs and OM&R costs including transportation, treatment and distribution, and the portion thereof which may be retained by the Subcontractor shall be subject to the advance approval of the Contractor and the Contracting Officer.

(c) Any Return Flow captured by the United States and determined by the Contracting Officer and the Contractor to be suitable and available for use by the Subcontractor may be delivered by the United States or Operating Agency to the Subcontractor as a part of the water supply for which the Subcontractor subcontracts hereunder and such water shall be accounted and paid for pursuant to the provisions hereof.

(d) All capture, recapture, use, reuse and sale of Return Flow under this article shall be in accord with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

4.9 Water and Air Pollution Control. The Subcontractor, in carrying out this subcontract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Arizona and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

4.10 Quality of Water. The operation and maintenance of Project facilities shall be performed in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. Neither the United States, the Contractor, nor the Operating Agency warrants the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The Subcontractor waives its right to make a claim against the United States, the Operating Agency, the Contractor or another

subcontractor because of changes in water quality caused by the commingling of Project Water with other water.

4.11 Exchange Water.

(a) Where the Contracting Officer determines the Subcontractor is physically able to receive Colorado River mainstream water in exchange for or in replacement of existing supplies of water from surface sources other than the Colorado River, the Contracting Officer may require that the Subcontractor accept said mainstream water in exchange for or in replacement of said existing supplies pursuant to the provisions of Section 304(d) of the Basin Project Act; Provided, however, that a subcontractor on the Project aqueduct shall not be required to enter into exchanges in which existing supplies of water from surface sources are diverted for use by other subcontractors downstream on the Project aqueduct.

(b) If, in the event of shortages, the Subcontractor has yielded water from other surface water sources in exchange for Colorado River mainstream water supplied by the Contractor or the Operating Agency, the Subcontractor shall have first priority against other users supplied with Project Water that have not yielded water from other surface water sources but only in quantities adequate to replace the water so yielded.

4.12 Entitlement to Project Water. Pursuant to this Subcontract, the Subcontractor is entitled to take a maximum of 36,144 acre-feet of Project Water for M&I uses, including but not limited to underground storage. The Subcontractor's entitlement under this Subcontract shall be reduced by the amount of any Project Water assigned under Article 5.

5. OBLIGATION TO ASSIGN PROJECT WATER FOR CONVERTED LANDS WITHIN HOHOKAM. As CAP-Eligible Acres within Hohokam's district boundaries convert from agricultural use to M&I use, the Subcontractor shall assign up to a maximum 5,407 acre-feet of its entitlement to Project Water under this subcontract to the entity responsible for serving M&I water to the converted acres, or to the Secretary for allocation to that entity as provided in Sections 7.1 and 7.3 of the Agreement attached hereto Exhibit "B."

6. PAYMENTS:

6.1 Water Service Charges for Payment of Operation, Maintenance, and Replacement Costs. Subject to the provisions of Article 6.4 hereof, the Subcontractor shall pay in advance for Project OM&R costs estimated to be incurred by the United States or the Operating Agency. After execution and prior to the first delivery of Project Water, or as soon thereafter as is practicable, the Contractor shall furnish the Subcontractor with an estimate of the Subcontractor's share of OM&R costs to the end of the current Year and an estimate of such costs for the following Year. Within a reasonable time of the receipt of said estimates, as determined by the Contractor, but prior to the delivery of water, the Subcontractor shall advance to the Contractor its share of such estimated costs to the end of the initial month of water delivery and without further notice or demand shall on or before the first day of each succeeding month of the current Year and the following Year advance to the Contractor in equal monthly installments the Subcontractor's share of such estimated costs. Advances of monthly payments for each subsequent Year shall be made by the Subcontractor to the Contractor on the basis of annual estimates to be furnished by the Contractor on or before June 1 preceding each said subsequent Year and the advances of payments for said estimated

costs shall be due and payable in equal monthly payments on or before the first day of each month of the subsequent Year. Differences between actual OM&R costs and estimated OM&R costs shall be determined by the Contractor and shall be adjusted in the next succeeding annual estimates; Provided, however, that if in the opinion of the Contractor the amount of any annual OM&R estimate is likely to be insufficient to cover the above-mentioned costs during such period, the Contractor may increase the annual estimate of the Subcontractor's OM&R costs by written notice thereof to the Subcontractor, and the Subcontractor shall forthwith increase its remaining monthly payments in such Year to the Contractor by the amount necessary to cover the insufficiency. All estimates of OM&R costs shall be accompanied by data and computations relied on by the Contractor in determining the amounts of the estimated OM&R costs and shall be subject to joint review by the Subcontractor and the Contractor.

6.2 M&I Water Service Charges.

(a) Subject to the provisions of Article 6.4, and in addition to the OM&R payments required in Article 6.1, the Subcontractor shall, in advance of the delivery of Project Water by the United States or the Operating Agency, make payment to the Contractor in equal semiannual installments of an M&I Water service capital charge.

(b) Through December 31, 2043, the M&I Water service capital charge shall be determined by multiplying the amount of Project Water scheduled for delivery in any Year under this subcontract by the rate established by the Contractor for that Year; Provided, however, that the Subcontractor shall not be required to pay an M&I Water service capital charge for Project Water scheduled for delivery in any Year under this subcontract unless and until the total amount of Project Water scheduled for delivery by the Subcontractor

in that same Year pursuant to this subcontract and Contract No. 5-07-30-W0059 exceeds the Subcontractor's entitlement under Contract No. 5-07-30-W0059. Provided, further, that the preceding sentence shall have no force or effect if the Subcontractor is in arrears in any payments due under Contract No. 5-07-30-W0059.

(c) Commencing January 1, 2044, the M&I Water service capital charge shall be determined by multiplying the Subcontractor's entitlement to Project Water under this subcontract by the rate established by the Contractor for that Year.

(d) The M&I Water service capital charge may be adjusted periodically by the Contractor as a result of repayment determinations provided for in the Repayment Contract and to reflect all sources of revenue, but said charge per acre-foot shall not be greater than the amount required to amortize Project capital costs allocated to the M&I function and determined by the Contracting Officer to be a part of the Contractor's Repayment Obligation. Such amortization shall include interest at 3.342 percent per annum. If any adjustment is made in the M&I Water service capital charge, notice thereof shall be given by the Contractor to the United States and to the Subcontractor on or before June 1 of the Year preceding the Year the adjusted charge becomes effective. The M&I Water service capital charge payment for the initial Year shall be advanced to the Contractor in equal semiannual installments on or before December 1 preceding the initial Year and June 1 of said initial Year; Provided, however, that the payment of the initial M&I Water service capital charge shall not be due until the Year in which Project Water is available to the Subcontractor after Notice of Completion of the Water Supply System is issued. Thereafter, for each subsequent Year, payments by the Subcontractor in accordance with the foregoing provisions shall be made in equal semiannual installments on or before the December 1 preceding said

subsequent Year and the June 1 of said subsequent Year as may be specified by the Contractor in written notices to the Subcontractor.

(e) Payment of all M&I Water service capital and corresponding OM&R charges becoming due hereunder prior to or on the dates stipulated in Articles 6.1 and 6.2 is a condition precedent to receiving Project Water under this subcontract.

(f) All payments to be made to the Contractor or the United States under Articles 6.1 and 6.2 hereof shall be made by the Subcontractor as such payments fall due from revenues legally available to the Subcontractor for such payment from the sale of water to its water users and from any and all other sources which might be legally available; Provided, That no portion of the general taxing authority of the Subcontractor, nor its general funds, nor funds from ad valorem taxes are obligated by the provisions of this subcontract, nor shall such sources be liable for the payments, contributions, and other costs pursuant to this subcontract, or to satisfy any obligation hereunder unless duly and lawfully allocated and budgeted for such purpose by the Subcontractor for the applicable budget year; and Provided, further, That no portion of this Agreement shall ever be construed to create an obligation superior in lien to or on a parity with the Subcontractor's revenue bonds now or hereafter issued. The Subcontractor shall levy and impose such necessary water service charges and rates and use all the authority and resources available to it to collect all such necessary water service charges and rates in order that the Subcontractor may meet its obligations hereunder and make in full all payments required under this subcontract on or before the date such payments become due.

6.3 Loss of Entitlement. The Subcontractor shall have no right to delivery of water from Project facilities during any period in which the Subcontractor may be in

arrears in the payment of any charges due the Contractor. The Contractor may sell to another entity any water determined to be available under the Subcontractor's entitlement for which payment is in arrears; Provided, however, that the Subcontractor may regain the right to use any unsold portion of the water determined to be available under the original entitlement upon payment of all delinquent charges plus any difference between the subcontractual obligation and the price received in the sale of the water by the Contractor and payment of charges for the current period.

6.4 Refusal to Accept Delivery. In the event the Subcontractor fails or refuses in any Year to accept delivery of the quantity of water available for delivery to and required to be accepted by it pursuant to this subcontract, or in the event the Subcontractor in any Year fails to submit a schedule for delivery as provided in Article 4.4 hereof, said failure or refusal shall not relieve the Subcontractor of its obligation to make the payments required in this subcontract.

6.5 Charge for Late Payments. The Subcontractor shall pay a late payment charge on installments or charges that are received after the due date. The late payment charge percentage rate calculated by the Department of the Treasury and published quarterly in the Federal Register shall be used; Provided, that the late payment charge percentage rate shall not be less than 0.5 percent per month. The late payment charge percentage rate applied on an overdue payment shall remain in effect until payment is received. The late payment rate for a 30-day period shall be determined on the day immediately following the due date and shall be applied to the overdue payment for any portion of the 30-day period of delinquency. In the case of partial late payments, the amount received shall first be applied to the late charge on the overdue payment and then to the overdue payment.

7. GENERAL PROVISIONS:

7.1 Repayment Contract Controlling. Pursuant to the Repayment Contract, the United States has agreed to construct and, in the absence of an approved Operating Agency, to operate and maintain the works of the Central Arizona Project and to deliver Project Water to the various subcontractors within the Project Service Area; and the

Contractor has obligated itself for the payment of various costs, expenses, and other amounts allocated to the Contractor pursuant to Article 9 of the Repayment Contract. The Subcontractor expressly approves and agrees to all the terms presently set out in the Repayment Contract including Subarticle 8.8(b)(viii) thereof, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that Repayment Contract, except as otherwise provided herein.

7.2 Effluent Exchanges. The Subcontractor may enter into direct effluent exchange agreements with Indian entities that have received an allocation of Project Water and receive all benefits from the exchange.

7.3 Notices. Any notice, demand or request authorized or required by this subcontract shall be deemed to have been given when mailed, postage prepaid, or delivered to the Regional Director, Lower Colorado Region, Bureau of Reclamation, P.O. Box 61470, Boulder City, Nevada 89006-1470, on behalf of the Contractor or Subcontractor; to the Central Arizona Water Conservation District, 23636 North 7th Street, Phoenix, Arizona 85024, on behalf of the United States or Subcontractor; and to the City of Phoenix, Attention: City Manager, 200 W. Washington, Suite 1200, Phoenix, Arizona 85003, on behalf of the United States or Contractor. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

7.4 Water Conservation Program

(a) While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this subcontract. The Subcontractor shall develop and implement an effective water conservation program for all uses of water which is provided from or conveyed through Federally constructed or Federally financed facilities. That water conservation program shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

(b) A water conservation program, acceptable to the Contractor and the Contracting Officer, shall be in existence prior to one or all of the following: (1) service of Federally stored/conveyed water; (2) transfer of operation and maintenance of the Project facilities to the Contractor or Operating Agency; or (3) transfer of the Project to an operation

and maintenance status. The distribution and use of Federally stored/conveyed water and/or the operation of Project facilities transferred to the Contractor shall be consistent with the adopted water conservation program. Following execution of this subcontract, and at subsequent 5-year intervals, the Subcontractor shall resubmit the water conservation plan to the Contractor and the Contracting Officer for review and approval. After review of the results of the previous 5 years and after consultation with the Contractor, the Subcontractor and the Arizona Department of Water Resources or its successor, the Contracting Officer may require modifications in the water conservation program to better achieve program goals.

7.5 Rules, Regulations, and Determinations.

(a) Any Project Water delivered under this subcontract for Agricultural purposes shall be subject to Reclamation law, as amended and supplemented, including but not limited to the Reclamation Reform Act of 1982 (Public Law 97-293).

(b) The Contracting Officer shall have the right to make, after an opportunity has been offered to the Contractor and Subcontractor for consultation, rules and regulations consistent with the provisions of this subcontract, the laws of the United States and the State of Arizona, to add to or to modify them as may be deemed proper and necessary to carry out this subcontract, and to supply necessary details of its administration which are not covered by express provisions of this subcontract. The Contractor and Subcontractor shall observe such rules and regulations.

(c) Where the terms of this subcontract provide for action to be based upon the opinion or determination of any party to this subcontract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the event that the Contractor or Subcontractor questions any factual determination made by the Contracting Officer, the findings as to the facts shall be made by the Secretary only after consultation with the Contractor or Subcontractor and shall be conclusive upon the parties.

7.6 Officials Not to Benefit.

(a) No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this subcontract or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this subcontract if made with a corporation or company for its general benefit.

(b) No official of the Subcontractor shall receive any benefit that may arise by reason of this subcontract other than as a water user within the Project and in the same manner as other water users within the Project.

7.7 Assignment Limited—Successors and Assigns Obligated. The provisions of this subcontract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this subcontract or any part or interest therein shall be valid until approved by the Contracting Officer.

7.8 Judicial Remedies Not Foreclosed. Nothing herein shall be construed (a) as depriving any party from pursuing and prosecuting any remedy in any appropriate court of the United States or the State of Arizona which would otherwise be available to such parties even though provisions herein may declare that determinations or decisions of the Secretary or other persons are conclusive or (b) as depriving any party of any defense thereto which would otherwise be available.

7.9 Books, Records, and Reports. The Subcontractor shall establish and maintain accounts and other books and records pertaining to its financial transactions, land use and crop census, water supply, water use, changes of Project works, and to other matters as the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as he may require. Subject to applicable Federal laws and regulations, each party shall have the right during office hours to examine and make copies of each other's books and records relating to matters covered by this subcontract.

7.10 Equal Opportunity. During the performance of this subcontract, the Subcontractor agrees as follows:

(a) The Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Subcontractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The Subcontractor shall, in all solicitations or advertisements

for employees placed by or on behalf of the Subcontractor, state that all qualified applicants shall receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Subcontractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of the Subcontractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Subcontractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Subcontractor shall furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Subcontractor's noncompliance with the nondiscrimination clauses of this subcontract or with any of the rules, regulations, or orders, this subcontract may be canceled, terminated, or suspended, in whole or in part, and the Subcontractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Subcontractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of said amended Executive Order, so that such provisions shall be binding upon each subcontractor or vendor. The Subcontractor shall take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, that in the event a Subcontractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Subcontractor may request the United States to enter into such litigation to protect the interest of the United States.

7.11 Title VI, Civil Rights Act of 1964.

(a) The Subcontractor agrees that it shall comply with Title VI of the Civil Rights Act of July 2, 1964 (78 Stat 241), and all requirements imposed by or pursuant to the Department of the Interior regulation (43 CFR 17) issued pursuant to that title to the end that, in accordance with Title VI of that Act and the Regulation, no person in the

United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Subcontractor receives financial assistance from the United States and hereby give assurance that it shall immediately take any measures to effectuate this Agreement.

(b) If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Subcontractor by the United States, this assurance obligates the Subcontractor, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Subcontractor for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Subcontractor for the period during which the Federal financial assistance is extended to it by the United States.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the Subcontractor by the United States, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Subcontractor recognizes and agrees that such Federal financial assistance shall be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this assurance. This assurance is binding on the Subcontractor, its successors, transferees, and assignees.

7.12 Confirmation of Subcontract. The Subcontractor shall promptly seek judicial validation of this subcontract pursuant to A.R.S. §§ 48-3731 *et seq*.

7.13 Contingent on Appropriation or Allotment of Funds. The expenditure or advance of any money or the performance of any work by the United States hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the Subcontractor from any obligation under this subcontract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

7.14 This Subcontract, when it becomes effective, supersedes and replaces the 1993 Subcontract.

IN WITNESS WHEREOF, the parties hereto have executed this subcontract No. _____ the day and year first above written.

THE UNITED STATES OF AMERICA

Legal Review and Approval

By: _____
Field Solicitor
Phoenix, Arizona

By: _____
Regional Director
Lower Colorado Region
Bureau of Reclamation

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT

Attest: _____
Secretary

By: _____
President

CITY OF PHOENIX

Attest: _____
City Clerk

By: _____
City Manager

Approved as to form:

_____
City Attorney

EXHIBIT 30.16B4

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF RECLAMATION

SUBCONTRACT AMONG THE UNITED STATES,
THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
AND THE CITY OF SCOTTSDALE
PROVIDING FOR WATER SERVICE

CENTRAL ARIZONA PROJECT

1. PREAMBLE:

THIS SUBCONTRACT, made this ___ day of _____, 200__, in pursuance generally of the of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057), as amended, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), and particularly the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended, and the Arizona Water Settlements Act (118 Stat. 3478), all collectively hereinafter referred to as the "Federal Reclamation Laws," among the UNITED STATES OF AMERICA, hereinafter referred to as the "United States" acting through the Secretary of the Interior, the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as the "Contractor," a water conservation district organized under the laws of Arizona, with its principal place of

business in Phoenix, Arizona, and the CITY OF SCOTTSDALE, hereinafter referred to as the "Subcontractor," with its principal place of business in Scottsdale, Arizona;

WITNESSETH, THAT:

2. EXPLANATORY RECITALS:

WHEREAS, the Colorado River Basin Project Act provides, among other things, that for the purposes of furnishing irrigation and municipal and industrial water supplies to water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior shall construct, operate, and maintain the Central Arizona Project; and

WHEREAS, pursuant to the provisions of Arizona Revised Statutes §§ 48-3701 *et seq*., the Contractor has been organized with the power to enter into a contract or contracts with the Secretary of the Interior to accomplish the purposes of Arizona Revised Statutes, §§ 48-3701 *et seq*.; and

WHEREAS, pursuant to Section 304(b)(1) of the Colorado River Basin Project Act, the Secretary of the Interior has determined that it is necessary to effect repayment of the cost of constructing the Central Arizona Project pursuant to a master contract and that the United States, together with the Contractor, shall be a party to contracts that are in conformity with and subsidiary to the master contract; and

WHEREAS, the United States and the Contractor entered into Contract No. 14-06-W-245, Amendment No. 1, dated December 1, 1988, hereinafter referred to as the "Repayment Contract," a copy of which is attached hereto as Exhibit "A" and by this

reference made a part hereof, whereby the Contractor agrees to repay to the United States the reimbursable costs of the Central Arizona Project allocated to the Contractor; and

WHEREAS, the Subcontractor has entered into a water service subcontract with the Contractor and the Contracting Officer for municipal and industrial water service from water supplies available from the Central Arizona Project, Contract No. 5-07-30-W0063; and

WHEREAS, the United States, the Central Arizona Water Conservation District, the Hohokam Irrigation and Drainage District ("Hohokam"), and the Arizona Cities of Chandler, Mesa, Phoenix, and Scottsdale (the "Cities"), have executed an agreement dated December 21, 1993 which, inter alia, provides for the assignment of Hohokam's agricultural entitlement to Project Water to the Cities hereinafter referred to as the "Agreement.". The Agreement has been modified by the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement.

WHEREAS, pursuant to the Agreement, the Contractor, the United States and the Subcontractor entered into a subcontract in 1993 for the delivery of Project Water as provided in the Agreement (the "1993 Subcontract"); and

WHEREAS, the 1993 Subcontract must be modified in accordance with the Amended and Restated Gila River Indian Community Water Rights Settlement Agreement, the Arizona Water Settlement Agreement and the Arizona Water Settlements Act, Pub. L. 108-451.

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, the Parties hereto agree as follows:

3. DEFINITIONS:

Definitions included in the Repayment Contract are applicable to this subcontract. In addition, the following definitions shall govern the interpretation of this Subcontract but shall not apply to or govern other CAP-related documents or other decisions or actions of the Secretary or the Bureau of Reclamation:

3.1 "Available CAP Supply" shall mean for any given Year all Fourth Priority Water available for delivery through the Central Arizona Project, water available from CAP dams and reservoirs other than Modified Roosevelt Dam, and return flows captured by the Secretary for CAP use.

3.2 "Fourth Priority Water" shall mean Colorado River water available for delivery within the State of Arizona for satisfaction of entitlements: (1) pursuant to contracts, Secretarial reservations, perfected rights, and other arrangements between the United States and water users in the State entered into or established subsequent to September 30, 1968, for use on Federal, State, or privately owned lands in the State (for a total quantity not to exceed 164,652 acre-feet of diversions annually); and (2), after first providing for the delivery of water under 43 U.S.C. §1524(e), pursuant to the Repayment Contract for the delivery of Colorado River water for the CAP including use of Colorado River water on Indian lands.

3.3 "CAP-Eligible Acres" shall mean those lands which were irrigated during the period of September 30, 1958, to September 30, 1968, and meet all other Federal requirements and which may be legally irrigated pursuant to Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

3.4 "Initial Year" of water delivery shall mean the Year in which the Secretary issues the Notice of Completion of the Water Supply System.

3.5 "CAP Indian Priority Water" shall mean that water having an Indian delivery priority as described in Article 4.7.

3.6 "CAP M&I Priority Water" shall mean that water having a municipal and industrial delivery priority as described in Article 4.7.

3.7 "CAP NIA Priority Water" shall mean that water having a non-Indian agricultural delivery priority as described in Article 4.7.

4. DELIVERY OF WATER:

4.1 Obligations of the United States.

(a) Subject to the terms, conditions, and provisions set forth herein and in the Repayment Contract, during such periods as it operates and maintains the Project Works, the United States shall deliver Project Water for M&I use by the Subcontractor. The United States shall use all reasonable diligence to make available to the Subcontractor the quantity of Project Water specified in the schedule submitted by the Subcontractor in accordance with Article 4.4. After transfer of OM&R to the Operating Agency, the United States shall make deliveries of Project Water to the Operating Agency which shall make subsequent deliver to the Subcontractor as provided herein.

(b) The Subcontractor's entitlement to Project Water under this subcontract shall be in addition to the Subcontractor's entitlement to Project Water for municipal and industrial use under the Subcontractor's Central Arizona Project M&I water service subcontract, (Contract No. 5-07-30-W0063) which has been duly validated by a court of competent jurisdiction.

4.2 Term of Subcontract. This subcontract shall become effective upon the later of: (i) the date on which it is confirmed as provided for in Article 7.12; and (ii) the date

on which the Secretary of the Interior publishes in the Federal Register the statement of findings described in section 207(c)(1) of the Arizona Water Settlements Act, 118 Stat. 3478. This subcontract shall be for permanent service as that term is used in Section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. §617d. Project Water shall be delivered under the terms of this subcontract for the life of the Central Arizona Project. Any rights created in this subcontract for the benefit of Hohokam shall terminate on December 31, 2043.

4.3 Conditions Relating to Delivery and Use. Delivery and use of water under this subcontract is conditioned on the following, and the Subcontractor hereby agrees that:

(a) All uses of Project Water and Return Flow shall be consistent with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

(b) The system or systems through which water for Agricultural, M&I (including underground storage), and Miscellaneous purposes is conveyed after delivery to the Subcontractor shall consist of pipelines, canals, distribution systems, or other conduits provided and maintained with linings adequate in the Contracting Officer's judgment to prevent excessive conveyance losses.

(c) The Subcontractor shall not pump, or within its legal authority, permit others to pump ground water from within the exterior boundaries of the Subcontractor's service area, which has been delineated on a map filed with the Contractor and approved by the Contractor and the Contracting Officer, for use outside of said service area unless such pumping is permitted under Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time, and the Contracting Officer, the Contractor, and the

Subcontractor shall agree, or shall have previously agreed, that a surplus of ground water exists and drainage is or was required; Provided, however, that such pumping may be approved by the Contracting Officer and the Contractor, and approval shall not be unreasonably withheld, if such pumping is in accord with the Basin Project Act and upon submittal by the Subcontractor of a written certification from the Arizona Department of Water Resources or its successor agency that the pumping and transportation of ground water is in accord with Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

(d) The Subcontractor shall not sell, lease, exchange, forbear or otherwise transfer Project Water; provided, however, that this does not prohibit exchanges of Project Water within the State of Arizona covered by separate agreements; and provided, further, that this does not prohibit effluent exchanges with Indian tribes pursuant to Article 7.2; and provided, further, that this does not prohibit the resale or exchange of Project Water pursuant to Subarticle 4.3(e).

(e) (i) The Subcontractor may resell or exchange its entitlement under this subcontract for use within Maricopa, Pinal and Pima Counties pursuant to an appropriate agreement approved by the Contracting Officer and the Contractor. The Contracting Officer, the Contractor and the Subcontractor shall review such an agreement every five (5) years during the term of the agreement and, if necessary shall renegotiate the terms and conditions of such agreement that may adversely impact the operation of the CAP. If said water is resold or exchanged by the Subcontractor for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's

Repayment Obligation to the United States; Provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs.

(ii) In any Year, if the Subcontractor does not intend to schedule all of its entitlement under this subcontract, which has not been resold or exchanged pursuant to Article 4.3(i) hereof, the Subcontractor shall offer to resell such unused portion of its entitlement to Hohokam. On or before August 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, the Subcontractor shall provide Hohokam a water delivery schedule indicating the amount of Project Water to which the Subcontractor is entitled under this subcontract, but which the Subcontractor does not intend to schedule for use during the following Year and which has not been resold or exchanged pursuant to this subcontract. On or before September 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, Hohokam shall submit a water delivery schedule to the Subcontractor indicating the amounts of the Subcontractor's unused entitlement desired by Hohokam during each month of the following Year. If Project Water is resold to Hohokam for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States; Provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs. The Subcontractor shall, in accordance with the procedures set out in Article 4.4 of this subcontract, submit a schedule to the Contractor and the Contracting Officer requesting delivery of: (1) the Project Water available to and

requested by Hohokam pursuant to this Article 4.3(e)(ii), and (2) the amount of Project Water desired by the Subcontractor. Provided, however, that the Subcontractor shall not be obligated to schedule Project Water requested by Hohokam pursuant to this Article 4.3(e)(ii) unless Hohokam has paid the Subcontractor the annual charges for such Project Water identified in Section 12.3 of the Agreement and Article 6 hereof.

(iii) Project Water scheduled for delivery in any Year under this subcontract that cannot be used, resold, or exchanged by the Subcontractor may be made available by the Contracting Officer and Contractor to other users. If such Project Water is sold to or exchanged with other users, the Subcontractor shall be relieved of its payments hereunder only to the extent of the amount paid to the Contractor by such other users, but not to exceed the amount the Subcontractor is obligated to pay under this subcontract for said water.

(iv) In the event the Subcontractor or the Contracting Officer and the Contractor are unable to sell any portion of the Subcontractor's Project Water scheduled for delivery under this subcontract and not required by the Subcontractor, the Subcontractor shall be relieved of the pumping energy portion of the OM&R charges associated with the undelivered water as determined by the Contractor.

(f) Notwithstanding any other provisions of this subcontract, Project Water shall not be delivered to the Subcontractor unless and until the Subcontractor has obtained final environmental clearance from the United States for the system or systems through which Project Water is to be conveyed after delivery to the Subcontractor at the Subcontractor's Project turnout(s). Such system(s) shall include all pipelines, canals, distribution systems, treatment, storage, and other facilities through or in which Project Water

is conveyed, stored, or treated after delivery to the Subcontractor at the Subcontractor's Project turnout(s). In each instance, final environmental clearance will be based upon a review by the United States of the Subcontractor's plans for taking and using Project Water and will be given or withheld by the United States in accordance with the Final Environmental Impact Statement – Water Allocations and Water Service Contracting (FES 82-7, filed March 19, 1982) and the National Environmental Policy Act of 1969 (83 Stat. 852). Any additional action(s) required on behalf of the Subcontractor in order to obtain final environmental clearance from the United States will be identified to the Subcontractor by the United States, and no Project Water shall be delivered to the Subcontractor unless and until the Subcontractor has completed all such action(s) to the satisfaction of the United States.

4.4 Procedure for Ordering Water.

(a) At least 15 months prior to the date the Secretary expects to issue the Notice of Completion of the Water Supply System, or as soon thereafter as is practicable, the Contracting Officer shall announce by written notice to the Contractor the amount of Project Water available for delivery during the Initial Year of water delivery and during the following Year. Within 30 days of receiving such notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor. The Subcontractor shall, within a reasonable period of time as determined by the Contractor, submit a written schedule to the Contractor and the Contracting Officer showing the quantity of water desired by the Subcontractor during each month of said Initial Year and the following Year. The Contractor shall notify the Subcontractor by written notice of the Contractor's action on the requested schedule within 2 months of the date of receipt of such request.

(b) The amounts, times, and rates of delivery of Project Water to the Subcontractor during each Year subsequent to the Year following said Initial Year of water delivery shall be in accordance with a water delivery schedule for that Year. Such schedule shall be determined in the following manner:

(i) On or before June 1 of each Year beginning with the Year following the Initial Year of water delivery pursuant to this subcontract, the Contracting Officer shall announce the amount of Project Water available for delivery during the following Year in a written notice to the Contractor. In arriving at this determination, the Contracting Officer, subject to the provisions of the Repayment Contract, shall use his best efforts to maximize the availability and delivery of Arizona's full entitlement of Colorado River water over the term of this subcontract. Within 30 days of receiving said notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor.

(ii) On or before October 1 of each Year beginning with the Year following said Initial Year of water delivery, the Subcontractor shall submit in writing to the Contractor and the Contracting Officer a water delivery schedule indicating the amounts of Project Water desired by the Subcontractor during each month of the following Year along with a preliminary estimate of Project Water desired for the succeeding 2 years.

(iii) Upon receipt of the schedule, the Contractor and the Contracting Officer shall review it and, after consultation with the Subcontractor, shall make only such modifications to the schedule as are necessary to ensure that the amounts, times, and rates of delivery to the Subcontractor are consistent with the delivery capability of the Project, considering, among other things, the availability of water and the delivery schedules

of all subcontractors; Provided, That this provision shall not be construed to reduce annual deliveries to the Subcontractor.

(iv) On or before November 15 of each Year beginning with the Year following said Initial Year of water delivery, the Contractor shall determine and furnish to the Subcontractor and the Contracting Officer the water delivery schedule for the following Year which shall show the amount of water to be delivered to the Subcontractor during each month of that Year, contingent upon the Subcontractor remaining eligible to receive water under all terms contained herein.

(c) The monthly water delivery schedules may be amended upon the Subcontractor's written request to the Contractor. Proposed amendments shall be submitted by the Subcontractor to the Contractor no later than 15 days before the desired change is to become effective, and shall be subject to review and modification in like manner as the schedule. The Contractor shall notify the Subcontractor and the Contracting Officer of its action on the Subcontractor's requested schedule modification within 10 days of the Contractor's receipt of such request.

(d) The Contractor and the Subcontractor shall hold the United States, its officers, agents, and employees, harmless on account of damage or claim of damage of any nature whatsoever arising out of or connected with the actions of the Contractor regarding water delivery schedules furnished to the Subcontractor.

(e) In no event shall the Contracting Officer or the Contractor be required to deliver to the Subcontractor from the Water Supply System in any one month a total amount of Project Water greater than 11 percent of the Subcontractor's maximum entitlement; Provided, however, that the Contracting Officer may deliver a greater percentage

in any month if such increased delivery is compatible with the overall delivery of Project Water to other subcontractors as determined by the Contracting Officer and the Contractor and if the Subcontractor agrees to accept such increased deliveries.

4.5 Points of Delivery—Measurement and Responsibility for Distribution of Water.

(a) The water to be furnished to the Subcontractor pursuant to this subcontract shall be delivered at turnouts to be constructed by the United States at such point(s) on the Water Supply System as may be agreed upon in writing by the Contracting Officer and the Contractor, after consultation with the Subcontractor.

(b) Unless the United States and the Subcontractor agree by contract to the contrary, the Subcontractor shall construct and install, at its sole cost and expense, connection facilities required to take and convey the water from the turnouts to the Subcontractor's service area. The Subcontractor shall furnish, for approval of the Contracting Officer, drawings showing the construction to be performed by the Subcontractor within the Water Supply System right-of-way 6 months before starting said construction. The facilities may be installed, operated, and maintained on the Water Supply System right-of-way subject to such reasonable restrictions and regulations as to type, location, method of installation, operation and maintenance as may be prescribed by the Contracting Officer.

(c) All water delivered from the Water Supply System shall be measured with equipment furnished and installed by the United States and operated and maintained by the United States or the Operating Agency. Upon the request of the Subcontractor or the Contractor, the accuracy of such measurements shall be investigated by the Contracting Officer or the Operating Agency, Contractor, and Subcontractor, and any

errors which may be mutually determined to have occurred therein shall be adjusted; Provided, That in the event the parties cannot agree on the required adjustment, the Contracting Officer's determination shall be conclusive.

(d) Neither the United States, the Contractor, nor the Operating Agency shall be responsible for the control, carriage, handling, use, disposal, or distribution of Project Water beyond the delivery point(s) agreed to pursuant to Subarticle 4.5(a). The Subcontractor shall hold the United States, the Contractor, and the Operating Agency harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury or death arising out of or connected with the Subcontractor's control, carriage, handling, use, disposal, or distribution of such water beyond said delivery point(s).

4.6 Temporary Reductions. In addition to the right of the United States under Subarticle 8.3(a)(iv) of the Repayment Contract temporarily to discontinue or reduce the amount of water to be delivered, the United States or the Operating Agency may, after consultation with the Contractor, temporarily discontinue or reduce the quantity of water to be furnished to the Subcontractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part thereof necessary for the furnishing of water to the Subcontractor, but so far as feasible the United States or the Operating Agency shall coordinate any such discontinuance or reduction with the Subcontractor and shall give the Subcontractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Neither the United States, its officers, agents, and employees, nor the Operating Agency, its officers, agents, and employees, shall be liable for damages when, for

any reason whatsoever, any such temporary discontinuance or reduction in delivery of water occurs. If any such discontinuance or temporary reduction results in deliveries to the Subcontractor of less water than what has been paid for in advance, the Subcontractor shall be entitled to be reimbursed for the appropriate proportion of such advance payments prior to the date of the Subcontractor's next payment of water service charges or the Subcontractor may be given credit toward the next payment of water charges if the Subcontractor should so desire.

4.7 Priority in Case of Shortage.

(a) On or before June 1 of each Year, the Secretary shall announce the Available CAP Supply for the following Year in a written notice to the Contractor.

(b) Shortages Occurring Before 2044. Through December 31, 2043, Project Water shall be delivered under this subcontract as CAP NIA Priority Water. If the Available CAP Supply is insufficient to satisfy all entitlements to CAP M&I Priority Water, CAP Indian Priority Water and CAP NIA Priority Water, then the Secretary and the CAP Operating Agency shall pro-rate the CAP NIA Priority Water to the CAP contractors and CAP subcontractors holding such entitlements on the basis of the quantity of CAP NIA Priority Water used by each such CAP contractor or CAP subcontractor in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. However, if during the last such Year the Gila River Indian Community (Community) had not completed construction of the distribution system necessary to take and use its entire entitlement to CAP NIA Priority Water, the Secretary shall impute in the calculation the quantity of CAP NIA Priority Water that the Community would have been expected to take had the distribution system, as it exists in the then current Year, been in place during the last

Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. For example, if the Secretary determines that: (1) in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water, the Community used only ninety thousand (90,000) acre-feet of its entitlement to the delivery of CAP NIA Priority Water because the Community's CAP distribution system was only partially completed and would permit the delivery of only ninety thousand (90,000) acre-feet, (2) as of the then current Year, additional construction of the Community's CAP distribution system has been completed, and (3) the Community can take and use, and has ordered for delivery, one hundred ten thousand (110,000) acre-feet of CAP NIA Priority Water, then the Secretary shall use an imputed quantity of one hundred ten thousand (110,000) acre-feet for the Community when pro-rating the CAP NIA Priority Water.

(c) Shortages Occurring After 2043. Commencing January 1, 2044, Project Water shall be delivered under this subcontract as CAP M&I Priority Water.

(1) On or after January 1, 2044, a time of shortage shall exist in any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements as set forth in subparagraphs (i) through (iv) below:

(i) Three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water;

(ii) Six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water;

(iii) Up to forty-seven thousand three hundred three (47,303) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water pursuant to the Agreement; and

(iv) Up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

(2) Initial distribution of water in time of shortage.

(i) If the Available CAP Supply is equal to or less than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then 36.37518% of the Available CAP Supply shall be available for delivery as CAP Indian Priority Water and the remainder shall be available for delivery as CAP M&I Priority Water.

(ii) If the Available CAP Supply is greater than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water shall be determined in accordance with the following equation and the remainder shall be available for delivery as CAP M&I Priority Water:

$$I = \{[32{,}770 \div (E - 853{,}079)] \times W\} + (343{,}079 - \{[32{,}770 \div (E - 853{,}079)] \times E\})$$

where

I = the quantity of water available for delivery as CAP Indian Priority Water

E = the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraphs 4.7(c)(1); and

W = the Available CAP Supply

Example. If, after January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraph 4.7(c)(1) is one million twenty-nine thousand three hundred twenty-three (1,029,323) acre-feet (343,079 + 638,823 + 47,303 + 118), then the quantity of water available for delivery as CAP Indian Priority Water would be one hundred fifty-one thousand six hundred ninety-one (151,691) acre-feet plus 18.59354% of the Available CAP Supply.

(3) In time of shortage unscheduled CAP Water shall be redistributed as follows:

(i) Any water available for delivery as CAP Indian Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP Indian Priority Water shall become available for delivery as CAP M&I Priority Water.

(ii) CAP M&I Priority Water shall be distributed among those entities with contracts for the delivery of CAP M&I Priority Water in a manner determined by the Secretary and the CAP Operating Agency in consultation with M&I water users to fulfill all delivery requests to the greatest extent possible. Any water available for delivery as CAP M&I Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP M&I Priority Water shall become available for delivery as CAP Indian Priority Water.

(4) Any water remaining after all requests for delivery of CAP Indian Priority Water and CAP M&I Priority Water have been satisfied shall become available for delivery as CAP NIA Priority Water.

(d) Nothing in this paragraph 4.7 shall be construed to allow or authorize any CAP contractor or CAP subcontractor to receive, pursuant to such contracts, CAP water in amounts greater than such contractor's entitlement.

4.8 Secretarial Control of Return Flow.

(a) The Secretary reserves the right to capture all Return Flow flowing from the exterior boundaries of the Contractor's Service Area as a source of supply and for distribution to and use of the Central Arizona Project to the fullest extent practicable. The Secretary also reserves the right to capture for Project use Return Flow which originates or results from water contracted for from the Central Arizona Project within the boundaries of the Contractor's Service Area if, in his judgment, such Return Flow is not being put to a beneficial use. The Subcontractor may recapture and reuse or sell its Return Flow; Provided, however, that such Return Flow may not be sold for use outside Maricopa, Pinal, and Pima Counties; and Provided, further, That this does not prohibit effluent exchanges with Indian tribes pursuant to Article 7.2. The Subcontractor shall, at least 60 days in advance of any proposed sale of such water, furnish the following information in writing to the Contracting Officer and the Contractor:

(i) The name and address of the prospective buyer.

(ii) The location and proposed use of the Return Flow.

(iii) The price to be charged for the Return Flow.

(b) The price charged for the Return Flow may cover the cost incurred by the Subcontractor for Project Water plus the cost required to make the Return Flow usable. If the price received for the Return Flow is greater than the costs incurred by the Subcontractor, as described above, the excess amount shall be forthwith returned by the

Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States. Costs required to make Return Flow usable shall include but not be limited to capital costs and OM&R costs including transportation, treatment and distribution, and the portion thereof which may be retained by the Subcontractor shall be subject to the advance approval of the Contractor and the Contracting Officer.

(c) Any Return Flow captured by the United States and determined by the Contracting Officer and the Contractor to be suitable and available for use by the Subcontractor may be delivered by the United States or Operating Agency to the Subcontractor as a part of the water supply for which the Subcontractor subcontracts hereunder and such water shall be accounted and paid for pursuant to the provisions hereof.

(d) All capture, recapture, use, reuse and sale of Return Flow under this article shall be in accord with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

4.9 Water and Air Pollution Control. The Subcontractor, in carrying out this subcontract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Arizona and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

4.10 Quality of Water. The operation and maintenance of Project facilities shall be performed in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. Neither the United States, the Contractor, nor the Operating Agency warrants the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The Subcontractor waives its right to make a claim against the United States, the Operating Agency, the Contractor or another

subcontractor because of changes in water quality caused by the commingling of Project Water with other water.

4.11 Exchange Water.

(a) Where the Contracting Officer determines the Subcontractor is physically able to receive Colorado River mainstream water in exchange for or in replacement of existing supplies of water from surface sources other than the Colorado River, the Contracting Officer may require that the Subcontractor accept said mainstream water in exchange for or in replacement of said existing supplies pursuant to the provisions of Section 304(d) of the Basin Project Act; Provided, however, that a subcontractor on the Project aqueduct shall not be required to enter into exchanges in which existing supplies of water from surface sources are diverted for use by other subcontractors downstream on the Project aqueduct.

(b) If, in the event of shortages, the Subcontractor has yielded water from other surface water sources in exchange for Colorado River mainstream water supplied by the Contractor or the Operating Agency, the Subcontractor shall have first priority against other users supplied with Project Water that have not yielded water from other surface water sources but only in quantities adequate to replace the water so yielded.

4.12 Entitlement to Project Water. Pursuant to this Subcontract, the Subcontractor is entitled to take a maximum of 3,283 acre-feet of Project Water for M&I uses, including but not limited to underground storage. The Subcontractor's entitlement under this Subcontract shall be reduced by the amount of any Project Water assigned under Article 5.

5. OBLIGATION TO ASSIGN PROJECT WATER FOR CONVERTED LANDS WITHIN HOHOKAM. As CAP-Eligible Acres within Hohokam's district

boundaries convert from agricultural use to M&I use, the Subcontractor shall assign up to a maximum 491 acre-feet of its entitlement to Project Water under this subcontract to the entity responsible for serving M&I water to the converted acres, or to the Secretary for allocation to that entity as provided in Sections 7.1 and 7.3 of the Agreement attached hereto Exhibit "B."

6. PAYMENTS:

6.1 Water Service Charges for Payment of Operation, Maintenance, and Replacement Costs. Subject to the provisions of Article 6.4 hereof, the Subcontractor shall pay in advance for Project OM&R costs estimated to be incurred by the United States or the Operating Agency. After execution and prior to the first delivery of Project Water, or as soon thereafter as is practicable, the Contractor shall furnish the Subcontractor with an estimate of the Subcontractor's share of OM&R costs to the end of the current Year and an estimate of such costs for the following Year. Within a reasonable time of the receipt of said estimates, as determined by the Contractor, but prior to the delivery of water, the Subcontractor shall advance to the Contractor its share of such estimated costs to the end of the initial month of water delivery and without further notice or demand shall on or before the first day of each succeeding month of the current Year and the following Year advance to the Contractor in equal monthly installments the Subcontractor's share of such estimated costs. Advances of monthly payments for each subsequent Year shall be made by the Subcontractor to the Contractor on the basis of annual estimates to be furnished by the Contractor on or before June 1 preceding each said subsequent Year and the advances of payments for said estimated costs shall be due and payable in equal monthly payments on or before the first day of each month of the subsequent Year. Differences between actual OM&R costs and estimated OM&R costs shall be determined by the Contractor and shall be adjusted in the next

succeeding annual estimates; Provided, however, that if in the opinion of the Contractor the amount of any annual OM&R estimate is likely to be insufficient to cover the above-mentioned costs during such period, the Contractor may increase the annual estimate of the Subcontractor's OM&R costs by written notice thereof to the Subcontractor, and the Subcontractor shall forthwith increase its remaining monthly payments in such Year to the Contractor by the amount necessary to cover the insufficiency. All estimates of OM&R costs shall be accompanied by data and computations relied on by the Contractor in determining the amounts of the estimated OM&R costs and shall be subject to joint review by the Subcontractor and the Contractor.

6.2 M&I Water Service Charges.

(a) Subject to the provisions of Article 6.4, and in addition to the OM&R payments required in Article 6.1, the Subcontractor shall, in advance of the delivery of Project Water by the United States or the Operating Agency, make payment to the Contractor in equal semiannual installments of an M&I Water service capital charge.

(b) Through December 31, 2043, the M&I Water service capital charge shall be determined by multiplying the amount of Project Water scheduled for delivery in any Year under this subcontract by the rate established by the Contractor for that Year; Provided, however, that the Subcontractor shall not be required to pay an M&I Water service capital charge for Project Water scheduled for delivery in any Year under this subcontract unless and until the total amount of Project Water scheduled for delivery by the Subcontractor in that same Year pursuant to this subcontract and Contract No. 5-07-30-W0063 exceeds the Subcontractor's entitlement under Contract No. 5-07-30-W0063. Provided, further, that the

preceding sentence shall have no force or effect if the Subcontractor is in arrears in any payments due under Contract No. 5-07-30-W0063.

(c) Commencing January 1, 2044, the M&I Water service capital charge shall be determined by multiplying the Subcontractor's entitlement to Project Water under this subcontract by the rate established by the Contractor for that Year.

(d) The M&I Water service capital charge may be adjusted periodically by the Contractor as a result of repayment determinations provided for in the Repayment Contract and to reflect all sources of revenue, but said charge per acre-foot shall not be greater than the amount required to amortize Project capital costs allocated to the M&I function and determined by the Contracting Officer to be a part of the Contractor's Repayment Obligation. Such amortization shall include interest at 3.342 percent per annum. If any adjustment is made in the M&I Water service capital charge, notice thereof shall be given by the Contractor to the United States and to the Subcontractor on or before June 1 of the Year preceding the Year the adjusted charge becomes effective. The M&I Water service capital charge payment for the initial Year shall be advanced to the Contractor in equal semiannual installments on or before December 1 preceding the initial Year and June 1 of said initial Year; Provided, however, that the payment of the initial M&I Water service capital charge shall not be due until the Year in which Project Water is available to the Subcontractor after Notice of Completion of the Water Supply System is issued. Thereafter, for each subsequent Year, payments by the Subcontractor in accordance with the foregoing provisions shall be made in equal semiannual installments on or before the December 1 preceding said

subsequent Year and the June 1 of said subsequent Year as may be specified by the Contractor in written notices to the Subcontractor.

(e) Payment of all M&I Water service capital and corresponding OM&R charges becoming due hereunder prior to or on the dates stipulated in Articles 6.1 and 6.2 is a condition precedent to receiving Project Water under this subcontract.

(f) All payments to be made to the Contractor or the United States under Articles 6.1 and 6.2 hereof shall be made by the Subcontractor as such payments fall due from revenues legally available to the Subcontractor for such payment from the sale of water to its water users and from any and all other sources which might be legally available; Provided, That no portion of the general taxing authority of the Subcontractor, nor its general funds, nor funds from ad valorem taxes are obligated by the provisions of this subcontract, nor shall such sources be liable for the payments, contributions, and other costs pursuant to this subcontract, or to satisfy any obligation hereunder unless duly and lawfully allocated and budgeted for such purpose by the Subcontractor for the applicable budget year; and Provided, further, That no portion of this Agreement shall ever be construed to create an obligation superior in lien to or on a parity with the Subcontractor's revenue bonds now or hereafter issued. The Subcontractor shall levy and impose such necessary water service charges and rates and use all the authority and resources available to it to collect all such necessary water service charges and rates in order that the Subcontractor may meet its obligations hereunder and make in full all payments required under this subcontract on or before the date such payments become due.

6.3 Loss of Entitlement. The Subcontractor shall have no right to delivery of water from Project facilities during any period in which the Subcontractor may be in

arrears in the payment of any charges due the Contractor. The Contractor may sell to another entity any water determined to be available under the Subcontractor's entitlement for which payment is in arrears; Provided, however, that the Subcontractor may regain the right to use any unsold portion of the water determined to be available under the original entitlement upon payment of all delinquent charges plus any difference between the subcontractual obligation and the price received in the sale of the water by the Contractor and payment of charges for the current period.

6.4 Refusal to Accept Delivery. In the event the Subcontractor fails or refuses in any Year to accept delivery of the quantity of water available for delivery to and required to be accepted by it pursuant to this subcontract, or in the event the Subcontractor in any Year fails to submit a schedule for delivery as provided in Article 4.4 hereof, said failure or refusal shall not relieve the Subcontractor of its obligation to make the payments required in this subcontract.

6.5 Charge for Late Payments. The Subcontractor shall pay a late payment charge on installments or charges that are received after the due date. The late payment charge percentage rate calculated by the Department of the Treasury and published quarterly in the Federal Register shall be used; Provided, that the late payment charge percentage rate shall not be less than 0.5 percent per month. The late payment charge percentage rate applied on an overdue payment shall remain in effect until payment is received. The late payment rate for a 30-day period shall be determined on the day immediately following the due date and shall be applied to the overdue payment for any portion of the 30-day period of delinquency. In the case of partial late payments, the amount received shall first be applied to the late charge on the overdue payment and then to the overdue payment.

7. GENERAL PROVISIONS:

7.1 Repayment Contract Controlling. Pursuant to the Repayment Contract, the United States has agreed to construct and, in the absence of an approved Operating Agency, to operate and maintain the works of the Central Arizona Project and to deliver Project Water to the various subcontractors within the Project Service Area; and the

Contractor has obligated itself for the payment of various costs, expenses, and other amounts allocated to the Contractor pursuant to Article 9 of the Repayment Contract. The Subcontractor expressly approves and agrees to all the terms presently set out in the Repayment Contract including Subarticle 8.8(b)(viii) thereof, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that Repayment Contract, except as otherwise provided herein.

7.2 Effluent Exchanges. The Subcontractor may enter into direct effluent exchange agreements with Indian entities that have received an allocation of Project Water and receive all benefits from the exchange.

7.3 Notices. Any notice, demand or request authorized or required by this subcontract shall be deemed to have been given when mailed, postage prepaid, or delivered to the Regional Director, Lower Colorado Region, Bureau of Reclamation, P.O. Box 61470, Boulder City, Nevada 89006-1470, on behalf of the Contractor or Subcontractor; to the Central Arizona Water Conservation District, 23636 North 7th Street, Phoenix, Arizona 85024, on behalf of the United States or Subcontractor; and to the City of Scottsdale, Attention: City Manager, 3939 Drinkwater Boulevard, Scottsdale, Arizona 85251, on behalf of the United States or Contractor. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

7.4 Water Conservation Program

(a) While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this subcontract. The Subcontractor shall develop and implement an effective water conservation program for all uses of water which is provided from or conveyed through Federally constructed or Federally financed facilities. That water conservation program shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

(b) A water conservation program, acceptable to the Contractor and the Contracting Officer, shall be in existence prior to one or all of the following: (1) service of Federally stored/conveyed water; (2) transfer of operation and maintenance of the Project facilities to the Contractor or Operating Agency; or (3) transfer of the Project to an operation

and maintenance status. The distribution and use of Federally stored/conveyed water and/or the operation of Project facilities transferred to the Contractor shall be consistent with the adopted water conservation program. Following execution of this subcontract, and at subsequent 5-year intervals, the Subcontractor shall resubmit the water conservation plan to the Contractor and the Contracting Officer for review and approval. After review of the results of the previous 5 years and after consultation with the Contractor, the Subcontractor and the Arizona Department of Water Resources or its successor, the Contracting Officer may require modifications in the water conservation program to better achieve program goals.

7.5 Rules, Regulations, and Determinations.

(a) Any Project Water delivered under this subcontract for Agricultural purposes shall be subject to Reclamation law, as amended and supplemented, including but not limited to the Reclamation Reform Act of 1982 (Public Law 97-293).

(b) The Contracting Officer shall have the right to make, after an opportunity has been offered to the Contractor and Subcontractor for consultation, rules and regulations consistent with the provisions of this subcontract, the laws of the United States and the State of Arizona, to add to or to modify them as may be deemed proper and necessary to carry out this subcontract, and to supply necessary details of its administration which are not covered by express provisions of this subcontract. The Contractor and Subcontractor shall observe such rules and regulations.

(c) Where the terms of this subcontract provide for action to be based upon the opinion or determination of any party to this subcontract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the event that the Contractor or Subcontractor questions any factual determination made by the Contracting Officer, the findings as to the facts shall be made by the Secretary only after consultation with the Contractor or Subcontractor and shall be conclusive upon the parties.

7.6 Officials Not to Benefit.

(a) No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this subcontract or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this subcontract if made with a corporation or company for its general benefit.

(b) No official of the Subcontractor shall receive any benefit that may arise by reason of this subcontract other than as a water user within the Project and in the same manner as other water users within the Project.

7.7 Assignment Limited—Successors and Assigns Obligated. The provisions of this subcontract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this subcontract or any part or interest therein shall be valid until approved by the Contracting Officer.

7.8 Judicial Remedies Not Foreclosed. Nothing herein shall be construed (a) as depriving any party from pursuing and prosecuting any remedy in any appropriate court of the United States or the State of Arizona which would otherwise be available to such parties even though provisions herein may declare that determinations or decisions of the Secretary or other persons are conclusive or (b) as depriving any party of any defense thereto which would otherwise be available.

7.9 Books, Records, and Reports. The Subcontractor shall establish and maintain accounts and other books and records pertaining to its financial transactions, land use and crop census, water supply, water use, changes of Project works, and to other matters as the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as he may require. Subject to applicable Federal laws and regulations, each party shall have the right during office hours to examine and make copies of each other's books and records relating to matters covered by this subcontract.

7.10 Equal Opportunity. During the performance of this subcontract, the Subcontractor agrees as follows:

(a) The Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Subcontractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The Subcontractor shall, in all solicitations or advertisements

for employees placed by or on behalf of the Subcontractor, state that all qualified applicants shall receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Subcontractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of the Subcontractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Subcontractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Subcontractor shall furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Subcontractor's noncompliance with the nondiscrimination clauses of this subcontract or with any of the rules, regulations, or orders, this subcontract may be canceled, terminated, or suspended, in whole or in part, and the Subcontractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Subcontractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of said amended Executive Order, so that such provisions shall be binding upon each subcontractor or vendor. The Subcontractor shall take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, that in the event a Subcontractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Subcontractor may request the United States to enter into such litigation to protect the interest of the United States.

7.11 Title VI, Civil Rights Act of 1964.

(a) The Subcontractor agrees that it shall comply with Title VI of the Civil Rights Act of July 2, 1964 (78 Stat 241), and all requirements imposed by or pursuant to the Department of the Interior regulation (43 CFR 17) issued pursuant to that title to the end that, in accordance with Title VI of that Act and the Regulation, no person in the

United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Subcontractor receives financial assistance from the United States and hereby give assurance that it shall immediately take any measures to effectuate this Agreement.

(b) If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Subcontractor by the United States, this assurance obligates the Subcontractor, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Subcontractor for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Subcontractor for the period during which the Federal financial assistance is extended to it by the United States.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the Subcontractor by the United States, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Subcontractor recognizes and agrees that such Federal financial assistance shall be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this assurance. This assurance is binding on the Subcontractor, its successors, transferees, and assignees.

7.12 Confirmation of Subcontract. The Subcontractor shall promptly seek judicial validation of this subcontract pursuant to A.R.S. §§ 48-3731 *et seq*.

7.13 Contingent on Appropriation or Allotment of Funds. The expenditure or advance of any money or the performance of any work by the United States hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the Subcontractor from any obligation under this subcontract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

7.14 This Subcontract, when it becomes effective, supersedes and replaces the 1993 Subcontract.

IN WITNESS WHEREOF, the parties hereto have executed this subcontract No. _____ the day and year first above written.

THE UNITED STATES OF AMERICA

Legal Review and Approval

By: _____
Field Solicitor
Phoenix, Arizona

By: _____
Regional Director
Lower Colorado Region
Bureau of Reclamation

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT

Attest: _____
Secretary

By: _____
President

CITY OF SCOTTSDALE

Attest: _____
City Clerk

By: _____
Title:

Approved as to form:

_____
City Attorney

EXHIBIT 30.16C

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

SUBCONTRACT AMONG THE UNITED STATES,
THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
AND THE CITY OF SCOTTSDALE
PROVIDING FOR WATER SERVICE

CENTRAL ARIZONA PROJECT

1. PREAMBLE:

THIS SUBCONTRACT, made this ____ day of _____, 200___, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057), as amended, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), and particularly the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended, and the Arizona Water Settlements Act (118 Stat. 3478), all collectively hereinafter referred to as the "Federal Reclamation Laws," among the UNITED STATES OF AMERICA, hereinafter referred to as the "United States" acting through the Secretary of the Interior, the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as the "Contractor," a water conservation district organized under the laws of Arizona, with its principal place of business in Phoenix, Arizona, and the CITY OF SCOTTSDALE, hereinafter referred to as the "Subcontractor," with its principal place of business in Scottsdale, Arizona;

WITNESSETH, THAT:

2. EXPLANATORY RECITALS:

WHEREAS, the Colorado River Basin Project Act provides, among other things, that for the purposes of furnishing irrigation and municipal and industrial water supplies to water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior shall construct, operate, and maintain the Central Arizona Project; and

WHEREAS, pursuant to the provisions of Arizona Revised Statutes §§ 48-3701, *et seq*., the Contractor has been organized with the power to enter into a contract or contracts with the Secretary of the Interior to accomplish the purposes of Arizona Revised Statutes, §§ 48-3701, *et seq*.; and

WHEREAS, pursuant to Section 304(b)(1) of the Colorado River Basin Project Act, the Secretary of the Interior has determined that it is necessary to effect repayment of the cost of constructing the Central Arizona Project pursuant to a master contract and that the United States, together with the Contractor, shall be a party to contracts that are in conformity with and subsidiary to the master contract; and

WHEREAS, the United States and the Contractor entered into Contract No. 14-06-W-245, Amendment No. 1, dated December 1, 1988, hereinafter referred to as the "Repayment Contract," a copy of which is attached hereto as Exhibit "A" and by this reference made a part hereof, whereby the Contractor agrees to repay to the United States the reimbursable costs of the Central Arizona Project allocated to the Contractor; and

WHEREAS, the Subcontractor is in need of a water supply and desires to subcontract with the United States and the Contractor for water service from water supplies available under the Central Arizona Project; and

WHEREAS, upon completion of the Central Arizona Project, water shall be available for delivery to the Subcontractor;

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed as follows:

3. DEFINITIONS:

Definitions included in the Repayment Contract are applicable to this subcontract; provided, however, that the terms "Agricultural Water" or "Irrigation Water" shall mean water used for the purposes defined in the Repayment Contract on tracts of land operated in units of more than 5 acres. The first letters of terms so defined are capitalized herein. As heretofore indicated, a copy of the Repayment Contract is attached as Exhibit "A." In addition, the following definitions shall apply to this subcontract:

(a) "Available CAP Supply" shall mean for any given Year all Fourth Priority Water available for delivery through the Central Arizona Project, water available from CAP dams and reservoirs other than Modified Roosevelt Dam, and return flows captured by the Secretary for CAP use.

(b) "Fourth Priority Water" shall mean Colorado River water available for delivery within the State of Arizona for satisfaction of entitlements: (1) pursuant to contracts, Secretarial reservations, perfected rights, and other arrangements between the United States and water users in the State entered into or established subsequent to September 30, 1968, for use on Federal, State, or privately owned lands in the State (for a total quantity not to exceed 164,652 acre-feet of diversions annually); and (2), after first providing for the delivery of water under 43 U.S.C. §1524(e), pursuant to the Repayment Contract for the delivery of Colorado River water for the CAP including use of Colorado River water on Indian lands.

(c) "Tribal Water" shall mean the 500 acre-feet of CAP water assigned by the Yavapai-Prescott Tribe to the Subcontractor in 1996.

4. DELIVERY OF WATER:

4.1 Obligations of the United States. Subject to the terms, conditions, and provisions set forth herein and in the Repayment Contract, during such periods as it operates and maintains the Project Works, the United States shall deliver Project Water for M&I use by the Subcontractor. The United States shall use all reasonable diligence to make available to the Subcontractor the quantity of Project Water specified in the schedule submitted by the Subcontractor in accordance with Article 4.4. After transfer of OM&R to the Operating Agency, the United States shall make deliveries of Project Water to the Operating Agency which shall make subsequent delivery to the Subcontractor as provided herein.

4.2 Term of Subcontract. This subcontract shall become effective upon the later of: (i) the date on which it is confirmed as provided for in Article 6.12; (ii) the date on which the Secretary of the Interior publishes in the Federal Register the statement of findings described in section 207(c)(1) of the Arizona Water Settlements Act, 118 Stat. 3478; and (iii) the date on which the Subcontractor has paid or provided for payment of past M&I water service capital charges as required by the Contractor. This subcontract shall be for permanent service as that term is used in Section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. §617d. Project Water shall be delivered under the terms of this subcontract for a period of 100 years beginning January 1 of the Year following that in which the subcontract becomes effective; provided, that this subcontract may be renewed upon written request by the Subcontractor upon terms and conditions of renewal to be agreed upon not later than 1 year prior to the expiration of

this subcontract; and provided, further, that such terms and conditions shall be consistent with Article 9.9 of the Repayment Contract.

4.3 Conditions Relating to Delivery and Use. Delivery and use of water under this subcontract is conditioned on the following, and the Subcontractor hereby agrees that:

(a) All uses of Project Water and Return Flow shall be consistent with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

(b) The system or systems through which water for Agricultural, M&I (including underground storage), and Miscellaneous purposes is conveyed after delivery to the Subcontractor shall consist of pipelines, canals, distribution systems, or other conduits provided and maintained with linings adequate in the Contracting Officer's judgment to prevent excessive conveyance losses.

(c) The Subcontractor shall not pump, or within its legal authority, permit others to pump ground water from within the exterior boundaries of the Subcontractor's service area, which has been delineated on a map filed with the Contractor and approved by the Contractor and the Contracting Officer, for use outside of said service area unless such pumping is permitted under Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time, and the Contracting Officer, the Contractor, and the Subcontractor shall agree, or shall have previously agreed, that a surplus of ground water exists and drainage is or was required; provided, however, that such pumping may be approved by the Contracting Officer and the Contractor, and approval shall not be unreasonably withheld, if such pumping is in accord with the Basin Project Act and upon submittal by the Subcontractor of a written certification from the Arizona Department of Water Resources or its successor agency that the pumping and

transportation of ground water is in accord with Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time.

(d) The Subcontractor shall not sell, lease, exchange, forbear or otherwise transfer Project Water; provided, however, that this does not prohibit exchanges of Project Water within the State of Arizona covered by separate agreements; and provided, further, that this does not prohibit effluent exchanges with Indian tribes pursuant to Article 6.2; and provided, further, that this does not prohibit the resale or exchange of Project Water within the State of Arizona pursuant to Subarticle 4.3(e).

(e) (i) Project Water scheduled for delivery in any Year under this subcontract may be used by the Subcontractor or resold, or exchanged by the Subcontractor pursuant to appropriate agreements approved by the Contracting Officer and the Contractor. If said water is resold or exchanged by the Subcontractor for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States; provided, however, that the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs.

(ii) Project Water scheduled for delivery in any Year under this subcontract that cannot be used, resold, or exchanged by the Subcontractor may be made available by the Contracting Officer and Contractor to other users. If such Project Water is sold to or exchanged with other users, the Subcontractor shall be relieved of its payments hereunder only to the extent of the amount paid to the Contractor by such other users, but not to exceed the amount the Subcontractor is obligated to pay under this subcontract for said water.

(iii) In the event the Subcontractor or the Contracting Officer and the Contractor are unable to sell any portion of the Subcontractor's Project Water scheduled for delivery and not required by the Subcontractor, the Subcontractor shall be relieved of the pumping energy portion of the OM&R charges associated with the undelivered water as determined by the Contractor.

(f) Notwithstanding any other provision of this subcontract, Project Water shall not be delivered to the Subcontractor unless and until the Subcontractor has obtained final environmental clearance from the United States for the system or systems through which Project Water is to be conveyed after delivery to the Subcontractor at the Subcontractor's Project turnout(s). Such system(s) shall include all pipelines, canals, distribution systems, treatment, storage, and other facilities through or in which Project Water is conveyed, stored, or treated after delivery to the Subcontractor at the Subcontractor's Project turnout(s). In each instance, final environmental clearance will be based upon a review by the United States of the Subcontractor's plans for taking and using Project Water and will be given or withheld by the United States in accordance with the Final Environmental Impact Statement -- Water Allocations and Water Service Contracting (FES 82-7, filed March 19, 1982) and the National Environmental Policy Act of 1969 (83 Stat. 852). Any additional action(s) required on behalf of the Subcontractor in order to obtain final environmental clearance from the United States will be identified to the Subcontractor by the United States, and no Project Water shall be delivered to the Subcontractor unless and until the Subcontractor has completed all such action(s) to the satisfaction of the United States.

4.4 Procedure for Ordering Water.

(a) At least 15 months prior to the date the Secretary expects to issue the Notice of Completion of the Water Supply System, or as soon thereafter as is practicable, the Contracting Officer shall announce by written notice to the Contractor the

amount of Project Water available for delivery during the Year in which said Notice of Completion is issued (initial Year of water delivery) and during the following Year. Within 30 days of receiving such notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor. The Subcontractor shall, within a reasonable period of time as determined by the Contractor, submit a written schedule to the Contractor and the Contracting Officer showing the quantity of water desired by the Subcontractor during each month of said initial Year and the following Year. The Contractor shall notify the Subcontractor by written notice of the Contractor's action on the requested schedule within 2 months of the date of receipt of such request.

(b) The amounts, times, and rates of delivery of Project Water to the Subcontractor during each Year subsequent to the Year following said initial Year of water delivery shall be in accordance with a water delivery schedule for that Year. Such schedule shall be determined in the following manner:

(i) On or before June 1 of each Year beginning with the Year following the initial Year of water delivery pursuant to this subcontract, the Contracting Officer shall announce the amount of Project Water available for delivery during the following Year in a written notice to the Contractor. In arriving at this determination, the Contracting Officer, subject to the provisions of the Repayment Contract, shall use his best efforts to maximize the availability and delivery of Arizona's full entitlement of Colorado River water over the term of this subcontract. Within 30 days of receiving said notice, the Contractor shall issue a notice of availability of Project Water to the Subcontractor.

(ii) On or before October 1 of each Year beginning with the Year following said initial Year of water delivery, the Subcontractor shall submit in writing to the Contractor and the Contracting Officer a water delivery schedule indicating the amounts of Project Water desired by the Subcontractor during each month of the

following Year along with a preliminary estimate of Project Water desired for the succeeding 2 years.

(iii) Upon receipt of the schedule, the Contractor and the Contracting Officer shall review it and, after consultation with the Subcontractor, shall make only such modifications to the schedule as are necessary to ensure that the amounts, times, and rates of delivery to the Subcontractor are consistent with the delivery capability of the Project, considering, among other things, the availability of water and the delivery schedules of all subcontractors; provided, that this provision shall not be construed to reduce annual deliveries to the Subcontractor.

(iv) On or before November 15 of each Year beginning with the Year following said initial Year of water delivery, the Contractor shall determine and furnish to the Subcontractor and the Contracting Officer the water delivery schedule for the following Year which shall show the amount of water to be delivered to the Subcontractor during each month of that Year, contingent upon the Subcontractor remaining eligible to receive water under all terms contained herein.

(c) The monthly water delivery schedules may be amended upon the Subcontractor's written request to the Contractor. Proposed amendments shall be submitted by the Subcontractor to the Contractor no later than 15 days before the desired change is to become effective, and shall be subject to review and modification in like manner as the schedule. The Contractor shall notify the Subcontractor and the Contracting Officer of its action on the Subcontractor's requested schedule modification within 10 days of the Contractor's receipt of such request.

(d) The Contractor and the Subcontractor shall hold the United States, its officers, agents, and employees, harmless on account of damage or claim of damage of any nature whatsoever arising out of or connected with the actions of the Contractor regarding water delivery schedules furnished to the Subcontractor.

(e) In no event shall the Contracting Officer or the Contractor be required to deliver to the Subcontractor from the Water Supply System in any one month a total amount of Project Water greater than eleven percent (11%) of the Subcontractor's maximum entitlement; provided, however, that the Contracting Officer may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of Project Water to other subcontractors as determined by the Contracting Officer and the Contractor and if the Subcontractor agrees to accept such increased deliveries.

4.5 Points of Delivery--Measurement and Responsibility for Distribution of Water.

(a) The water to be furnished to the Subcontractor pursuant to this subcontract shall be delivered at turnouts to be constructed by the United States at such point(s) on the Water Supply System as may be agreed upon in writing by the Contracting Officer and the Contractor, after consultation with the Subcontractor.

(b) Unless the United States and the Subcontractor agree by contract to the contrary, the Subcontractor shall construct and install, at its sole cost and expense, connection facilities required to take and convey the water from the turnouts to the Subcontractor's service area. The Subcontractor shall furnish, for approval of the Contracting Officer, drawings showing the construction to be performed by the Subcontractor within the Water Supply System right-of-way 6 months before starting said construction. The facilities may be installed, operated, and maintained on the Water Supply System right-of-way subject to such reasonable restrictions and regulations as to type, location, method of installation, operation, and maintenance as may be prescribed by the Contracting Officer.

(c) All water delivered from the Water Supply System shall be measured with equipment furnished and installed by the United States and operated and

maintained by the United States or the Operating Agency. Upon the request of the Subcontractor or the Contractor, the accuracy of such measurements shall be investigated by the Contracting Officer or the Operating Agency, Contractor, and Subcontractor, and any errors which may be mutually determined to have occurred therein shall be adjusted; provided, that in the event the parties cannot agree on the required adjustment, the Contracting Officer's determination shall be conclusive.

(d) Neither the United States, the Contractor, nor the Operating Agency shall be responsible for the control, carriage, handling, use, disposal, or distribution of Project Water beyond the delivery point(s) agreed to pursuant to Sub-article 4.5(a). The Subcontractor shall hold the United States, the Contractor, and the Operating Agency harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury, or death arising out of or connected with the Subcontractor's control, carriage, handling, use, disposal, or distribution of such water beyond said delivery point(s).

4.6 Temporary Reductions. In addition to the right of the United States under Subarticle 8.3(a)(iv) of the Repayment Contract temporarily to discontinue or reduce the amount of water to be delivered, the United States or the Operating Agency may, after consultation with the Contractor, temporarily discontinue or reduce the quantity of water to be furnished to the Subcontractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part thereof necessary for the furnishing of water to the Subcontractor, but so far as feasible the United States or the Operating Agency shall coordinate any such discontinuance or reduction with the Subcontractor and shall give the Subcontractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Neither the United States, its officers, agents, and employees, nor the Operating Agency, its officers,

agents, and employees, shall be liable for damages when, for any reason whatsoever, any such temporary discontinuance or reduction in delivery of water occurs. If any such discontinuance or temporary reduction results in deliveries to the Subcontractor of less water than what has been paid for in advance, the Subcontractor shall be entitled to be reimbursed for the appropriate proportion of such advance payments prior to the date of the Subcontractor's next payment of water service charges or the Subcontractor may be given credit toward the next payment of water charges if the Subcontractor should so desire.

4.7 Priority in Case of Shortage. On or before June 1 of each Year, the Secretary shall announce the Available CAP Supply for the following Year in a written notice to the Contractor.

(a) Prior to January 1, 2044, a time of shortage shall exist in any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements set forth in subparagraphs (i) through (iii) below:

(i) Three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water;

(ii) Six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water; and

(iii) Up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

(b) On or after January 1, 2044, a time of shortage shall exist in any Year in which the Available CAP Supply for that Year is insufficient to satisfy all of the entitlements as set forth in subparagraphs (i) through (iv) below:

(i) Three hundred forty-three thousand seventy-nine (343,079) acre-feet of CAP Indian Priority Water;

(ii) Six hundred thirty-eight thousand eight hundred twenty-three (638,823) acre-feet of CAP M&I Priority Water;

(iii) Up to forty-seven thousand three hundred three (47,303) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water pursuant to the Hohokam Agreement; and

(iv) Up to one hundred eighteen (118) acre-feet of CAP M&I Priority Water converted from CAP NIA Priority Water under the San Tan Irrigation District's CAP Subcontract.

(c) Initial distribution of water in time of shortage.

(i) If the Available CAP Supply is equal to or less than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then 36.37518% of the Available CAP Supply shall be available for delivery as CAP Indian Priority Water and the remainder shall be available for delivery as CAP M&I Priority Water.

(ii) If the Available CAP Supply is greater than eight hundred fifty-three thousand seventy-nine (853,079) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water shall be determined in accordance with the following equation and the remainder shall be available for delivery as CAP M&I Priority Water:

$$I = \{[32{,}770 \div (E - 853{,}079)] \times W\} + (343{,}079 - \{[32{,}770 \div (E - 853{,}079)] \times E\})$$

where

I = the quantity of water available for delivery as CAP Indian Priority Water

E = the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraphs 4.7(a) or (b), whichever is applicable; and

W = the Available CAP Supply

Example A. If, before January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraph 4.7(a) is nine hundred eighty-one thousand nine hundred two (343,079 + 638,823 + 0) acre-feet, then the quantity of water available for delivery as CAP Indian Priority Water would be ninety-three thousand

three hundred three (93,303) acre-feet plus 25.43800% of the Available CAP Supply.

Example B. If, after January 1, 2044, the sum of the entitlements to CAP Indian Priority Water and CAP M&I Priority Water as described in subparagraph 4.7(b) is one million twenty-nine thousand three hundred twenty-three (1,029,323) acre-feet (343,079 + 638,823 + 47,303 + 118), then the quantity of water available for delivery as CAP Indian Priority Water would be one hundred fifty-one thousand six hundred ninety-one (151,691) acre-feet plus 18.59354% of the Available CAP Supply.

(d) In time of shortage unscheduled CAP Water shall be redistributed as follows:

(i) Any water available for delivery as CAP Indian Priority Water that is not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP Indian Priority Water shall become available for delivery as CAP M&I Priority Water.

(ii) CAP M&I Priority Water shall be distributed among those entities with contracts for the delivery of CAP M&I Priority Water in a manner determined by the Secretary and the CAP Operating Agency in consultation with M&I water users to fulfill all delivery requests to the greatest extent possible. Any water available for delivery as CAP M&I Priority Water that is

not scheduled for delivery pursuant to contracts, leases or exchange agreements for the delivery of CAP M&I Priority Water shall become available for delivery as CAP Indian Priority Water.

(e) Any water remaining after all requests for delivery of CAP Indian Priority Water and CAP M&I Priority Water have been satisfied shall become available for delivery as CAP NIA Priority Water.

(f) Nothing in this paragraph 4.7 shall be construed to allow or authorize any CAP Contractor or CAP Subcontractor to receive, pursuant to such contracts, CAP water in amounts greater than such contractor's entitlement.

4.8 Secretarial Control of Return Flow.

(a) The Secretary reserves the right to capture all Return Flow flowing from the exterior boundaries of the Contractor's Service Area as a source of supply and for distribution to and use of the Central Arizona Project to the fullest extent practicable. The Secretary also reserves the right to capture for Project use Return Flow which originates or results from water contracted for from the Central Arizona Project within the boundaries of the Contractor's Service Area if, in his judgment, such Return Flow is not being put to a beneficial use. The Subcontractor may recapture and reuse or sell its Return Flow; provided, however, that such Return Flow may not be sold for use outside Maricopa, Pinal, and Pima Counties; and provided, further, that this does not prohibit effluent exchanges with Indian tribes pursuant to Article 6.2. The Subcontractor shall, at least 60 days in advance of any proposed sale of such water, furnish the following information in writing to the Contracting Officer and the Contractor:

(i) The name and address of the prospective buyer.

(ii) The location and proposed use of the Return Flow.

(iii) The price to be charged for the Return Flow.

(b) The price charged for the Return Flow may cover the cost incurred by the Subcontractor for Project Water plus the cost required to make the Return Flow usable. If the price received for the Return Flow is greater than the costs incurred by the Subcontractor, as described above, the excess amount shall be forthwith returned by the Subcontractor to the Contractor for application against the Contractor's Repayment Obligation to the United States. Costs required to make Return Flow usable shall include but not be limited to capital costs and OM&R costs including transportation, treatment, and distribution, and the portion thereof that may be retained by the Subcontractor shall be subject to the advance approval of the Contractor and the Contracting Officer.

(c) Any Return Flow captured by the United States and determined by the Contracting Officer and the Contractor to be suitable and available for use by the Subcontractor may be delivered by the United States or Operating Agency to the Subcontractor as a part of the water supply for which the Subcontractor subcontracts hereunder and such water shall be accounted and paid for pursuant to the provisions hereof.

(d) All capture, recapture, use, reuse, and sale of Return Flow under this article shall be in accord with Arizona water law unless such law is inconsistent with the Congressional directives applicable to the Central Arizona Project.

4.9 Water and Air Pollution Control. The Subcontractor, in carrying out this subcontract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Arizona and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

4.10 Quality of Water. The operation and maintenance of Project facilities shall be performed in such manner as is practicable to maintain the quality of

water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. Neither the United States, the Contractor, nor the Operating Agency warrants the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water. The Subcontractor waives its right to make a claim against the United States, the Operating Agency, the Contractor, or another subcontractor because of changes in water quality caused by the commingling of Project Water with other water.

4.11 Exchange Water.

(a) Where the Contracting Officer determines the Subcontractor is physically able to receive Colorado River mainstream water in exchange for or in replacement of existing supplies of water from surface sources other than the Colorado River, the Contracting Officer may require that the Subcontractor accept said mainstream water in exchange for or in replacement of said existing supplies pursuant to the provisions of Section 304(d) of the Basin Project Act; provided, however, that a sub-contractor on the Project aqueduct shall not be required to enter into exchanges in which existing supplies of water from surface sources are diverted for use by other subcontractors downstream on the Project aqueduct.

(b) If, in the event of shortages, the Subcontractor has yielded water from other surface water sources in exchange for Colorado River mainstream water supplied by the Contractor or the Operating Agency, the Subcontractor shall have first priority against other users supplied with Project Water that have not yielded water from other surface water sources but only in quantities adequate to replace the water so yielded.

4.12 Entitlement to Project M&I Water.

(a) The Subcontractor is entitled to take a maximum of 53,310 acre-feet of Project Water for M&I uses including but not limited to underground

storage. For purposes of Article 4.7, 52,810 acre-feet of the Subcontractor's entitlement shall be CAP M&I Priority Water and 500 acre-feet (the Tribal Water) shall be CAP Indian Priority Water and treated as Indian, non-irrigation water.

(b) If at any time during the term of this subcontract there is available for allocation additional M&I Project Water, or Agricultural Water converted to M&I use, it shall be delivered to the Subcontractor at the same water service charge per acre-foot and with the same priority as other M&I Water, upon execution or amendment of an appropriate subcontract among the United States, the Contractor, and the Subcontractor and payment of an amount equal to the acre-foot charges previously paid by other subcontractors pursuant to Article 5.2 hereof plus interest. In the case of Agricultural Water conversions, the payment shall be reduced by all previous payments of agricultural capital charges for each acre-foot of water converted. The interest due shall be calculated for the period between issuance of the Notice of Completion of the Water Supply System and execution or amendment of the subcontract using the weighted interest rate received by the Contractor on all investments during that period.

4.13 Delivery of Project Water Prior to Completion of Project Works. Prior to the date of issuance of the Notice of Completion of the Water Supply System by the Secretary, water may be made available for delivery by the Secretary on a "when available" basis at a water rate and other terms to be determined by the Secretary after consultation with the Contractor.

5. PAYMENTS:

5.1 Water Service Charges for Payment of Operation, Maintenance, and Replacement Costs. Subject to the provisions of Article 5.4 hereof, the Subcontractor shall pay in advance for Project OM&R costs estimated to be incurred by the United States or the Operating Agency. At least 15 months prior to first delivery of Project Water, or as soon thereafter as is practicable, the Contractor shall furnish the

Subcontractor with an estimate of the Subcontractor's share of OM&R costs to the end of the initial Year of water delivery and an estimate of such costs for the following Year. Within a reasonable time of the receipt of said estimates, as determined by the Contractor, but prior to the delivery of water, the Subcontractor shall advance to the Contractor its share of such estimated costs to the end of the initial month of water delivery and without further notice or demand shall on or before the first day of each succeeding month of the initial Year of water delivery and the following Year advance to the Contractor in equal monthly installments the Subcontractor's share of such estimated costs. Advances of monthly payments for each subsequent Year shall be made by the Subcontractor to the Contractor on the basis of annual estimates to be furnished by the Contractor on or before June 1 preceding each said subsequent Year and the advances of payments for said estimated costs shall be due and payable in equal monthly payments on or before the first day of each month of the subsequent Year. Differences between actual OM&R costs and estimated OM&R costs shall be determined by the Contractor and shall be adjusted in the next succeeding annual estimates; provided, however, that if in the opinion of the Contractor the amount of any annual OM&R estimate is likely to be insufficient to cover the above-mentioned costs during such period, the Contractor may increase the annual estimate of the Subcontractor's OM&R costs by written notice thereof to the Subcontractor, and the Subcontractor shall forthwith increase its remaining monthly payments in such Year to the Contractor by the amount necessary to cover the insufficiency. All estimates of OM&R costs shall be accompanied by data and computations relied on by the Contractor in determining the amounts of the estimated OM&R costs and shall be subject to joint review by the Subcontractor and the Contractor. For purposes of determining OM&R costs, there shall be no distinction made between Tribal Water and other M&I water delivered pursuant to this Subcontract.

5.2 M&I Water Service Charges.

(a) Subject to the provisions of Article 5.4 hereof and in addition to the OM&R payments required in Article 5.l hereof, the Subcontractor shall, in advance of the delivery of Project M&I Water by the United States or the Operating Agency, make payment to the Contractor in equal semiannual installments of an M&I Water service capital charge based on a maximum entitlement of 52,810 acre-feet per year multiplied by the rate established by the Contractor for that year.

(b) The Subcontractor shall, in advance of the delivery of Tribal Water by the United States or the Operating Agency, make payment to the United States in equal semiannual installments of a Tribal Water service capital charge, which shall be computed based on a maximum entitlement of 500 acre-feet per year multiplied by the M&I Water service capital charge rate established pursuant to subparagraph (a); provided, however, that the Tribal Water service capital charge shall not include any portion of the M&I Water service capital charge rate that is not to be used by the Contractor for meeting its repayment obligation to the United States. Such Tribal Water service capital charges shall be payable on or before June 1 and December 1 of each year and shall be applied by the United States against CAP construction costs that are not allocable to the Contractor. The Subcontractor shall not be obligated to pay the Contractor any M&I Water service capital charges with respect to Tribal Water.

(c) The M&I Water service capital charge may be adjusted periodically by the Contractor as a result of repayment determinations provided for in the Repayment Contract and to reflect all sources of revenue, but said charge per acre-foot shall not be greater than the amount required to amortize Project capital costs allocated to the M&I function and determined by the Contracting Officer to be a part of the Contractor's Repayment Obligation. Such amortization shall include interest at 3.342 percent per annum. If any adjustment is made in the M&I Water service capital charge, notice thereof shall be given by the Contractor to the United States and to the

Subcontractor on or before June 1 of the Year preceding the Year the adjusted charge becomes effective. The M&I Water service capital charge payment for the initial Year shall be advanced to the Contractor in equal semiannual installments on or before December 1 preceding the initial Year and June 1 of said initial Year; provided, however, that the payment of the initial M&I Water service capital charge shall not be due until the Year in which Project Water is available to the Subcontractor after Notice of Completion of the Water Supply System is issued. Thereafter, for each subsequent Year, payments by the Subcontractor in accordance with the foregoing provisions shall be made in equal semiannual installments on or before the December 1 preceding said subsequent Year and the June 1 of said subsequent Year as may be specified by the Contractor in written notices to the Subcontractor.

(d) Payment of all M&I Water service capital and corresponding OM&R charges becoming due hereunder prior to or on the dates stipulated in Articles 5.1 and 5.2 is a condition precedent to receiving M&I Water under this subcontract.

(e) All payments to be made to the Contractor or the United States under Articles 5.1 and 5.2 hereof shall be made by the Subcontractor as such payments fall due from revenues legally available to the Subcontractor for such payment from the sale of water to its water users and from any and all other sources which might be legally available; Provided, That no portion of the general taxing authority of the Subcontractor, nor its general funds, nor funds from ad valorem taxes are obligated by the provisions of this subcontract, nor shall such sources be liable for the payments, contributions, and other costs pursuant to this subcontract, or to satisfy any obligation hereunder unless duly and lawfully allocated and budgeted for such purpose by the Subcontractor for the applicable budget year; and Provided, further, That no portion of this agreement shall ever be construed to create an obligation superior in lien to or on a parity with the Subcontractor's revenue bonds now or hereafter issued. The

Subcontractor shall levy and impose such necessary water service charges and rates and use all the authority and resources available to it to collect all such necessary water service charges and rates in order that the Subcontractor may meet its obligations hereunder and make in full all payments required under this subcontract on or before the date such payments become due.

5.3 Loss of Entitlement. The Subcontractor shall have no right to delivery of water from Project facilities during any period in which the Subcontractor may be in arrears in the payment of any charges due the Contractor. The Contractor may sell to another entity any water determined to be available under the Subcontractor's entitlement for which payment is in arrears; provided, however, that the Subcontractor may regain the right to use any unsold portion of the water determined to be available under the original entitlement upon payment of all delinquent charges plus any difference between the subcontractual obligation and the price received in the sale of the water by the Contractor and payment of charges for the current period.

5.4 Refusal to Accept Delivery. In the event the Subcontractor fails or refuses in any Year to accept delivery of the quantity of water available for delivery to and required to be accepted by it pursuant to this subcontract, or in the event the Subcontractor in any Year fails to submit a schedule for delivery as provided in Article 4.4 hereof, said failure or refusal shall not relieve the Subcontractor of its obligation to make the payments required in this subcontract.

5.5 Charge for Late Payments. The Subcontractor shall pay a late payment charge on installments or charges that are received after the due date. The late payment charge percentage rate calculated by the Department of the Treasury and published quarterly in the Federal Register shall be used; provided, that the late payment charge percentage rate shall not be less than 0.5 percent per month. The late

payment charge percentage rate applied on an overdue payment shall remain in effect until payment is received. The late payment rate for a 30-day period shall be determined on the day immediately following the due date and shall be applied to the overdue payment for any portion of the 30-day period of delinquency. In the case of partial late payments, the amount received shall first be applied to the late charge on the overdue payment and then to the overdue payment.

6. GENERAL PROVISIONS:

6.1 Repayment Contract Controlling. Pursuant to the Repayment Contract, the United States has agreed to construct and, in the absence of an approved Operating Agency, to operate and maintain the works of the Central Arizona Project and to deliver Project Water to the various subcontractors within the Project Service Area; and the Contractor has obligated itself for the payment of various costs, expenses, and other amounts allocated to the Contractor pursuant to Article 9 of the Repayment Contract. The Subcontractor expressly approves and agrees to all the terms presently set out in the Repayment Contract including Subarticle 8.8(b)(viii) thereof, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that Repayment Contract, except as otherwise provided herein.

6.2 Effluent Exchanges. The Subcontractor may enter into direct effluent exchanges with Indian entities that have received an allocation of Project Water and receive all benefits from the exchange.

6.3 Notices. Any notice, demand or request authorized or required by this subcontract shall be deemed to have been given when mailed, postage prepaid, or delivered to the Regional Director, Lower Colorado Region, Bureau of Reclamation, P.O.

Box 61470, Boulder City, Nevada 89006-1470, on behalf of the Contractor or Subcontractor; to the Central Arizona Water Conservation District, P. O. Box 43020, Phoenix, Arizona 85080, on behalf of the United States or Subcontractor; and to the City of Scottsdale, Attention: City Manager, 3939 Drinkwater Boulevard, Scottsdale, Arizona 85251, on behalf of the United States or Contractor. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

6.4 Water Conservation Program.

(a) While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this subcontract. The Subcontractor shall develop and implement an effective water conservation program for all uses of water that is provided from or conveyed through Federally constructed or Federally financed facilities. That water conservation program shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

(b) A water conservation program, acceptable to the Contractor and the Contracting Officer, shall be in existence prior to one or all of the following: (1) service of Federally stored/conveyed water; (2) transfer of operation and maintenance of the Project facilities to the Contractor or Operating Agency; or (3) transfer of the Project to an operation and maintenance status. The distribution and use of Federally stored/conveyed water and/or the operation of Project facilities transferred to the Contractor shall be consistent with the adopted water conservation program. Following

execution of this subcontract, and at subsequent 5-year intervals, the Subcontractor shall resubmit the water conservation plan to the Contractor and the Contracting Officer for review and approval. After review of the results of the previous 5 years and after consultation with the Contractor, the Subcontractor, and the Arizona Department of Water Resources or its successor, the Contracting Officer may require modifications in the water conservation program to better achieve program goals.

6.5 Rules, Regulations, and Determinations.

(a) The Contracting Officer shall have the right to make, after an opportunity has been offered to the Contractor and Subcontractor for consultation, rules and regulations consistent with the provisions of this subcontract, the laws of the United States and the State of Arizona, to add to or to modify them as may be deemed proper and necessary to carry out this subcontract, and to supply necessary details of its administration which are not covered by express provisions of this subcontract. The Contractor and Subcontractor shall observe such rules and regulations.

(b) Where the terms of this subcontract provide for action to be based upon the opinion or determination of any party to this subcontract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the event that the Contractor or Subcontractor questions any factual determination made by the Contracting Officer, the findings as to the facts shall be made by the Secretary only after consultation with the Contractor or Subcontractor and shall be conclusive upon the parties.

6.6 Officials Not to Benefit.

(a) No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this subcontract or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this subcontract if made with a corporation or company for its general benefit.

(b) No official of the Subcontractor shall receive any benefit that may arise by reason of this subcontract other than as a water user within the Project and in the same manner as other water users within the Project.

6.7 Assignment Limited--Successors and Assigns Obligated. The provisions of this subcontract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this subcontract or any part or interest therein shall be valid until approved by the Contracting Officer.

6.8 Judicial Remedies Not Foreclosed. Nothing herein shall be construed (a) as depriving any party from pursuing and prosecuting any remedy in any appropriate court of the United States or the State of Arizona which would otherwise be available to such parties even though provisions herein may declare that determinations or decisions of the Secretary or other persons are conclusive or (b) as depriving any party of any defense thereto which would otherwise be available.

6.9 Books, Records, and Reports. The Subcontractor shall establish and maintain accounts and other books and records pertaining to its financial transactions, land use and crop census, water supply, water use, changes of Project works, and to other matters as the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as he may require. Subject to applicable Federal laws and regulations, each party shall have the right during office hours to examine and make copies of each other's books and records relating to matters covered by this subcontract.

6.10 Equal Opportunity. During the performance of this subcontract, the Subcontractor agrees as follows:

(a) The Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Subcontractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The Subcontractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Subcontractor, state that all qualified applicants shall receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Subcontractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of the Subcontractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Subcontractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Subcontractor shall furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Subcontractor's noncompliance with the nondiscrimination clauses of this subcontract or with any such rules, regulations, or orders, this subcontract may be canceled, terminated, or suspended, in whole or in part, and the Subcontractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Subcontractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions shall be binding upon each subcontractor or vendor. The Subcontractor shall take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Subcontractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Subcontractor may request the United States to enter into such litigation to protect the interest of the United States.

6.11 Title VI, Civil Rights Act of 1964.

(a) The Subcontractor agrees that it shall comply with Title VI of the Civil Rights Act of July 2, 1964 (78 Stat. 241), and all requirements imposed by or pursuant to the Department of the Interior Regulation (43 CFR 17) issued pursuant to that title to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Subcontractor receives financial assistance from the United States and hereby gives assurance that it shall immediately take any measures to effectuate this agreement.

(b) If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Subcontractor by the United States, this assurance obligates the Subcontractor, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Subcontractor for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Subcontractor for the period during which the Federal financial assistance is extended to it by the United States.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the Subcontractor by the United States, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Subcontractor recognizes and agrees that such Federal financial assistance shall be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this

assurance. This assurance is binding on the Subcontractor, its successors, transferees, and assignees.

6.12 Confirmation of Subcontract. The Subcontractor shall promptly seek a final decree of the proper court of the State of Arizona approving and confirming the subcontract and decreeing and adjudging it to be lawful, valid, and binding on the Subcontractor. The Subcontractor shall furnish to the United States a certified copy of such decree and of all pertinent supporting records. This subcontract shall not be binding on the United States, the Contractor, or the Subcontractor until such final decree has been entered.

6.13 Contingent on Appropriation or Allotment of Funds. The expenditure or advance of any money or the performance of any work by the United States hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the Subcontractor from any obligation under this subcontract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

6.14 Tribal Water Costs Non-Reimbursable. For the purposes of determining the allocation and repayment of costs of the CAP as provided in Article 9.3 of the Repayment Contract, the costs associated with the delivery of Tribal Water shall be non-reimbursable, and such costs shall be excluded from the Contractor's repayment obligation.

IN WITNESS WHEREOF, the parties hereto have executed this subcontract No._____ the day and year first above-written.

Legal Review and Approval	THE UNITED STATES OF AMERICA
By:_____	By:_____

Field Solicitor
Phoenix, Arizona

Regional Director
Lower Colorado Region
Bureau of Reclamation

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT

Attest:_____
Secretary

By: _____
President

CITY OF SCOTTSDALE

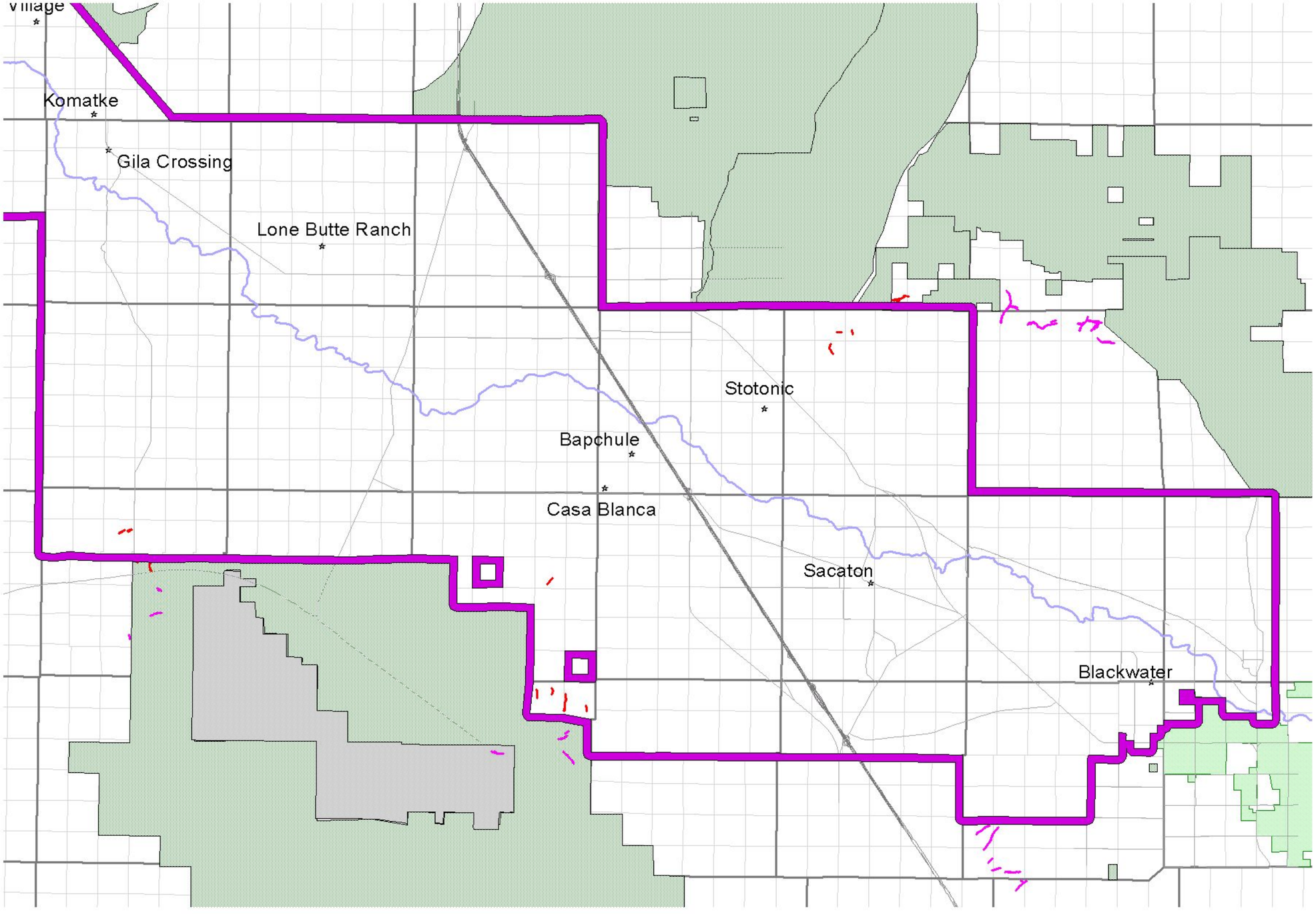
Attest:_____

By: _____

Title:_____

Title:_____

EXHIBIT A



Name	Miles
1/4 Mile Delineation	1.27
GILA RIVER INDIAN RESERVATION	2.78

Legend

- Cites and Towns
- Fissures to be repaired
- Fissures Near GRIR
- I-10
- Other Roads
- Gila River
- Gila River Indian Reservation (GRIR)
- 1/4 Mile Delineation around the GRIR
- AK-Chin Indian Reservation
- SCIID Service Area
- Non - SCIIP Irrigation Districts
- Townships
- Sections

0 1 2 3 4 5 6 Miles

N

November 10, 2004

ACCURACY STATEMENT:
This information compiled on these maps has been obtained from third parties deemed to be reliable. While GIS Southwest, Inc. has attempted to verify all information received, we assume no responsibility for its accuracy.

Attention: Dana R. Norris Director
GRIC Office of Water Rights

Exhibit 30.21

Fissures to be Repaired Pursuant to Paragraph 30.21

Data Analysis and Map Composition by:
GIS Southwest, Inc.
8601 N Black Canyon Hwy
Suite 215
Phoenix, AZ 85021
Tel:(602) 864-1928
Fax:(602) 864-1908

GIS SOUTHWEST

Final Execution Version
October 21, 2005

NEW MEXICO CONSUMPTIVE USE AND FORBEARANCE AGREEMENT AMONG THE GILA RIVER INDIAN COMMUNITY, SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT, THE UNITED STATES, FRANKLIN IRRIGATION DISTRICT, GILA VALLEY IRRIGATION DISTRICT, PHELPS DODGE CORPORATION, THE SECRETARY OF THE INTERIOR, AND OTHER PARTIES LOCATED IN THE UPPER VALLEY OF THE GILA RIVER

This New Mexico Consumptive Use and Forbearance Exchange Agreement (hereinafter defined as the "Agreement") is entered into as of the date executed below, by and among the United States (as hereinafter defined), the Secretary (as hereinafter defined), the Gila River Indian Community, the San Carlos Irrigation and Drainage District, the Gila Valley Irrigation District, the Franklin Irrigation District, the Brown Canal Company of the Gila Valley Irrigation District, the Curtis Canal Company of the Gila Valley Irrigation District, the Dodge-Nevada Canal Company of the Gila Valley Irrigation District, the Fort Thomas Canal Company of the Gila Valley Irrigation District, the Graham Canal Company of the Gila Valley Irrigation Distirct, the Highline Canal Company of the Gila Valley Irrigation District, the Montezuma Canal Company of the Gila Valley Irrigation District, the San Jose Canal Company of the Gila Valley Irrigation District, the Smithville Canal Company of the Gila Valley Irrigation District, Sunset Canal, New Model Canal, the Union Canal Company of the Gila Valley Irrigation District, the Sunset Ditch Company, the NM New Model Community Ditch Association, the Valley Canal Company, and the Phelps Dodge Corporation.

1.0 PREAMBLE.

1.1 WHEREAS, the purpose of this Agreement is to allow the Secretary to exercise the rights authorized by sections 304(d) and (f) of the Colorado River Basin Project Act (as hereinafter defined).

1.2 WHEREAS, the State of New Mexico may elect to have constructed facilities on the Gila River and the San Francisco River to provide for the Consumptive Use (as hereinafter defined) authorized by sections 304(d) and (f) of the Colorado River Basin Project Act (such facilities hereinafter defined as the "NM Unit");

1.3 WHEREAS, in the event the Secretary as Authorized Diverter (as hereinafter defined) commences Diversions or Consumptive Use pursuant to this Agreement, the Gila River Indian Community and the San Carlos Irrigation and Drainage District agree not to bring claims or otherwise object to Diversions and Consumptive Use from the Gila River and the San Francisco River undertaken in accordance with this Agreement in consideration of Deliveries of water from the Central Arizona Project that the Secretary as CAP Owner (as hereinafter defined) holds pursuant to section 304(f) of the Colorado River Basin Project Act and the Secretary as CAP Owner agrees to make such Deliveries pursuant to the terms of this Agreement;

1.4 WHEREAS, in the event the Secretary as Authorized Diverter commences Diversions or Consumptive Use pursuant to this Agreement, the UV Irrigation Districts (as hereinafter defined), Phelps Dodge Corporation, and the Canal Companies (as hereinafter defined) agree not to bring claims or otherwise object to Diversions or Consumptive Use undertaken by the

Secretary as Authorized Diverter in accordance with this Agreement in consideration of the benefits provided to them in the UV Agreement (as hereinafter defined).

1.5 WHEREAS, in the event the Secretary as Authorized Diverter commences Diversions or Consumptive Use pursuant to this Agreement, the UV Non-Signatories (as hereinafter defined) shall be obligated through the UV Agreement not to bring claims or otherwise object to Diversions or Consumptive Use undertaken by the Secretary as Authorized Diverter in accordance with this Agreement in consideration of the benefits provided to them in the UV Agreement.

1.6 WHEREAS, in the event the State of New Mexico notifies the Secretary that the State has elected to have the NM Unit constructed or developed, as authorized by the Colorado River Basin Project Act , as amended by the Arizona Water Settlements Act of 2004, the Secretary as NM Unit and as Authorized Diverter shall contract with NM CAP Entity (as hereinafter defined) to design, construct, operate and maintain the NM Unit in accordance with the terms of this Agreement;

1.7 WHEREAS, the Parties agree that the Secretary as Authorized Diverter's Diversions and Consumptive Use of water from the Gila River and the San Francisco River (as hereinafter defined) in accordance with this Agreement will not give rise to claims that such Diversions or Consumptive Use impair or cause economic injury or cost to their rights existing on September 30, 1968, in Arizona to water from the Gila River and the San Francisco River (as those terms are both hereinafter defined); and

1.8 WHEREAS, the Parties believe and intend that the Secretary as Authorized Diverter's Diversions and Consumptive Use of water from the Gila River and the San Francisco River in

accordance with this Agreement will not impair or cause economic injury or cost to rights existing, or determined to exist as of September 30, 1968, in Arizona, to water from the Gila River and the San Francisco River.

NOW, THEREFORE, the Parties agree as follows:

2.0 DEFINITIONS.

For purposes of this Agreement, the following terms shall have the meanings set forth below:

2.1 "Additional Arizona Daily Demand" means the daily demand of the Additional Arizona Rights as provided by term 1.3 of Exhibit 2.47.

2.1A "Additional Arizona Rights" means the rights to the waters of the Gila River and San Francisco Rivers that satisfy the conditions of term 1.2 of Exhibit 2.47. "Additional Arizona Right" means any such right.

2.2 "Agreement" means this agreement and the Exhibits attached hereto, which are hereby incorporated by reference.

2.3 "Allottee" means a person who holds a beneficial real property interest in an Indian allotment that is: (A) located within the Reservation; and (B) held in trust by the United States.

2.4 "Call System" means that procedure approved by the Globe Equity Enforcement Court in the order issued on March 10, 1999, or any procedure subsequently approved by the Globe Equity Enforcement Court for the same purpose.

2.5 "Canal Companies" has the meaning set forth in the UV Agreement.

2.6 "CAP" or "Central Arizona Project" means that reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 *et seq*.).

2.7 "CAP Fixed OM&R Charge" means 'Fixed OM&R Charge' as that term is defined in the CAP Repayment Stipulation.

2.8 "CAP Pumping Energy Charge" means 'Pumping Energy Charge' as that term is defined in the CAP Repayment Stipulation.

2.9 "CAP Repayment Stipulation" means the Revised Stipulation Regarding a Stay of Litigation, Resolution of Issues During the Stay and for Ultimate Judgment Upon the Satisfaction of Conditions, filed in *Central Arizona Water Conservation District v. United States, et al*., No. CIV 95-625-TUC-WDB (EHC), No. CIV 95-1720-PHX-EHC (Consolidated Action), U. S. District Court for the District of Arizona, and the Order dated April 28, 2003, entered therein, and any amendment or revision thereof. This is the same case referred to in the Act as No. CIV 95-09625-09TUC-09WDB (EHC), No. CIV 95-091720-PHX-EHC (Consolidated Action).

2.10 "CAP System" means: (A) the Mark Wilmer Pumping Plant, (B) the Hayden-Rhodes Aqueduct, (C) the Fannin-McFarland Aqueduct, (D) the Tucson Aqueduct, (E) the pumping plants and appurtenant works of the Central Arizona Project aqueduct system that are described in (A) through (D), and (F) any extensions of, additions to, or replacement features described in (A) through (E).

2.11 "CAP Turnout" means the place or places to which the Secretary as CAP Owner shall cause the NM CAP Water to be delivered pursuant to this Agreement on the CAP System as are agreed by the Community, the District, and CAWCD.

2.12 "CAWCD" or the "Central Arizona Water Conservation District" means the political subdivision of the State of Arizona that is the contractor under the CAP Repayment Contract.

2.13 "CFS" means cubic feet per second.

2.14 "Colorado River Basin Project Act' means that act approved by Congress on September 30, 1968, (43 U.S.C. §§ 1501 *et seq*.), 82 Stat. 885, as amended by the Arizona Water Settlements Act of 2004.

2.15 "Consumptive Use" means measured Diversions by the Secretary as Authorized Diverter pursuant to this Agreement, minus Return Flows. All such measured Diversions shall be accounted as Consumptive Use until such time as there are actual Return Flows. This definition of "Consumptive Use" includes reservoir evaporation losses as required by section 304(f) of the Colorado River Basin Project Act. Consumptive Use as defined in this Agreement has no relation to and shall have no effect on the definition or interpretation of "consumptive use" as that term is defined under: (i) article VIII(2) of the Globe Equity Decree, (ii) the UV Agreement or (iii) the Settlement Agreement.

2.16 "Consumptively Use" means the act of Consumptive Use.

2.17 "Deliver" or "Delivered" means CAWCD's delivery of NM CAP Water to the CAP Turnout. "Delivery" means CAWCD's act of delivering NM CAP Water to the CAP Turnout.

2.18 "District NM CAP Account" means the account established by the District and the Community according to the terms of Exhibit 2.18.

2.19 "Divert" or "Diverting" means to receive, withdraw or develop and produce or capture water by means of a ditch, canal, flume, bypass, dam, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act. "Diversion" means the act of Diverting.

2.20 "Diversion Point" means a diversion point identified in the table of priorities that begins on page fourteen (14) of the Globe Equity Decree, and or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

2.21 "Exhibit" means an exhibit to this Agreement.

2.21A "Forbearing Parties" means all of the Parties except the Secretary. The term includes the United States as defined herein.

2.22 "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

2.23 "Gila River Indian Community" or "Community" means the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Indian Reorganization Act of June 18, 1934 (25 U.S.C. § 476).

2.24 "Globe Equity Decree" means that decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al.*, Globe Equity No. 59, by the U. S. District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

2.25 "Globe Equity Enforcement Court" means the U. S. District Court for the District of Arizona solely in its capacity as the court having and exercising continuing jurisdiction over the Globe Equity Decree.

2.26 "Member" or "Members" means any person or persons duly enrolled as members of the Gila River Indian Community.

2.26A "NM CAP Entity" means the entity or entities to be formed or designated by the State of New Mexico to enter into the NM Unit Agreement with the Secretary as NM Unit and as Authorized Diverter. The NM CAP Entity shall be an entity that: (a) does not have sovereign immunity; (b) does not have the protection of the 11th Amendment to the U.S. Constitution; (c) continues to satisfy all these conditions throughout its existence.

2.27 "NM CAP Water" means water from the CAP made available pursuant to the second sentence of section 304(d) of the Colorado River Basin Project Act.

2.28 "NM CAP Water Bank" means the water account established and managed pursuant to Paragraph 6.

2.29 "NM CAP Mitigation Water Bank" means the water account established and managed pursuant to Paragraph 7.

2.30 "NM Priority and Apportionment Terms" means the adjusted method described in Exhibit 2.29, of determining the priority year, the regulation year(s), and apportionment rights under the Globe Equity Decree for purposes of this Agreement. Such method shall become effective on January 1 of the first Year during which the Secretary as Authorized Diverter Diverts water for the NM Unit pursuant to and in accordance with this Agreement.

2.31 "NM Risk Allocation Terms" means the method, described in Exhibit 2.30, of allocating certain risks of increased demands on the waters of the Gila River and San Francisco River resulting from Additional Arizona Rights, and Diversions and Consumptive Use pursuant to this Agreement. Such method shall become effective on January 1 of the first Year during which the Secretary as Authorized Diverter Diverts water for the NM Unit pursuant to and in accordance with this Agreement.

2.32 "NM Unit" means the unit or units of the Central Arizona Project in New Mexico to be designed, constructed, operated and maintained by or under the authority of the Secretary as NM Unit and as Authorized Diverter pursuant to sections 301(a)(4) and 304 of the Colorado River Basin Project Act to Consumptively Use water from the Gila River and San Francisco River.

2.33 "NM Unit Agreement" means the agreement to be entered into by and between the Secretary as NM Unit and as Authorized Diverter and the NM CAP Entity upon notice to the Secretary from the State of New Mexico that it intends to have the NM Unit built or developed. The principal terms of the NM Unit Agreement are set forth in Exhibit 2.48.

2.34 "Other UV Signatory" has the meaning set forth in the UV Agreement.

2.35 "Paragraph" means a numbered paragraph of this Agreement including all Subparagraphs in such Paragraph.

2.36 "Party" means an entity represented by a signatory to this Agreement and "Parties" means more than one of such entities. The United States' participation as a Party shall be in the capacity as described in subparagraph 2.49.

2.37 "Phelps Dodge Corporation" or "Phelps Dodge" means the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name), and Phelps Dodge's successors and assigns.

2.38 "Return Flows" means water that the Secretary as Authorized Diverter has Diverted pursuant to this Agreement that is measured as it is subsequently returned to the Gila River or the San Francisco River. Return Flows that are directly measurable shall be measured using equipment that is calibrated and maintained to industry standards. Return Flows that cannot be directly measured shall be determined using methods and procedures generally accepted in the engineering profession to make indirect determinations of water Diverted but subsequently returned to the Gila River and the San Francisco River.

2.39 "San Carlos Apache Tribe" means the San Carlos Apache Tribe, a tribe of Apache Indians organized under section 16 of the Act of June 18, 1934 (25 U.S.C. §476).

2.40 "San Carlos Irrigation and Drainage District" or "the District" means the entity of that name that is a political subdivision of the State of Arizona and an irrigation and drainage district organized under the laws of the State of Arizona.

2.41 "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

2.42 "SCIIP" or "SCIP" means the San Carlos irrigation project authorized pursuant to the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any amendments or supplements to the act described in the preceding sentence.

2.43 "Secretary" means the Secretary of the U.S. Department of the Interior acting solely in the capacities as: (a) owner of the CAP; (b) as the official responsible for the design, construction, operation and maintenance of the NM Unit; (c) the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity; (d) the official authorized to disburse funds under Section 403 of the Colorado River Basin Project Act (43 U.S.C. 1543) as amended by the Arizona Water Settlements Act; and (e) in no other capacity.

2.43A "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the sole benefit of the NM CAP Entity and in no other capacity.

2.43B "Secretary as CAP Owner" means the Secretary of the U.S. Department of the Interior acting solely in the capacity as owner of the CAP and in no other capacity.

2.43C "Secretary as NM Unit" means the Secretary of the U.S. Department of the Interior acting solely in the capacity as the official responsible for the design, construction, operation and maintenance of the NM Unit and party to the NM Unit Agreement and in no other capacity.

2.44 "Settlement Agreement" means that certain amended and restated agreement authorized and approved by section 203 of the Arizona Water Settlements Act of 2004 and entered into

among the Community, the District, the United States, the State of Arizona and certain other named parties.

244A "State of New Mexico" or New Mexico" means the State of New Mexico acting through the Interstate Stream Commission.

2.45 "Stored Water" means all water stored in the San Carlos Reservoir that is available under the Globe Equity Decree for release through the gates of the Coolidge Dam for conveyance down the channel of the Gila River for Diversion and use by the Community and the District.

2.46 "Subparagraph" means a numbered subparagraph of this Agreement and any subsections thereof.

2.47A "Technical Committee" means the technical committee established pursuant to Subparagraph 12.4.

2.47 "Terms of New Mexico Diversions" means the terms pursuant to which the Secretary as Authorized Diverter may Divert water of the Gila River and the San Francisco River without objection by the Forbearing Parties, a copy of which is attached as Exhibit 2.47.

2.48 "Terms of NM Unit Agreement" means the terms and conditions to be included in the NM Unit Agreement as set forth in Exhibit 2.48.

2.49 "United States" or "United States of America" means the United States of America acting on behalf of the Community, Members, and Allottees, and as operator of SCIP and in no other capacity. The term "United States" and "United States of America" as used in this Agreement specifically excludes the United States in its capacity as trustee for any other federally

recognized Indian tribe, including the San Carlos Apache Tribe, and any other capacity except those indicated in the first sentence of this Subparagraph 2.49.

2.50 "UV Agreement" means the agreement entered into by and among the Community, the United States, the District, Gila Valley Irrigation District, Franklin Irrigation District, the Canal Companies, Phelps Dodge and certain other parties in the upper valley of the Gila River, a copy of which is attached to the Settlement Agreement as exhibit 26.2.

2.51 "UVD" has the meaning set forth in the UV Agreement. "UVDs" shall mean all such persons or entities.

2.52 "UV Irrigation District" means either the Franklin Irrigation District or the Gila Valley Irrigation District. "UV Irrigation Districts" means both the Franklin Irrigation District and the Gila Valley Irrigation District.

2.53 "UV Non-Signatories" has the meaning set forth in the UV Agreement.

2.54 "Water Commissioner" has the meaning provided by article XII of the Globe Equity Decree.

2.55 "Year" means a calendar year.

2.56 Certain of the Exhibits have terms that are specifically defined for purposes of such Exhibits only. Such definitions shall apply only to those Exhibits in which they appear. In the event of any conflict between the definitions in this Paragraph 2 and the definitions set forth in any Exhibit, for purposes of such Exhibit, the definitions set forth in such Exhibit shall control.

3.0 <u>LIST OF EXHIBITS</u>.

Exhibit No.	**Name of Exhibit**
2.18	District NM CAP Account
2.29	NM Priority and Apportionment Terms
2.30	NM Risk Allocation Terms
2.47	Terms of New Mexico Diversions
2.48	Terms of NM Unit Agreement
6	Examples of Operation of NM CAP Water Bank
7	Examples of Operation of NM CAP Mitigation Water Bank
11.3.1	UV Non-Signatory Waiver for purposes of Paragraph 11

4.0 DIVERSION AND CONSUMPTIVE USE OF GILA RIVER AND SAN FRANCISCO RIVER WATER.

4.1 The Secretary as Authorized Diverter's right to Divert and Consumptively Use water from the Gila River and the San Francisco River pursuant to this Agreement is explicitly conditioned on the following conditions precedent:

4.1.1 Receipt by the Gila Valley Irrigation District of all the funds to be provided pursuant to Paragraph 13; and

4.1.2 The Secretary as NM Unit and as Authorized Diverter, and the NM CAP Entity must execute the NM Unit Agreement and the NM Unit Agreement as executed must include the terms and provisions set forth in Exhibit 2.48 (Terms of NM Unit Agreement) and must not include any additional terms or conditions that are inconsistent or conflict with the terms and provisions set forth in Exhibit 2.48.

4.2 Subject to the terms of this Agreement, without regard to any priority or entitlement of the Forbearing Parties to Divert or store water under the Globe Equity Decree, the Secretary as Authorized Diverter may Divert water from the Gila River and the San Francisco River solely in accordance with Exhibit 2.47 (Terms of New Mexico Diversions).

4.3 The Secretary as Authorized Diverter may Consumptively Use from the Gila River and the San Francisco River a combined total not to exceed one hundred forty thousand (140,000) acre-feet of water during any consecutive ten (10) Year period, provided that such Consumptive Use is in accordance with this Agreement.

4.4 The Secretary as Authorized Diverter may Consumptively Use no more than four thousand (4,000) acre-feet per Year from the San Francisco River. Any such Consumptive Use shall be included in the total amount of allowable Consumptive Use in a ten-Year period set forth in Subparagraph 4.3 and in the annual amount of allowable Consumptive Use set forth in Subparagraphs 4.6 and 4.8.

4.5 The Secretary as Authorized Diverter shall not begin Diversions in any given Year until such time as there is thirty thousand (30,000) acre-feet of Stored Water in that Year, whereupon the Secretary as Authorized Diverter may Divert up to the maximum annual amount of allowable Consumptive Use set forth in Subparagraphs 4.6 and 4.8, regardless whether there is subsequently less than thirty thousand (30,000) acre-feet of Stored Water in that Year.

4.6 In any given Year, the Secretary as Authorized Diverter may Consumptively Use up to sixty-four thousand (64,000) acre-feet of water, provided that

4.6.1 such Consumptive Use is in accordance with this Agreement; and

4.6.2 there are credits in the NM CAP Water Bank equal to or greater than the amount of such Consumptive Use at the time of such Consumptive Use.

4.7 If during any five (5) Year period the annual average of NM Diversion Days on which the Secretary as Authorized Diverter is precluded from Consumptively Using water because there is less than thirty thousand (30,000) acre-feet of Stored Water increases above the annual average number of such days for the period 1968 through 1996 (inclusive), the minimum Stored Water requirement set forth in Subparagraph 4.2 shall be reduced by an amount calculated in the following manner:

4.7.1.1 Every five (5) years the Technical Committee shall determine the minimum Stored Water requirement for purposes of Subparagraph 4.5 that would have yielded an average annual number of days on which the Secretary as Authorized Diverter would have been precluded from Diverting that is equal to the average annual number of days the Secretary as Authorized Diverter operating the NM Unit would have been precluded from Diverting during the period from 1968 through 1996.

4.7.1.2 Thereafter, the Technical Committee shall reconsider this new limitation and adjust it as appropriate every five (5) Years in the manner set forth in Subparagraph 4.7.1.1; provided however, that the minimum Stored Water requirement of Subparagraph 4.5 shall never exceed thirty thousand (30,000) acre-feet.

4.7.1.3 An example of the manner in which Subparagraph 4.7.1.1 will operate is as set forth below in this Subparagraph.

4.7.1.3.1 Five years after the Secretary as Authorized Diverter begins Diversions of water pursuant to this Agreement, the Technical Committee determines that the number of days the Secretary as Authorized Diverter

would have been precluded from Diverting by the storage limitation had the Secretary as Authorized Diverter been Diverting during the period 1968 to 1996, inclusive was 290 days, or 10 days per year on average.

4.7.1.3.2 The Technical Committee then determines that the number of days the Secretary as Authorized Diverter actually Diverted during the most recent five years of operation was 60 days, or 12 days per year on average.

4.7.1.3.3 The Technical Committee then determines that the average amount of Stored Water in San Carlos Reservoir during the most recent five years of operation, that would have resulted in the Secretary as Authorized Diverter having been precluded from Diverting 50 days, or 10 days per year on average, was twenty-five thousand (25,000) acre-feet. The minimum Stored Water requirement for purposes of Subparagraph 4.5 would then become twenty-five thousand (25,000) acre-feet until re-calculated by the Technical Committee after another five years have elapsed.

4.7.1.3.4 If the minimum Stored Water requirement for purposes of Subparagraph 4.5 calculated as set forth in this Subparagraph were to equal, for example, thirty-three thousand (33,000) acre-feet, the minimum Stored Water requirement for purposes of Subparagraph 4.5 would remain at thirty thousand (30,000) acre-feet for the succeeding five years.

4.8 The Secretary as Authorized Diverter shall not Consumptively Use more than sixty-four thousand (64,000) acre-feet in any given Year.

4.9 No later than the last day of each month, the Secretary as Authorized Diverter shall provide the Forbearing Parties and the NM CAP Entity with a report of the total amount of water that the Secretary as Authorized Diverter has Consumptively Used pursuant to this Agreement for the preceding month. Such report shall separately indicate the total amount of measured Diversions by the Secretary as Authorized Diverter pursuant to this Agreement during such month, as well as the Return Flows measured in such month. Simultaneously with providing such report to the Forbearing Parties, the Secretary as Authorized Diverter shall post such report on an internet website maintained by the Secretary for the purpose of posting reports required pursuant to this Agreement.

4.10 The Secretary as Authorized Diverter shall not be required to Consumptively Use water from the Gila River or the San Francisco River in any given Year.

4.11 The Secretary as Authorized Diverter's Diversions of water from the Gila River and the San Francisco River, or any combination thereof, shall not exceed three hundred fifty (350) CFS at any time.

4.12 The Secretary as Authorized Diverter, pursuant to the NM Unit Agreement, may allow the NM CAP Entity to Divert water on behalf of the NM Unit in compliance with the terms and conditions of this Agreement, provided that:

4.12.1 the NM CAP Entity continues to meet all the conditions of Subparagraph 2.26A;

4.12.2 the Secretary as Authorized Diverter does not assign or delegate her authority to Divert water pursuant to this Agreement to the NM CAP Entity; and

4.12.3 the Secretary as Authorized Diverter does not assign or delegate to the NM CAP Entity her responsibilities and obligations to the Forbearing Parties and the UV Non-Signatories and remains responsible to the Forbearing Parties and the UV Non-

Signatories for the NM CAP Entity's compliance with the terms and conditions of this Agreement and also for any damages that the Forbearing Parties or the UV Non-Signatories might incur in the event the NM CAP Entity fails to comply with the terms and conditions of this Agreement.

4.13 The Parties agree that in the event the Secretary as Authorized Diverter allows the NM CAP Entity to Divert water on behalf of the NM Unit pursuant to Subparagraph 4.12 and Paragraph 10, the NM CAP Entity shall not be an entity that must be joined as a party for purposes of Rule 19 of the Federal Rules of Procedure (or other applicable rule or statute governing when a person must be joined as a party to an action) and no Party shall file any motion or make any argument to a court hearing a Dispute under this Agreement that the NM CAP Entity is an entity that must be joined as a party.

4.14 The Secretary may commence Diversions and Consumptive Use upon the occurrence of the earliest of the following:

4.14.1 completion of construction of a mechanism, such as the pipeline described in Subparagraph 13.2, sufficient to satisfy the requirements of the Water Quality Injunction entered by the Globe Equity Court on or about May 28, 1996 (as amended) to enable fulfillment of the obligations set forth in sub-term 5.2.2 of Exhibit 2.30 (NM Risk Allocation Terms);

4.14.2 the permanent termination of the Water Quality Injunction entered by the Globe Equity Court on or about May 28, 1996 (as amended) or another permanent resolution whereby the delivery of water of a particular quality to the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree is no longer required;

4.14.3 January 1, 2016, provided that the NM CAP Entity has provided notice to the Forbearing Parties on or before January 1, 2014, that the NM CAP Entity intends to have Diversions begin on January 1, 2016; or

4.14.4 such date after January 1, 2016, that is at least two years subsequent to the date on which the NM CAP Entity provides notice to the Forbearing Parties that the NM CAP Entity intends to have Diversions begin.

4.15 Pursuant to section 304 of the Colorado River Basin Project Act, the Secretary may Divert and Consumptively Use water from the Gila River and the San Francisco River without regard to rights to water from such rivers with a priority date subsequent to September 30, 1968.

5.0 DELIVERIES OF NM CAP WATER.

5.1 The Secretary as CAP Owner may not Deliver NM CAP Water until after the NM Unit Agreement has been executed by the parties thereto.

5.2 The Secretary as CAP Owner may not Deliver more than eighteen thousand (18,000) acre-feet of NM CAP Water in any Year.

5.3 The Secretary as CAP Owner shall cause to be Delivered to the Community and the District one (1) acre-foot of NM CAP Water for each one (1) acre-foot of water that the Secretary as Authorized Diverter Consumptively Uses pursuant to this Agreement. This quantity of water shall be deemed sufficient and appropriate for the purposes of section 304(f)(1) of the Colorado River Basin Project Act.

5.4 <u>Delivery of NM CAP Water for the NM CAP Water Bank</u>.

5.4.1 Pursuant to the NM Unit Agreement, on or before September 1 of each Year, the NM CAP Entity shall notify the Secretary as CAP Owner in writing as to the amount of NM CAP Water that the NM CAP Entity wishes to have the Secretary as CAP Owner Deliver to the Community and the District in the following Year.

5.4.2 The Secretary as CAP Owner shall be responsible for the timely payment of all charges attendant to the Delivery of such water to the Community and the District. The Secretary as CAP Owner shall seek timely reimbursement from the NM CAP Entity for the CAP Fixed OM&R Charge and the CAP Pumping Energy Charge for the NM CAP Water Delivered pursuant to Subparagraph 5.4. The Community and the District shall timely reimburse the Secretary as CAP Owner for the NM CAP Water Delivered pursuant to Subparagraph 5.5.

5.4.3 The Delivery of such NM CAP Water to the Community and the District shall be without economic injury or cost to the Community or the District. Any economic injury or cost related to the Delivery of such NM CAP Water other than those for which reimbursement is required pursuant to Subparagraph 5.4.2 shall be the responsibility of the Secretary as CAP Owner; provided that any cause of action for monetary damages resulting from economic injury shall be subject to the provisions of section 213(a) of the Act or 28 U.S.C. 1491.

5.4.4 All NM CAP Water Delivered to the Community and the District at the request of the NM CAP Entity shall be credited to the NM CAP Water Bank in accordance with Paragraph 6.

5.4.5 Subject to Exhibit 2.18, the Community and the District shall share such NM CAP Water, with the Secretary as CAP Owner causing fifty-five percent (55%) of such NM CAP Water to be Delivered to the Community and forty-five percent (45%) to be Delivered to the District on an annual basis.

5.4.6 On or before September 15 of each Year, the Secretary as CAP Owner shall notify the Community and the District of the amount of NM CAP Water requested by New Mexico for Delivery in the following Year.

5.5 **Delivery of NM CAP Water for the NM CAP Mitigation Water Bank**.

5.5.1 On or before September 30 of any given Year, the Community and the District may request that the Secretary as CAP Owner Deliver, for the establishment of credits in the NM CAP Mitigation Water Bank, NM CAP Water available for Delivery in the following Year but not requested by the NM CAP Entity under Subparagraph 5.4, provided, however, no water may be Delivered for the establishment of credits in the NM CAP Mitigation Water Bank until after an Additional Arizona Right has been established.

5.5.2 The maximum amount of such NM CAP Water that may be Delivered to the Community and the District combined in any Year is the difference between (i) the maximum number of credits that may be in the NM CAP Mitigation Water Bank, as determined in Subparagraph 8.3, and (ii) the actual number of credits projected to be in the NM CAP Mitigation Water Bank as of January 1 of the Year in which such Delivery is to be made.

5.5.3 All such NM CAP Water Delivered to the Community and the District shall be credited to the NM CAP Mitigation Water Bank in accordance with Paragraph 8.

5.5.4 The Community and the District shall each be individually responsible for the timely reimbursement to the Secretary as CAP Owner of all applicable CAP charges for any NM CAP Water that each orders pursuant to Subparagraph 5.5.

5.6 On or before September 30 of each Year, the Community and the District shall each provide the Secretary as CAP Owner with a monthly schedule for the Delivery of NM CAP Water in the following Year, which shall include NM CAP Water to be Delivered for the NM CAP Water Bank and for the NM CAP Mitigation Water Bank.

5.7 The Secretary as CAP Owner shall cause NM CAP Water to be Delivered to the Community and the District in accordance with the schedules provided by the Community and the District pursuant to Subparagraph 5.6.

5.8 The costs of any NM CAP Water Delivered to the Community and the District pursuant to this Agreement shall be limited to CAP Fixed OM&R Charge and CAP Pumping Energy Charge. Such costs shall not include any other costs associated with the Delivery of such NM CAP Water, including, but not limited to, capital costs attendant to other units or portions of the CAP.

5.9 The NM CAP Water Delivered to the Community and the District pursuant to this Agreement shall have the priority set forth in section 304(e) of the Colorado River Basin Project Act.

6.0 NM CAP WATER BANK.

6.1 The Secretary as CAP Owner shall establish the NM CAP Water Bank to account for Deliveries of NM CAP Water to the Community and the District in advance of Consumptive Use of water pursuant to this Agreement. The Secretary as CAP Owner shall manage and account for the NM CAP Water Bank in accordance with Paragraph 6.

6.2 Beginning in the Year in which the NM Unit Agreement is executed, the Secretary as CAP Owner may Deliver NM CAP Water to the Community and the District in advance of Consumptive Use of water pursuant to this Agreement for the establishment of credits in the NM CAP Water Bank.

6.3 The total number of credits in the NM CAP Water Bank shall not exceed seventy thousand (70,000) acre-feet at any time.

6.4 On January 1 of each Year, the Secretary as CAP Owner shall add a credit in the NM CAP Water Bank of one acre-foot for each acre-foot of NM CAP Water scheduled in the previous Year to be delivered in the then current Year to the Community and the District pursuant Subparagraph 5.4.

6.5 On December 31 of each Year, the Secretary as CAP Owner shall deduct from the NM CAP Water Bank one-acre foot credit for each acre-foot of:

6.5.1 water reported as Consumptively Used during the preceding twelve (12) months pursuant to Subparagraph 4.7; and

6.5.2 NM CAP Water for the NM CAP Water Bank scheduled for Delivery in the preceding twelve (12) months pursuant to Subparagraph 5.4, but not actually Delivered during those months for reasons outside the control of the Community or the District.

6.6 Exhibit 6 sets forth examples of the operation of the NM CAP Water Bank.

7.0 DISTRICT NM CAP ACCOUNT.

7.1 The Community shall establish and administer the District NM CAP Account in accordance with Exhibit 2.18.

7.2 The District NM CAP Account shall account for: (1) NM CAP Water otherwise delivered to the Community and the District; and (2) water delivered by the Community to the District in accordance with Exhibit 2.18.

7.3 The credits in the District NM CAP Account shall not have any effect on the credits in the NM CAP Water Bank or NM CAP Mitigation Water Bank.

7.4 The District, the Secretary as CAP Owner and the NM CAP Entity shall have the right to audit the Community's management of the District NM CAP Account in accordance with Exhibit 2.18.

7.5 On or before the fifteenth of each month, the Community shall provide the NM CAP Entity, the Secretary as NM Unit, and the District with a report setting forth the activity in the District NM CAP Account for the previous month.

8.0 NM CAP MITIGATION WATER BANK.

8.1 The Secretary as CAP Owner shall establish the NM CAP Mitigation Water Bank to account for Deliveries of NM CAP Water to the Community and the District in advance of any reduction in Diversions by the Community or the District pursuant to Sub-term 1.1 of Exhibit 2.30 (NM Risk Allocation Terms). The Secretary as CAP Owner shall manage and account for the NM CAP Mitigation Water Bank in accordance with Paragraph 8.

8.2 Beginning in the Year in which an Additional Arizona Right is established, but not before the Year in which the NM Unit Agreement is executed, the Secretary as CAP Owner may Deliver NM CAP Water to the Community and the District in advance of any reduction in Diversions by the Community or the District pursuant to Sub-term 1.1 of Exhibit 2.30 (NM Risk Allocation Terms) for the establishment of credits in the NM CAP Mitigation Water Bank.

8.3 The total number of credits in the NM CAP Mitigation Water Bank shall not exceed at any time the lesser of twenty thousand (20,000) acre-feet or five times the Additional Arizona Rights in existence at that time.

8.4 On January 1 of each Year, the Secretary as CAP Owner shall add a credit in the NM CAP Mitigation Water Bank of one acre-foot for each acre-foot of NM CAP Water scheduled in the previous Year to be delivered for the NM CAP Mitigation Water Bank in the then current Year to the Community and the District pursuant to Subparagraph 5.6.

8.5 On December 31 of each Year, the Secretary as CAP Owner shall deduct from the NM CAP Mitigation Water Bank one-acre foot credit for each acre-foot of:

8.5.1 reduced Diversions by the Community and the District pursuant to Sub-term 1.1 of Exhibit 2.30 (NM Risk Allocation Terms); and

8.5.2 NM CAP Water scheduled for Delivery for the NM CAP Mitigation Water Bank in the preceding twelve (12) months pursuant to Subparagraph 5.6, but not actually Delivered during those months for reasons outside the control of the Community or the District.

8.6 Deliveries of NM CAP Water for the NM CAP Mitigation Water Bank shall not count against the limitations on Consumptive Use set forth in Subparagraphs 4.2, 4.3, 4.4, 4.5 and 4.6.

8.7 Exhibit 7 sets forth examples of the operation of the NM CAP Mitigation Water Bank.

9.0 TERMS OF NEW MEXICO DIVERSIONS.

9.1 The Secretary as Authorized Diverter shall only Divert and Consumptively Use water from the Gila River and the San Francisco River in accordance with this Agreement.

9.2 The Forbearing Parties, and the UV Non-Signatories through the UV Agreement, shall not object to any Diversion or Consumptive Use by the Secretary as Authorized Diverter that is undertaken in accordance with this Agreement.

9.3 The Forbearing Parties agree to the changes in the Call System and accounting for apportionments under the Globe Equity Decree set forth in the NM Priority and Apportionment Terms. Upon the State of New Mexico providing notice to the Secretary that it intends to have the NM Unit constructed or developed, the Forbearing Parties, other than the United States, further agree to petition the Globe Equity Enforcement Court to request that the Water

Commissioner administer the Call System and accounting for apportionments in accordance with the terms and conditions set forth in Exhibit 2.29 (NM Priority and Apportionment Terms).

9.4 The Forbearing Parties agree to undertake the actions required pursuant to Exhibit 2.30 (NM Risk Allocation Terms).

9.4.1 The UV Non-Signatories, Other UV Signatories, UVDs to the extent they are obligated under this Agreement or the UV Agreement, the Gila Valley Irrigation District, the Franklin Irrigation District and the Canal Companies shall comply with the terms and conditions of term 5 of Exhibit 2.30 (NM Risk Allocation Terms). As partial consideration to such persons and entities for undertaking the obligation to comply with the terms and conditions of term 5 of Exhibit 2.30 (NM Risk Allocation Terms), the Gila Valley Irrigation District shall receive funds pursuant to Paragraph 13, which funds shall be used solely for the purpose of developing programs or constructing facilities to assist with mitigating the risks and costs associated with compliance with the terms and conditions of term 5 of Exhibit 2.30 (NM Risk Allocation Terms).

9.5 If any UVD is able to prove in a court of competent jurisdiction that: (a) such UVD's ability to Divert or pump water has been impaired due to New Mexico Diversions, and (b) such impairment constitutes economic injury that would violate sections 304(d) and (f) of the Colorado River Basin Project Act, the following shall apply:

9.5.1 The Canal Company and the UV Irrigation District (if any) serving the UV Decreed Acres adversely affected by such impairment, shall, if practical, cause

Pumped water to be delivered to such UV Decreed Acres to the extent necessary to fully mitigate such impairment.

9.5.2 If delivering Pumped water to such UV Decreed Acres is not practical, such Canal Company and the UV Irrigation District shall pay the UVD sufficient money to offset such economic injury.

9.5.3 If Pumped water is available at a reasonable cost to such UVD to mitigate such economic injury (whether or not also available to such Canal Company and such UV Irrigation District), the Parties agree that the presumptive measurement of the economic injury for which the Canal Company and the UV Irrigation District will be liable shall be, at the option of such Canal Company and UV Irrigation District, the cost of acquiring such Pumped water. Such presumption shall not limit the amount of damages that such Canal Company or such Irrigation District may be required to pay by a court.

9.5.4 Pumping by any Canal Company or UV Irrigation District as provided by this Subparagraph 9.6 shall not be an act Not in Compliance with the UV Agreement, provided such Pumping does not cause the limits of subparagraph 6.2 of the UV Agreement to be exceeded. To the extent the limits of subparagraph 6.2 of the UV Agreement are exceeded due to such Pumping, mitigation will be required as provided by the UV Agreement.

9.5.5 In any cause of action brought by a UV Non-Signatory alleging impairment as described in Subparagraph 9.6, no Party shall object to the intervention by the Canal

Company and the UV Irrigation District (if any), serving the UV Decreed Acres alleged to be adversely affected by such impairment.

9.6 Provided the NM Unit is Diverting pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement, UV Non-signatories, the Other UV Signatories, the UVDs to the extent they are obligated under this Agreement or the UV Agreement, the UV Irrigation Districts, the Canal Companies, the Community, the District, and the United States, consistent with the provisions of Exhibit 2.30 (NM Risk Allocation Terms), shall reduce their Calls for water diversions from the surface of the Gila River pursuant to the Globe Equity Decree with the diversion devices identified in the table of priorities in article V (as amended) of the Globe Equity Decree, and/or their replacements, whether or not now existing and whether or not shared by one or more Canal Company, to the extent necessary and possible so that the Calls of the Additional Arizona Rights are satisfied. To the extent any UVD seeks to make a Call that would be inconsistent with the previous sentence, such UVD shall be acting "Not in Compliance with this Agreement" as that term is defined in the UV Agreement and the UV Irrigation Districts and the Canal Companies shall not place such Call on behalf of such UVD.

10.0 <u>NM UNIT AGREEMENT</u>.

10.1 Within one (1) year of receipt by the Secretary of notice from the State of New Mexico that it has elected to have the NM Unit constructed or developed, the Secretary shall enter into the NM Unit Agreement with the NM CAP Entity for the design, construction or development, operation, and maintenance of the NM Unit.

10.1.1 The Secretary as NM Unit shall transfer to the NM CAP Entity such portions of the Secretary as NM Unit's responsibility to design, construct (or otherwise

develop), operate or maintain the NM Unit as the NM CAP Entity may request, including any or all of such responsibilities.

10.1.2 At the NM CAP Entity's request, the Secretary as Authorized Diverter shall allow the NM CAP Entity to Divert water on behalf of the NM Unit; provided that:

10.1.2.1 the NM CAP Entity Diverts water on behalf of the NM Unit in compliance with the Exhibit 2.47 (Terms of New Mexico Diversions);

10.1.2.2 the Secretary as Authorized Diverter remains responsible to the Forbearing Parties and to the UVDs for ensuring the NM CAP Entity's compliance with Exhibit 2.47 (Terms of the New Mexico Diversions), and for damages resulting from the failure to do so; provided that any cause of action for monetary damages shall be subject to the provisions of section 213(a) of the Act or 28 U.S.C. 1491;

10.1.2.3 the Secretary as Authorized Diverter remains responsible to the Forbearing Parties and to the UVDs for all rights and responsibilities hereunder, and for damages resulting from the failure to do so; provided that any cause of action for monetary damages resulting from economic injury shall be subject to the provisions of section 213(a) of the Act or 28 U.S.C. 1491; and,

10.1.2.4 the NM CAP Entity meets the conditions set forth in Subparagraph 2.26A.

10.2 The NM Unit Agreement shall contain the terms and conditions set forth in Exhibit 2.48 (Terms of NM Unit Agreement), which terms and conditions may not be modified without the written consent of all the Forbearing Parties. The NM Unit Agreement may include terms and

conditions in addition to those set forth in Exhibit 2.48, provided that such additional terms and conditions are consistent and do not conflict with those terms and conditions set forth in Exhibit 2.48. The NM CAP Entity and the Secretary may modify such additional terms and conditions, provided that any such modification is consistent and does not conflict with the terms and conditions set forth in Exhibit 2.48.

11.0 DISPUTE RESOLUTION.

11.1 In the event the Secretary as Authorized Diverter commences Diversions or Consumptive Use pursuant to this Agreement, the Forbearing Parties agree not to bring claims or otherwise object to Diversions and Consumptive Use undertaken by the Secretary as Authorized Diverter in accordance with this Agreement, except as provided in this Agreement for claims regarding the enforcement or interpretation of this Agreement. The Parties shall utilize the dispute resolution mechanism set forth in this Paragraph 11 as the sole and exclusive means to resolve any dispute, controversy or disagreement regarding Diversions and Consumptive Use undertaken by the Secretary as Authorized Diverter pursuant to this Agreement ("Dispute"). The Forbearing Parties, other than the United States, agree that their sole recourse for any violation or breach of this Agreement shall be against the Secretary and that they shall not seek recourse against the NM CAP Entity unless:

11.1.1 the NM CAP Entity seeks to intervene in an action initiated pursuant to this Paragraph 11 as provided for in Subparagraph 11.11, or

11.1.2 a court of competent jurisdiction determines that the NM CAP Entity is a person that must be joined as a party in such an action as provided by Federal Rule of Civil

Procedure 19, or other applicable rule or statute governing when a person must be joined as a party to an action;

11.1.3 . provided that in either event, the Forbearing Parties, other than the United States, shall not seek relief against the NM CAP Entity not available against the Secretary in the same action.

11.2 In the event the Secretary as Authorized Diverter commences Diversions or Consumptive Use pursuant to this Agreement, the UV Non-Signatories shall be obligated through the UV Agreement not to bring claims or otherwise object to Diversions and Consumptive Use undertaken by the Secretary as Authorized Diverter in accordance with this Agreement, except as provided in this Agreement for claims regarding the enforcement or interpretation of this Agreement. UV Non-Signatories shall be obligated through the UV Agreement to utilize the dispute resolution mechanism set forth in this Paragraph 11 as the sole and exclusive means to resolve any Dispute. The UV Non-Signatories shall be obligated through the UV Agreement to agree that their sole recourse for any claim or objection to Diversions and Consumptive Use undertaken by the Secretary as Authorized Diverter in accordance with this Agreement shall be against the Secretary and that the UV Non-Signatories shall not seek recourse against the NM CAP Entity unless:

11.2.1 the NM CAP Entity seeks to intervene in an action initiated pursuant to this Paragraph 11 as provided for in Subparagraph 11.11,

11.2.2 a court of competent jurisdiction determines that the NM CAP Entity is a person that must be joined as a party in such an action as provided by Federal Rule of Civil

Procedure 19, or other applicable rule or statute governing when a person must be joined as a party to an action; or

11.2.3 provided that in either event, the UV Non-Signatories, shall not seek relief against the NM CAP Entity not available against the Secretary in the same action..

11.3 Subject to Subparagraph 11.3.1, the UVDs shall have the right to participate in any Dispute, including the right to initiate and or participate in any consultation pursuant to Subparagraph 11.4 and the right to file or intervene in any action initiated pursuant to Subparagraph 11.6.

11.3.1 Any UVD seeking to participate in any Dispute, who is not a Forbearing Party, must first provide the Parties with an executed version of Exhibit 11.3.1 waiving any and all claims that this Agreement does not apply, bind or obligate such UVD on the ground that such UVD has not executed this Agreement and agreeing to be bound by the terms of this Agreement.

11.4 All Disputes shall be submitted in writing to the Secretary by the party desiring relief with a copy to all Parties, the NM CAP Entity and the State of New Mexico. Within three (3) business day of receipt of such notice, the Secretary shall set a time for a consultation among such parties as wish to participate in such consultation to resolve the Dispute. Such consultation must occur within seven (7) business days of the receipt of such notice.

11.5 All parties shall participate in such consultation in good faith.

11.6 Subject to Subparagraph 11.7, should the consultation with the Secretary not resolve the Dispute, any party to such consultation may bring an action in a federal court of competent

jurisdiction, but not the courts of the District for the District of Columbia, seeking such relief as is appropriate and available pursuant to this Agreement.

11.7 Except for an action for a temporary restraining order to protect a party from immediate and irreparable harm, a party to a consultation initiated pursuant to Subparagraph 11.4 may not initiate an action pursuant to Subparagraph 11.6 sooner than ten (10) business days from the date on which the Secretarial consultation pursuant to Subparagraph 11.4 begins.

11.8 The remedies available to a party in an action initiated pursuant to Subparagraph 11.6 shall include: (i) injunctive relief, including specific performance; and, (ii) subject to Subparagraph 11.8.1, if injunctive relief is not available or not adequate to compensate a Party for damages incurred as a result of such breach, monetary damages; provided that any action against the United States for monetary damages shall be subject to the provisions of section 213(a) of the Act or 28 U.S.C. 1491.

11.8.1 Subject to 11.8.2, monetary damages shall only be available if the party seeking damages has

11.8.1.1 initiated consultation pursuant to Subparagraph 11.4 no later than six (6) months after such party knew, or upon the exercise of reasonable diligence should have known, of the breach causing such damages, and

11.8.1.2 subject to Subparagraph 11.6, brings an action seeking recovery of such damages within six (6) months after initiating consultation; provided that any action against the United States for monetary damages shall be subject to the provisions of section 213(a) of the Act or 28 U.S.C. 1491.

11.8.2 Notwithstanding 11.8.1, monetary damages shall not be available to the extent they were incurred more than thirty-six (36) months before the person alleging such damages initiates consultation pursuant to Subparagraph 11.4.

11.8.3 For purposes of this Subparagraph 11.8, all persons shall be deemed to have actual knowledge of the matters reported by the Secretary in full compliance with Subparagraph 4.8 no later than thirty (30) days after such reporting occurs.

11.9 **Waiver of sovereign immunity.** Pursuant to section 213(a) of the Act, the Community and the Secretary have provided a strictly limited waiver of their respective sovereign immunity for the sole and exclusive purposes of resolving a claim, controversy, or dispute that may arise with respect to the interpretation or enforcement of this Agreement, including monetary damages and the remedies provided by Subparagraph 11.8, and for no other reason; provided that any cause of action for monetary damages against the United States shall be subject to the provisions of section 213(a) of the Act or 28 U.S.C. 1491.

11.10 The Forbearing Parties and the UV-Non-Signatories may intervene in any action initiated by the Secretary against the NM CAP Entity pursuant to the NM Unit Agreement and no Party shall oppose such motion to intervene on any ground.

11.11 The NM CAP Entity may intervene in any action initiated by a Party pursuant to this Agreement and no Party shall oppose such motion to intervene on any ground. In any cause of action for monetary damages against the United States brought pursuant to the provisions of section 213(a) of the Act or 28 U.S.C. § 1491, the Parties, other than the United States, shall support the motion to intervene of the NM CAP Entity.

11.12 Unless there has been a contrary judicial determination regarding appropriate jurisdiction, the Parties shall:

11.12.1 not file claims or seek enforcement of their respective rights under this Agreement in the Globe Equity Enforcement Court;

11.12.2 only assert such claims and seek such enforcement in another federal court of competent jurisdiction;

11.12.3 not file or support any motion to consolidate any action to enforce or interpret this Agreement in the Globe Equity Enforcement Court; and

11.12.4 oppose any motion to consolidate any action to enforce or interpret this Agreement in the Globe Equity Enforcement Court.

12.0 ADMINISTRATION.

12.1 All measurements necessary for the implementation of this Agreement shall be made by the U.S. Geological Survey, or such other entity designated by the Technical Committee for such purpose, using equipment that meets industry standards that are applicable to the measurements to be made. Such equipment shall be calibrated and maintained to industry standards that are applicable to the measurements to be made. For purposes of the measurement of stream flows, real-time readings by the U.S. Geological Survey, or such other entity as designated by the technical committee for such purpose, shall be used for purposes of determining compliance with Exhibit 2.47 (Terms of New Mexico Diversions).

12.2 Measurements of stream flow and Diversions of surface water of the Gila River or the San Francisco River shall be recorded and transmitted through the use of telemetry equipment to the U.S. Geological Survey, or such other entity designated by the Technical Committee for such purpose.

12.3 The cost of all measurements made pursuant to this Paragraph 12 that are additional to those costs of measurement borne by the Parties hereto as of the date of the execution to this Agreement, shall be borne by the Secretary.

12.4 **Technical Committee**.

12.4.1 The Parties shall establish a Technical Committee to address and resolve technical issues that may arise regarding the implementation of this Agreement, including but not limited to the following:

12.4.1.1 timing and methodology for measurement and accounting for stream flow, Diversions and Return Flows;

12.4.1.2 stream flow increases in Arizona resulting from watershed improvements or other water flow enhancement activities funded by the State of New Mexico, and the percentage of such increases that may be added to the Secretary's ten-year permissible Consumptive Use pursuant to this Agreement, provided that the maximum ten year permissible Consumptive Use pursuant to this Agreement shall under no circumstance exceed one hundred eighty thousand (180,000) acre-feet.

12.4.1.3 determination of the timing and impact of groundwater pumping as part of the NM Unit on the flows of the Gila River and the San Francisco River, including a determination of the effect, if any, that such groundwater pumping might have on Exhibit 2.48 (Terms of New Mexico Diversion); and,

12.4.1.4 any other issue mutually agreed by the Parties.

12.4.2 The Technical Committee shall be composed of technical representatives of the Community, the District, the Secretary as Authorized Diverter, the Gila Valley Irrigation District, the Franklin Irrigation District, and Phelps Dodge. Although not a Party, the Parties shall allow the NM CAP Entity to participate as a member of the Technical Committee.

12.4.3 Decisions of the Technical Committee shall be by unanimous agreement of all members on the Technical Committee except the Secretary as Authorized Diverter. If the Technical Committee is unable to reach unanimous agreement on any given issue, such issue may be submitted for resolution using the procedures set forth in Paragraph 11.

12.4.4 Decisions of the Technical Committee shall be binding for purposes of the interpretation and enforcement of this Agreement.

12.4.5 The decisions of the Technical Committee shall not be binding on the Secretary or the United States, provided that such decisions shall be applicable and enforceable against all other Parties and shall not be considered invalid with respect to such other Parties solely because they are not binding on the Secretary or the United

States. In the event that such a decision nevertheless is not enforceable or ineffective as to such other Parties because it is not binding on the Secretary or the United States, then such matter shall be submitted for decision to a court of competent jurisdiction as provided by Subparagraph 11.7, without first initiating consultation as otherwise required by such Subparagraph.

13.0 FUNDING FOR PURPOSES OF TERM 5 OF NM RISK ALLOCATION TERMS.

13.1 As partial consideration to the UV Non-Signatories, Other UV Signatories, UVDs to the extent they are obligated under this Agreement or the UV Agreement, the Gila Valley Irrigation District, the Franklin Irrigation District and the Canal Companies for undertaking the obligation to comply with the terms and conditions of term 5 of Exhibit 2.30 (NM Risk Allocation Terms), the Gila Valley Irrigation District shall receive funds pursuant to Paragraph 13, which funds shall be used solely for the purpose of developing programs or constructing facilities to assist with mitigating the risks and costs associated with compliance with the terms and conditions of term 5 of Exhibit 2.30 (NM Risk Allocation Terms).

13.2 On January 1, 2010, the Gila Valley Irrigation District shall request from the Secretary funds in an amount of $15 million (adjusted to reflect changes since the date of enactment of the Arizona Water Settlements Act of 2004 in the cost indices applicable to the type of design and construction involved in the design and construction of a pipeline from the Ft. Thomas Diversion Dam to the lands farmed by the San Carlos Apache Tribe, together with canal connections upstream from the Ft. Thomas Diversion Dam and connection devices appropriate to introduce Pumped water into the Pipeline), for the purposes outlined in Subparagraph 13.1. The Secretary shall provide to the Gila Valley Irrigation District such funds from the Lower Colorado River

Basin Development Fund pursuant to section 403(f)(2)(D)(v) of the Colorado River Basin Project Act, as amended by the Arizona Water Settlements Act of 2004.

13.3 The condition set forth in Subparagraph 4.1.1 shall be deemed to have been met if the Gila Valley Irrigation District receives all the funds provided by Subparagraph 13.2, either from the Secretary, or from the State of New Mexico, or any combination thereof on or before the date on which Diversions begin pursuant to this Agreement.

13.4 If the NM CAP Entity provides notice to the Forbearing Parties that it intends to begin Diversions on January 1, 2016, and if the Gila Valley Irrigation District has not received as of the date of such notice all the funds to be provided to it pursuant to Subparagraph 13.2, then, as a condition to precedent to beginning Diversions, the State of New Mexico must enter into an enforceable agreement with the Gila Valley Irrigation District for payment to the Gila Valley Irrigation District on before January 1, 2016, a sum equal to the amount otherwise due to the Gila Valley Irrigation District minus any amounts received by the Gila Valley Irrigation District on the date that the State of New Mexico makes such payment. The State of New Mexico's obligation in such agreement shall be contingent on assignment to the State of New Mexico by the Gila Valley Irrigation District of any remaining entitlement that the Gila Valley Irrigation District may have pursuant to Subparagraph 13.2.

14.0 MISCELLANEOUS.

14.1 NM CAP Entity.

14.1.1 The NM CAP Entity is not a Party to this Agreement but is intended by the Parties to be a third party beneficiary of this Agreement. The NM CAP Entity may enforce any and all of its rights under this Agreement.

14.1.2 The NM CAP Entity shall be entitled to a copy of any and all notices provided to the Parties hereunder.

14.1.3 The Parties shall not amend this Agreement without the NM CAP Entity's written consent.

14.2 The UVDs who are not Parties to this Agreement are intended by the Parties to be third party beneficiary of the following provisions: Paragraph 4, Paragraph 10, Paragraph 11, Exhibit 2.29 (NM Priority and Apportionment Terms), Exhibit 2.30 (NM Risk Allocation Terms), Exhibit 2.47 (Terms of New Mexico Diversions), Exhibit 2.48 (Terms of NM Unit Agreement) and this Subparagraph 14.2. The Parties intend that the UV Non-Signatories shall be bound through the UV Agreement by the obligations set forth in each of the provisions listed above. Subject to Subparagraph 11.3.1, the UVDs may enforce any and all of their rights under such provisions.

14.3 Except as set forth in Subparagraphs 14.1 and 14.2, the Parties do not intend for any other person or entity to be a third party beneficiary of this Agreement and this Agreement shall not create any obligations, rights, duties or responsibilities for any such other persons or entities.

14.4 **<u>Phelps Dodge</u>**.

14.4.1 Phelps Dodge is a Party to this Agreement and is bound by the terms hereof with respect to its water rights under the Globe Equity Decree in Arizona and New Mexico and by the Terms of the New Mexico Diversions set forth in Exhibit 2.47

hereof insofar as that Exhibit sets forth Phelps Dodge's agreement not to object to the Diversions for the New Mexico Unit on the San Francisco River in New Mexico that are made in accordance with Exhibit 2.47. This Agreement shall not affect, alter or diminish Phelps Dodge's rights to Divert water of any character from the Gila River in that part of New Mexico that is outside the area that is subject to the Globe Equity Decree.

14.4.2 Nothing in this Agreement shall prohibit Phelps Dodge and the Community from effecting an exchange of CAP Water for water from the Gila River for use in Arizona by Phelps Dodge; provided, that any such exchange shall be junior in priority to the rights of the Secretary as Authorized Diverter under this Agreement, provided that this Subparagraph shall not prohibit any Party from objecting to any such exchange.

14.5 The State of New Mexico's execution of this Agreement is solely and exclusively for purposes of its approval of this Agreement as required pursuant to section 212(a) of the Arizona Water Settlements Act of 2004. The State of New Mexico is not a third party beneficiary of this Agreement and is not a Party hereto.

14.6 Pursuant to section 212(h)(1) of the Arizona Water Settlements Act, the execution of this Agreement by the Secretary shall not constitute a major Federal action under the National Environmental Policy Act (42 U.S.C. 4321 *et seq*.).

14.7 The Parties recognize that the terms of this Agreement have been developed through intensive negotiation. Consequently, this Agreement, including its Exhibits, should be strictly interpreted according to its terms.

14.8 If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect such other provisions, clauses or applications of this Agreement as can be given effect without the invalid or unenforceable provision, clause or application. To this end, the provisions and clauses of this Agreement are severable; provided, however, that if the severance would deprive any Party of its material benefits under this Agreement, that Party shall be released from this Agreement. Upon the release of any Party from this Agreement, any other Party whose material benefits under this Agreement depend on the obligations of such released Party shall also be released from this Agreement.

14.9 Nothing herein shall affect, alter or diminish rights to use of waters of the Gila River system within New Mexico, or the authority of the State of New Mexico to administer such rights for use within the state, including rights decreed by article IV of the decree of the United States Supreme Court in *Arizona v. California*, 376 U.S. 340.

14.10 This Agreement and each of its provisions are to be construed fairly and reasonably. All Parties have each been represented by attorneys in connection with the preparation of this Agreement and as such, there shall be no presumption of construction of this Agreement in favor of any Party or against any Party. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

14.11 Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

14.12 No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise here from. This shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

14.13 This Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the approval of this Agreement.

14.14 This Agreement is the entire agreement between the Parties. All previous agreements, statements, contracts and representations by or among the Parties and their agents relating to the subject matter of this Agreement are hereby merged into this Agreement and no evidence of any such agreement, contract, representation or statement shall be admissible to interpret this Agreement. The Parties warrant that they are not relying on any such agreement, contract, representation or statement as a reason for entering this Agreement. Any modification of this Agreement shall be void unless it is in writing and signed by all the Parties, as well as by the NM CAP Entity as required by Subparagraph 14.1.3.

14.15 This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

14.16 This Agreement is entered into pursuant to Federal reclamation law under the authority of the Reclamation Act of 1902 (Pub. L. 57-161, c. 1093, 32 Stat. 388 (June 17, 1902)) and acts

amendatory and supplementary hereto. The Secretary shall be subject to an order of specific performance pursuant to Public Law 97-293, Title II, §221.

14.17 A failure to call by the Community, the District or the United States on behalf of either pursuant to any provision of this Agreement, or any provision or exhibit of the Settlement Agreement, shall not serve as a defense against any call against any other water user at or upstream of the Ashurst-Hayden Diversion Dam.

14.18 Service of process shall be by Certified U.S. Mail, as provided under Federal Rules of Procedure 4(d), using the addresses specified in Subparagraph 14.19 regarding notices.

14.19 The expenditure or advance of any money or the performance of any obligation by the United States, in any of its capacities, under this Agreement shall be contingent upon appropriation of funds therefor. No liability shall accrue to the United States, in any of its capacities, in the event funds are not appropriated.

14.20 **Nonreimbursability of New Mexico Unit Fund**. Funds withdrawn from the New Mexico Unit Fund as that term is described in section 212 of the Act shall be nonreimbursable.

14.21 Any notice to be given or payment to be made under this Agreement shall be properly given or made when received or when deposited in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed as follows, or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Subparagraph 14.21. Notice or payment shall be deemed to have been received at the earlier of (a) actual delivery or (b) the first business day that is at least four (4) calendar

days after the notice or payment has been deposited in the United States mails in accordance with this Subparagraph 14.21:

(a) As to the United States:

The Secretary of the Interior
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Regional Director
Southwest Regional Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

(b) As to the Community:

Governor
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

General Counsel
Gila River Indian Community
P.O. Box 97
Sacaton, Arizona 85247

(c) As to the District:

San Carlos Irrigation and Drainage District
P. O. Box 218
Coolidge, Arizona 85228
Attn: General Manager and General Counsel

(d) As to the Gila Valley Irrigation District

Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546
Attn: General Manager

With a copy to:

L. Anthony Fines
Law Offices of L. Anthony Fines
33 North Stone Avenue
Suite 1850
Tucson AZ 85701

(e) As to the Franklin Irrigation District

Franklin Irrigation District
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546
Attn: General Manager, Franklin Irrigation District

With a copy to:

David A. Brown
Michael J. Brown
Brown & Brown, P.C.
P. O. Box 3128
Pinetop, AZ 85935

(f) As to Phelps Dodge Corporation:

Phelps Dodge Corporation
One North Central Avenue
Phoenix, Arizona 85004-3014
Attn: General Counsel

With a copy to:

Cynthia M. Chandley
Ryley Carlock and Applewhite
One North Central Avenue, Suite 1200
Phoenix, Arizona 85004

(g) As to Brown Canal Company:

Brown Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(h) As to Curtis Canal Company:

Curtis Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(i) As to Dodge-Nevada Canal Company:

Dodge-Nevada Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(j) As to Fort Thomas Canal Company:

Fort Thomas Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(k) As to Graham Canal Company:

Graham Canal Company
-c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(l) As to Highline Canal Company:

Highline Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(m) As to Montezuma Canal Company:

Montezuma Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(n) As to San Jose Canal Company:

San Jose Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(o) As to Smithville Canal Company:

Smithville Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(p) As to Union Canal Company:

Union Canal Company
c/o Gila Valley Irrigation District
207 Fifth Street
Safford, Arizona 85546

(q) As to Sunset Ditch Company:

Sunset Ditch Company
Attn: Kent Clouse
Rt. 1
Box 154
Duncan, AZ 85534

with a copy to:

Pete V. Domenici, Jr., Esq.
Dolan & Domenici, P.C.
6100 Seagull Street, NE
Suite 205
Albuquerque, AZ 87109

(r) As to NM New Model Community Ditch Association:

New Model Community Ditch Association
Attn: Scott Lovett
Rt. 1
Box 378
Duncan, AZ 85534

with a copy to:

Pete V. Domenici, Jr., Esq.
Dolan & Domenici, P.C.
6100 Seagull Street, NE
Suite 205
Albuquerque, AZ 87109

(s) As to Valley Canal Company:

Valley Canal Company
Route 1
Box 54
Duncan, AZ 85344

(t) As to the NM CAP Entity

c/o the Director of the New Mexico Interstate Stream Commission

15.0 APPROVAL, CONSENT AND RATIFICATION.

Each Party, by execution of the signature pages by its duly authorized representative(s), does hereby approve, endorse, consent to and ratify this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement dated as of the day and year signed below:

GILA RIVER INDIAN COMMUNITY

By:_____
Its:_____
Dated:_____

Approved as to Form:
Its:

State of Arizona)
) ss
County of)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Gila River Indian Community.

_____
Notary Public

My commission expires:
_____

SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT

By:_____
Its:_____
Dated:_____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the San Carlos Irrigation and Drainage District.

_____
Notary Public

My commission expires:
_____

FRANKLIN IRRIGATION DISTRICT

By:_____
Its:_____
Dated:_____

Approved as to Form:
Counsel for the Franklin Irrigation District

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Franklin Irrigation District.

_____
Notary Public

My commission expires:
_____

GILA VALLEY IRRIGATION DISTRICT

By:_____
Its:_____
Dated:_____

Approved as to Form:
Counsel for the Gila Valley Irrigation District

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of the Gila Valley Irrigation District.

_____
Notary Public

My commission expires:
_____

PHELPS DODGE CORPORATION

By:_____
Its:_____
Dated:_____

Approved as to Form:
Counsel for the Phelps Dodge Corporation
STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of Phelps Dodge Corporation.

_____
Notary Public

My commission expires:

PHELPS DODGE MORENICI, INC.

By:_____
Its:_____
Dated:_____

Approved as to Form:
Counsel for the Phelps Dodge Morenci, Inc.
STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn to before me this ___ day of _____, 2005 by _____ as _____ and for and on behalf of Phelps Dodge Morenci, Inc.

_____
Notary Public

My commission expires:
_____

This Agreement is approved pursuant to the Act, and, to the extent applicable, 25 U.S.C. § 81.

THE UNITED STATES OF AMERICA

By:_____
In its capacity as defined in this Agreement
Dated:_____
Attest:_____

THE SECRETARY OF THE INTERIOR

By:_____
In all the capacities as defined in this Agreement
Dated:_____
Attest:_____

BROWN CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Brown Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

CURTIS CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Curtis Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

DODGE-NEVADA CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Dodge-Nevada Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

FORT THOMAS CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Fort Thomas Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

GRAHAM CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Graham Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

HIGHLINE CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Highline Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

MONTEZUMA CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Montezuma Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

SAN JOSE CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of San Jose Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

SMITHVILLE CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Smithville Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

UNION CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Union Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

SUNSET DITCH COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Sunset Ditch Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

FOURNESS CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of the Fourness Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

COLVIN-JONES CANAL COMPANY

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of the Colvin-Jones Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

SUNSET CANAL

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Sunset Canal, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

NEW MODEL CANAL

By:_____
Name:_____
Title:_____

State of Arizona)
) ss
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of New Model Canal, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

NM NEW MODEL COMMUNITY DITCH ASSOCIATION

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of NM New Model Community Ditch Association, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

VALLEY CANAL COMPANY

By:_____
Name:_____
Title:_____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by _____, the _____ of Valley Canal Company, a _____, on behalf of the _____.

_____
Notary Public

My commission expires:
_____

STATE OF NEW MEXICO

By:_____
Name:_____
Title:_____

The State of New Mexico's execution is solely for the purpose of indicating its approval of this Agreement as required by section 212(a) of the Arizona Water Settlements Act of 2004

_____

EXHIBIT 2.18

DISTRICT NM CAP ACCOUNT

A. Definitions.

Capitalized terms in this Exhibit that are not expressly defined herein shall have the same meaning as in the NM Consumptive Use and Forbearance Agreement. The following terms shall have the following meanings when capitalized in this Exhibit. In the event of a conflict, the definition in this Exhibit shall control for purposes of interpreting this Exhibit.

1. "District NM CAP Account" means the account established according to the Terms of this Exhibit.

2. "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

3. "NM CAP Entity" means the entity or entities to be formed or designated by the State of New Mexico to enter into the NM Unit Agreement with the Secretary as NM Unit and as Authorized Diverter. The NM CAP Entity shall be an entity that: (a) does not have sovereign immunity; (b) does not have the protection of the 11th Amendment to the U.S. Constitution; and (c) continues to satisfy all these conditions throughout its existence.

4. "NM Daily Diversion Right" means the amount of water that the Secretary as Authorized Diverter may Divert determined in accordance with Exhibit 2.48.

5. "NM Diversion Day" means a calendar day during which the Secretary as Authorized Diverter Diverts water pursuant to the Agreement.

6. "NM Unit Agreement" means the agreement to be entered into by and between the Secretary as NM Unit and as Authorized Diverter, and the NM CAP Entity upon notice to the Secretary from the State of New Mexico that it intends to have the NM Unit built or developed. The principal terms of the NM Unit Agreement are set forth in Exhibit 2.48.

7. "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

8. "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity.

9. "Secretary as CAP Owner" means the Secretary of the U.S. Department of the Interior acting solely in the capacity as owner of the CAP and in no other capacity.

10. "Sub-term" shall be a sub-term of this Exhibit 2.18.

11. "Term" shall be a term of this Exhibit 2.18. "Terms" shall be more than one such Term.

B. <u>Terms</u>.

1. The Community shall establish and administer the District NM CAP Account in accordance with the Terms of this Exhibit 2.18.

2. Upon the initiation of Deliveries of NM CAP Water pursuant to this Agreement:

2.1 On January 1 of each Year, the Community shall add forty-five hundredths (0.45) acre-foot credit to the District NM CAP Account for each acre-foot of NM CAP Water scheduled in the previous Year to be delivered in the then current Year to the Community and the District pursuant to Subparagraph 5.4 of the NM Consumptive Use and Forbearance Agreement, until the number of credits in the District NM CAP Account reaches twenty-eight thousand eight hundred (28,800) acre-feet of credits.

2.2 At such time as the credits in the District NM CAP Account reach twenty-eight thousand eight hundred (28,800) acre-feet, NM CAP Water Delivered pursuant to Paragraph 5 of this Agreement shall be divided fifty-five one hundredths (0.55) to the Community and forty-five one hundredths (0.45) to the District so long as the credits in the District NM CAP Account remain at twenty-eight thousand eight hundred (28,800) acre-feet. In the event the credits in the District NM CAP Account are reduced below twenty-eight thousand eight hundred (28,800) acre-feet, Deliveries shall be made to the Community as provided in Sub-term 2.1.

2.3 The District may call on water from the District NM CAP Account at any time regardless of Diversions by the Secretary as Authorized Diverter, up to the balance in the District NM CAP Account.

2.4 Within three (3) days after the District calls for water pursuant to Sub-term 2.3 above, the Community shall Deliver to the District, the amount of water requested by the District, at a rate not to exceed 160 CFS, up to the balance in the District NM CAP Account. Such water shall be from a source available to the Community from the sources identified in paragraph 4 of the Settlement Agreement, other than reclaimed water.

2.5 The District NM CAP Account shall be debited one (1) acre-foot for each one (1) acre-foot of water delivered to the District by the Community pursuant to Sub-term 2.4.

2.6 On or before the fifteenth of each month, the Community shall provide the Secretary as NM Unit, the District, and the NM CAP Entity with a report of the activity in the District NM CAP Account which shall, at a minimum, include the following:

2.6.1 The balance in the District NM CAP Account as of first day of the preceding month;

2.6.2 An accounting of the water delivered to the District by the Community pursuant to Sub-term 2.4 above during the preceding month; and

2.6.3 The balance in the District NM CAP Account as of the last day of the preceding month.

2.7 The Secretary as NM Unit, the District, and the NM CAP Entity shall have the right to audit the District NM CAP Account at their own expense.

EXHIBIT 2.29

NM PRIORITY AND APPORTIONMENT TERMS

A. Definitions.

Capitalized terms in this Exhibit that are not expressly defined herein shall have the same meaning as in the Agreement. The following terms shall have the following meanings when capitalized in this Exhibit. In the event of a conflict, the definition in this Exhibit shall control for purposes of interpreting this Exhibit.

1. "Call System" means that procedure approved by the Globe Equity Enforcement Court in the order issued on March 10, 1999, or any procedure subsequently approved by the Globe Equity Enforcement Court for the same purpose.

2. "Diversion Deficit" has the meaning set forth in sub-term 1.2 of Exhibit 2.30 (NM Risk Allocation Terms).

3. "Diversion Point" means a Diversion point identified in the table of priorities in article V (as amended) of the Globe Equity Decree, and or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

4. "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

5. "GX" means the Diversion point or points on the mainstem of the Gila River in New Mexico upstream from all Diversion Points, except the Diversion Points of the Sunset Ditch Company and the NM New Model Community Ditch Association, at which Diversion point or points the Secretary as Authorized Diverter may Divert surface water from the mainstem of the Gila River in accordance with the NM Consumptive Use and Forbearance Agreement, which Diversion point or points the Secretary as Authorized Diverter must identify before water may be Diverted from the Gila River. Such Diversion point or points must also be upstream from any point of measurement used for computing consumptive use pursuant to Article VIII of the Globe Equity Decree unless the Water Commissioner, when computing such consumptive use, subtracts from such measured flows at the upstream point of measurement the flows Diverted by the Secretary as Authorized Diverter below such point of measurement.

6. "NM Diversion Day" means a calendar day during which the Secretary as Authorized Diverter Diverts water pursuant to the NM Consumptive Use and Forbearance Agreement.

7. "Normal Apportionment Account" means the account used to account for apportionments calculated pursuant to article VIII of the Globe Equity Decree.

8. "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

9. "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity."

10. "Sub-term" means a sub-term of this Exhibit.

11. "SY" means the Diversion point located upstream from the Arizona/New Mexico boundary at which the Secretary as Authorized Diverter may Divert surface water from the mainstem of the San Francisco River in accordance with the NM Consumptive Use and Forbearance Agreement, which point the Secretary as Authorized Diverter must identify before water may be Diverted from the San Francisco River.

12. "Term" means a term of this Exhibit.

13. "UVD New Mexico Apportionment Account" means the apportionment account used to account for certain additional apportionments as determined pursuant to Sub-term 3.1.

14. "UVD NM Risk Allocation Apportionment Account" means the apportionment account used to account for certain additional apportionments as determined pursuant to Sub-term 3.2.

B. <u>Terms</u>.

1. The following Terms shall govern the calculations of apportionments and the determination of priority diversion rights with reference to the Globe Equity Decree.

2. When the Secretary as Authorized Diverter Diverts water pursuant to this Agreement on NM Diversion Day, the priority year and regulation years under the Call System shall be adjusted as follows:

2.1 The amount Diverted by the Secretary as Authorized Diverter, if any, from the Gila River at GX shall be added on the day following the NM Diversion Day to the measured flow at gage No. USGS 09432000 (or replacement gage) located on the Gila River Below Blue Creek, near Virden.

2.2 The amount Diverted by the Secretary as Authorized Diverter, if any, from the San Francisco River at SY shall be added on the day following the NM Diversion Day to the measured flow at gage No.USGS 09444500 (or replacement gage) located on the San Francisco River at Clifton, Arizona.

2.3 The priority year under the Call System, for a run of water, shall be determined after the additions provided by Sub-terms 2.1 and 2.2 of this Exhibit. All parties with Diversion

Points upstream from Ashurst-Hayden Diversion Dam shall be entitled to divert water in accordance with such priority year, subject however to Sub-term 2.4 of this Exhibit, when apportionment rights are being exercised. The additions provided by Sub-terms 2.1 and 2.2 of this Exhibit, however, shall not be considered when determining gains and losses in connection with the Call System.

2.4 When the UVDs (and the Canal Companies) are exercising apportionment rights, the "regulation year(s)" under the Call System, regardless of the locations of their Diversion Points, shall be calculated based on the amount of water actually available for diversion. The regulation year(s) for parties with Diversion Points upstream from the Ashurst-Hayden Diversion Dam shall not be adjusted to a more junior regulation year due to the fact that parties with Diversion Points at or downstream from the Ashurst-Hayden Diversion Dam may have less available water as a result of the water Diverted by the Secretary as Authorized Diverter.

2.5 The time lags in Sub-terms 2.1 and 2.2 of this Exhibit assume that GX is located in the vicinity of Red Rock, New Mexico and that SY is located in New Mexico close to the Arizona border. If GX and/or SY are located at other locations or if, as provided by the NM Consumptive Use and Forbearance Agreement, the Secretary as Authorized Diverter Diverts from additional locations, the time lags shall be adjusted by the unanimous decision of the settlement technical committee established pursuant to subparagraph 14.1.of the UV Agreement to the nearest one-day increment. If such settlement technical committee is unable to agree on the time lags, any Party with a technical representative on such settlement technical committee may submit the unresolved issue to binding arbitration pursuant to the procedures set forth in subparagraph 12.1 of the UV Agreement. If the time lags are determined by the Water Commissioner and the decisions of the Water Commissioner are not subject to review by arbitration, then time lags as determined by the Water Commissioner shall be subject to review by the Globe Equity Enforcement Court just as all other decisions of the Water Commissioner are subject to such review.

3. The apportionments calculated under article VIII of the Globe Equity Decree shall be supplemented with additional apportionments as set forth below, with such additional apportionments to be accounted for in either the UVD New Mexico Apportionment Account pursuant to Sub-term 3.1 below or the UVD NM Risk Allocation Apportionment Account pursuant to Sub-term 3.2 below.

3.1 **<u>UVD New Mexico Apportionment Account</u>.**

(a) As of 12:01 a.m. on January 1 of each Year, the apportionment rights in the UVD New Mexico Apportionment Account shall be ten thousand (10,000) acre feet, plus those apportionment rights that have accrued in the UVD New Mexico Apportionment Account during the final three months of the previous Year that are still in such account as of 11:59 p.m. on December 31 of the previous Year.

(b) If, during any Year, the Secretary as Authorized Diverter Diverts more than ten thousand (10,000) acre-feet, one (1) acre foot credit for each acre foot of Diversion during such Year in excess of ten thousand (10,000) acre-feet shall be added to the UVD New Mexico Apportionment Account.

(c) The apportionment rights in the UVD New Mexico Apportionment Account are supplemental to and shall be accounted for separately from the apportionment rights of the Normal Apportionment Account and the UVD NM Risk Allocation Apportionment Account. Subject to Sub-terms 3.3 and 3.4, the apportionment rights in the UVD New Mexico Apportionment Account shall be available for use by the UVDs (and the Canal Companies) and distributed in the same manner that the Normal Apportionment Account is distributed and available for use.

3.2 <u>UVD NM Risk Allocation Apportionment Account</u>.

(a) As of 12:01 a.m. on January 1 of each Year, the apportionment rights in the UVD NM Risk Allocation Apportionment Account shall be the amount in the UVD NM Risk Allocation Apportionment Account as of 11:59 p.m. on December 31 of the previous Year, but not more than the number of TBI Eligible Acres as of such January 1 multiplied by four (4).

(b) If at any time the UVDs (and the Canal Companies) suffer a Diversion Deficit, the amount of such Diversion Deficit shall be added to the UVD NM Risk Allocation Apportionment Account.

(c) The apportionment rights in the UVD NM Risk Allocation Apportionment Account are supplemental to and shall be accounted for separately from the apportionment rights of the Normal Apportionment Account and the UVD New Mexico Apportionment Account. Subject to Sub-terms 3.3 and 3.4, the apportionment rights in the UVD NM Risk Allocation Apportionment Account shall be available for use by the UVDs (and the Canal Companies) and distributed in the same manner that the Normal Apportionment Account is distributed and available for use.

3.3 When the UVDs (and the Canal Companies) divert on apportionment and have rights in their Normal Apportionment Account, unless they advise the Impartial Administrator otherwise, they shall be deemed to be diverting against their Normal Apportionment Account and such account shall be reduced accordingly. After the Normal Apportionment Account has been exhausted, when the UVDs (and the Canal Companies) divert on apportionment, they shall be deemed to be diverting against their UVD New Mexico Apportionment Account and such account shall be reduced accordingly. After the UVD New Mexico Apportionment Account has been exhausted, when the UVDs (and the Canal Companies) divert on apportionment, they shall be deemed to be diverting against their UVD NM Risk Allocation Apportionment Account and such account shall be reduced accordingly. When the UVDs (and the Canal Companies) divert based the UVD New Mexico Apportionment Account or the UVD NM Risk Allocation Apportionment Account, their diversions shall be "in disregard of the … prior rights of the plaintiff" to same extent their diversions under article VIII(2) of the Globe Equity Decree are "in disregard of the … prior rights of the plaintiff."

3.4 The apportionment rights in the UVD New Mexico Apportionment Account and the UVD NM Risk Allocation Account shall not be subject to deductions for evaporation, seepage, transit losses, or other losses.

3.5 Other parties to the Globe Equity Decree who have apportionment rights based on the UVDs' apportionment rights shall also have apportionment rights based on apportionment rights in the UVD New Mexico Apportionment Account and the UVD NM Risk Allocation Apportionment Account.

4. To the extent the Water Commissioner does not or will not administer the UVD New Mexico Apportionment Account or the UVD NM Risk Allocation Apportionment Account as provided by this Exhibit 2.29, the settlement technical committee established pursuant to subparagraph 14.1.of the UV Agreement shall adopt methodologies for implementing this Exhibit 2.29. The impartial administrator selected pursuant to subparagraph 2.16.of the UV Agreement shall administer such methodologies and the Parties shall adjust their Calls in conformity with such methodologies. If such settlement technical committee is unable to unanimously agree on the methodologies, any Party with a technical representative on the settlement technical committee may submit the unresolved issue to binding arbitration pursuant to the procedures set forth in subparagraph 12.1 of the UV Agreement.

EXHIBIT 2.30

NM RISK ALLOCATION TERMS

The Terms of this Exhibit 2.30 shall not become effective until Additional Arizona Rights are determined and Calls are made by the holder or holders of such rights to meet any Additional Arizona Daily Demand and shall apply only on those days that there is a New Mexico Diversion.

A. Definitions.

Capitalized terms in this Exhibit that are not expressly defined herein shall have the same meaning as in the Agreement. The following terms shall have the following meanings when capitalized in this Exhibit. In the event of a conflict, the definition in this Exhibit shall control for purposes of interpreting this Exhibit.

1. "Additional Arizona Daily Demand" means the daily demand of the Additional Arizona Rights as provided by sub-term 1.3 of Exhibit 2.47 (Terms of New Mexico Diversions).

2. "Additional Arizona Rights" means the additional Arizona rights to waters of the Gila River and the San Francisco River that satisfy the conditions stated in sub-term 1.2 of Exhibit 2.47 (Terms of New Mexico Diversions).

3. "Call" or "Calls" when used in this Exhibit 2.30 means diversions of water made in accordance with a court decree or order pursuant to a decree

4. "Call System" means that procedure approved by the Globe Equity Enforcement Court in the order issued on March 10, 1999, or any procedure subsequently approved by the Globe Equity Enforcement Court for the same purpose.

5. "Diversion Deficit" means the deficit suffered by the UVDs (and the Canal Companies) determined pursuant to and in accordance with Sub-term 1.2.

6. "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

7. "New Mexico" means the State of New Mexico and its designees.

8. "New Mexico Diversion" means a Diversion by the Secretary as Authorized Diverter on any given NM Diversion Day pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement.

9. "New Mexico Share" means the Secretary as Authorized Diverter's share of the Additional Arizona Daily Demand determined in accordance with sub-term 1.4 of Exhibit 2.47 (Terms of New Mexico Diversions).

10. NM Daily Diversion Right" means the amount of water that the Secretary as Authorized Diverter may Divert determined in accordance with Term 1 of Exhibit 2.47 (Terms of New Mexico Diversions).

11. "NM Diversion Day" means a calendar day during which the Secretary as Authorized Diverter Diverts water pursuant to the NM Consumptive Use and Forbearance Agreement.

12. "NM Unit" means the unit or units of the Central Arizona Project in New Mexico to be designed, constructed, operated and maintained by or under the authority of the Secretary as NM Unit or as transferred consistent with the terms of the NM Unit Agreement pursuant to sections 301(a)(4) and 304 of the Colorado River Basin Project Act to Consumptively Use water from the Gila River and San Francisco River.

13. "Parties" shall be the entities that execute the NM Consumptive Use and Forbearance Agreement.

14. "Pumping" has the meaning set forth in the UV Agreement.

15. "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

16. "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity.

17. "Sub-term" means a sub-term of this Exhibit.

18. "Term" means a term of this Exhibit.

19. "UVD NM Apportionment Account" means the apportionment account used to account for certain additional apportionments as determined pursuant to term 3 of Exhibit 2.29 (NM Priority and Apportionment Terms) that are in addition to the apportionments calculated under article VIII of the Globe Equity Decree.

20. "UVD Surface Diversions" means the Diversions the UVDs (and the Canal Companies) may make in accordance with the Globe Equity Decree with the Diversion devices identified in the table of priorities article V (as amended) of the Globe Equity Decree, and/or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

21. "UV Impact Zone" has the meaning set forth in the UV Agreement.

B. Terms.

1. If, with respect to a run of water under the Call System, as a result of the Additional Arizona Daily Demand on a given NM Diversion Day, the UVD Surface Diversions will be less than they would have been if the New Mexico Diversion had not occurred, the following will apply:

1.1 The Community and the District (and the United States on behalf of each) shall reduce their Calls for SCIP lands with respect to such run of water to the extent possible and necessary so that the UVD Surface Diversions will be the same under the Call System that they would be if there had been no New Mexico Diversion and no obligation to (a) reduce Calls as required by Term 4, (b) limit Calls as required by Sub-term 1.5 and Term 4, and (c) adjust the priority year as required by Exhibit 2.29, NM Priority and Apportionment Terms).

1.2 If with respect to such run of water, after the reductions in Calls by the Community and the District (and the United States on behalf of each) as provided in Term 1.1 above, the UVD Surface Diversions are less than they would have been under the Call System if the New Mexico Diversion had not occurred, the UVDs (and the Canal Companies) will be deemed to have suffered a Diversion Deficit.

1.3 The amount of the Diversion Deficit shall be calculated as:

(a) the amount the UVD Surface Diversions would have been under the Call System if there had been no New Mexico Diversion and no obligation to (a) reduce Calls as required by Term 4, (b) limit Calls as required by Sub-term 1.5 and Term 4, and (c) adjust the priority year as required by Exhibit 2.29, NM Priority and Apportionment Terms, minus

(b) the actual amount of the UVD Surface Diversions on such NM Diversion Day.

1.4 The UVDs (including the Canal Companies) shall receive one (1) acre foot additional apportionment for each one (1) acre-foot of Diversion Deficit as calculated pursuant to Sub-term 1.3 above. Such additional apportionments shall be added to the UVD NM Apportionment Account for use in accordance with Exhibit 2.29 **(**NM Priority and Apportionment Terms).

1.5 The Parties shall not attempt to prevent or limit legal Calls made pursuant to the Additional Arizona Rights or otherwise take any action to the extent preventing or limiting such Calls or taking such action would, directly or indirectly, result in the Secretary as Authorized Diverter not being able to Divert water from the Gila River and/or the San Francisco River in accordance with this Agreement. This Sub-term shall not prohibit the UV Irrigation Districts, the Canal Companies or the UVDs from Pumping water as otherwise permitted by the UV Agreement, nor shall it prevent any Party from Pumping water in accordance with Arizona law outside the UV Impact Zone.

2. To the extent the Community, the District, or both (or the United States on behalf of both), suffer a reduction of Natural Flow diversions at Ashurst -Hayden Diversion Dam as a result of their reductions in Calls in accordance with Sub-term 1.1 of this Exhibit 2.30, they shall be permitted to buy NM CAP Water pursuant to Subparagraph 5.5 of the NM Consumptive Use and Forbearance Agreement.

3. If Project deliveries of Natural Flow at Ashurst-Hayden Diversion Dam are reduced in accordance with Sub-term 1.1, the reduction of Natural Flow shall be born solely by the Community, and the District's deliveries of Natural Flow shall not be reduced. If the District has purchased, banked and has water available from the NM CAP Risk Allocation Water Bank, up to a maximum of eighteen hundred (1,800) acre-feet per Year of the District's banked water shall be used to maintain the District supply of Natural Flow, with the remainder being the responsibility of the Community. If Natural Flow is available to the Community, Community Natural Flow will be provided to the District to meet the Community's water delivery obligation under this Sub-term. If Community Natural Flow is inadequate, the Community shall provide the District with Project Stored Water, CAP water, or both, to meet the Community's water delivery obligation of this Sub-term. Water provided by the Community pursuant to this Sub-term shall be delivered to the District on a schedule that is comparable to the schedule of water delivery that would have occurred had the provisions of Sub-term 1.1 not existed.

4. Provided the Secretary as Authorized Diverter is Diverting pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement, the UV Non-Signatories, the Other UV Signatories, the UVDs (to the extent that they are bound by this Agreement or the UV Agreement), the UV Irrigation Districts, the Canal Companies, the Community, the District, and the United States, consistent with the requirements of Sub-term 1.1, shall reduce their Calls for water diversions from the surface of the Gila River pursuant to the Globe Equity Decree with the diversion devices identified in the table of priorities in article V (as amended) of the Globe Equity Decree, and/or their replacements, whether or not now existing and whether or not shared by one or more Canal Company, to the extent necessary and possible so that the Calls of the Additional Arizona Rights are satisfied. To the extent any UVD seeks to make a Call that would be inconsistent with the previous sentence, such UVD shall be acting "Not in Compliance with this Agreement" as that term is defined in the UV Agreement and the UV Irrigation Districts and the Canal Companies shall not place such Call on behalf of such UVD.

5. When the following conditions are satisfied, the UV Non-Signatories, Other UV Signatories, UVDs to the extent that they are bound by this Agreement or the UV Agreement, the Gila Valley Irrigation District, the Franklin Irrigation District and the Canal Companies shall take the actions required by Sub-term 5.2:

5.1.1 The Secretary as Authorized Diverter is complying with the Terms of New Mexico Diversions (Exhibit 2.47) and Paragraphs 4 and 9 of the Agreement.

5.1.2 On any day that follows a NM Diversion Day by two days, after the reduction in Calls provided by Sub-term 1.1, the quantity of water in the Gila River will be insufficient to satisfy the Additional Arizona Daily Demand, or any Calls made by or on behalf of the San Carlos Apache Tribe pursuant to article VI(2) of the Globe Equity Decree (and in

compliance with the other provisions of the Globe Equity Decree) (hereinafter referred to in this Term 5 as "SCAT Calls"), or both.

5.2 Provided the conditions in Sub-terms 5.1.1 and 5.1.2 are satisfied, the UV Non-Signatories, Other UV Signatories, UVDs to the extent that they are bound by this Agreement or the UV Agreement, the Gila Valley Irrigation District, the Franklin Irrigation District and the Canal Companies shall:

5.2.1 Take whatever actions using existing irrigation works (including pumping facilities) and such other facilities that may be practicably developed so as to ensure that the quantity of water flowing in the Gila River is sufficient to satisfy the Additional Arizona Daily Demand and to meet the SCAT Calls. With respect to the SCAT Calls, the UV Non-Signatories, Other UV Signatories, the UVDs to the extent that they are bound by this Agreement or the UV Agreement, the Gila Valley Irrigation District, the Franklin Irrigation District, and the Canal Companies may comply with this Term 5, in whole or in part, by delivering water to the San Carlos Apache Tribe in a pipeline, canal, the bed of the Gila River, or other delivery facility.

5.2.2 Bypass all additional amounts of water to the extent required by the Water Quality Injunction entered by the Globe Equity Enforcement Court on or about May 28, 1996 (as amended), except to the extent relieved of such requirement by the Globe Equity Enforcement Court.

5.3 This Term shall not require the UV Non-Signatories, Other UV Signatories, UVDs to the extent that they are bound by this Agreement or the UV Agreement, the Gila Valley Irrigation District, the Franklin Irrigation District, or the Canal Companies to stop or limit the Pumping of water as otherwise permitted by the UV Agreement, nor shall it prevent any Party from Pumping water in accordance with Arizona law outside the UV Impact Zone; provided, however, that this Sub-term shall not preclude Pumping into a pipeline, canal, the bed of the Gila River, or other delivery facility as is necessary to comply with the obligations of Sub-terms 5.2.1 and 5.2.2. None of the provisions of this Term 5 shall require Phelps Dodge to reduce any of the diversions referred to in sub-terms 1.9.3.1 through 1.9.3.4 of Exhibit 2.47.

5.4 To the extent that any UVD seeks to make a Call that would be inconsistent with this Term 5, such UVD shall be acting "Not in Compliance with this Agreement" as that term is defined in the UV Agreement and UV Irrigation Districts and the Canal Companies shall not place such Call on behalf of such UVD.

5.5 Taking any action to comply with this Term 5, including Pumping, by any UV Non-Signatory, Other UV Signatory, UVDs to the extent that they are bound by this Agreement or the UV Agreement, Gila Valley Irrigation District, Franklin Irrigation District, or the Canal Companies shall not be an act Not in Compliance with the UV Agreement, provide that such Pumping or other actions do not cause the limits of subparagraph 6.2 of the UV Agreement to be exceeded, except to the extent provided by subparagraph 5.7.1 of the UV Agreement. To the

extent the limits of subparagraph 6.2 of the UV Agreement are exceeded due to such Pumping or actions, any and all remedies available, including mitigation, will be available as provided by the UV Agreement.

EXHIBIT 2.47

TERMS OF NEW MEXICO DIVERSIONS

A. Definitions.

Capitalized terms in this Attachment that are not expressly defined herein shall have the same meaning as in the NM Consumptive Use and Forbearance Agreement. The following terms shall have the following meanings when capitalized in this Attachment. In the event of a conflict, the definition in this Attachment shall control for purposes of interpreting this Attachment.

1. "Additional Arizona Daily Demand" means the daily demand of the Additional Arizona Rights as provided by Sub-term 1.3.

2. "Additional Arizona Rights" means the additional Arizona rights to waters of the Gila River and the San Francisco River that satisfy the conditions stated in Sub-term 1.2.

3. "Calls" when used in Sub-term 1.3 means diversions of water made in accordance with a court decree or order pursuant to a decree.

4. "Daily Diversion Basis" is the basis for determining the NM Daily Diversion Right determined in accordance with Sub-term 1.5.

5. "Diversion Point" means a diversion point identified in the table of priorities that begins on page fourteen (14) of the Globe Equity Decree, and or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

6. "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

7. "GX" means the Diversion point or points on the mainstem of the Gila River in New Mexico upstream from all Diversion Points, except the Diversion Points of the Sunset Ditch Company and the NM New Model Community Ditch Association, at which Diversion point or points the Secretary as Authorized Diverter may Divert surface water from the mainstem of the Gila River in accordance with the NM Consumptive Use and Forbearance Agreement, which Diversion point or points the Secretary as Authorized Diverter must identify before water may be Diverted from the Gila River. Such Diversion point or points must also be upstream from any point of measurement used for computing consumptive use pursuant to Article VIII of the Globe Equity Decree unless the Water Commissioner, before computing such consumptive use, subtracts from such measured flows at the upstream point of measurement the flows Diverted by the Secretary as Authorized Diverter below such point of measurement.

8. "New Mexico" means the State of New Mexico and its designees.

9. "New Mexico Share" means the Secretary as Authorized Diverter's share of the Additional Arizona Daily Demand determined in accordance with Sub-term 1.4.

10. "New Mexico Interstate Stream Commission" means the agency of the State of New Mexico of that name, or any successor agency thereto.

11. "NM Daily Diversion Right" means the amount of water that the Secretary as Authorized Diverter may Divert determined in accordance with Term 1.

12. "NM Diversion Day" means a calendar day during which the Secretary as Authorized Diverter Diverts water pursuant to the NM Consumptive Use and Forbearance Agreement.

13. "NM Excess" means the portion of the waters flowing in the Gila River and San Francisco River from which the Secretary as Authorized Diverter may Divert water determined in accordance with Sub-term 1.6.

14. "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity."Parties" shall be the entities who execute the NM Consumptive Use and Forbearance Agreement."

15. "Secretary's Remote Diversion Points" means those Diversion points, located in New Mexico, at which the Secretary as Authorized Diverter, in accordance with the NM Consumptive Use and Forbearance Agreement, may Divert water from the Gila River, the San Francisco River, or both, regardless of whether the Diversions are from the surface waters of those rivers, as further provided in Sub-term 1.10.

16. "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

17. "Sub-term" shall be a sub-term of the Terms of New Mexico Diversion.

18. "Sum of the Available Flows" has the meaning set forth in Sub-term 1.6.

19. "SY" means the Diversion point or points located on the mainstem of the San Francisco River upstream from the Arizona/New Mexico boundary at which point or points the Secretary as Authorized Diverter may Divert surface water from the mainstem of the San Francisco River in accordance with the NM Consumptive Use and Forbearance Agreement, which point or points the Secretary as Authorized Diverter must identify before water may be Diverted from the San Francisco River.

20. "Terms of New Mexico Diversion" shall be the terms, stated in section B of this Attachment (Exhibit), governing the conditions and requirements for the Secretary as

Authorized Diverter's Diversions of water pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement. "Term" shall be one such term.

21. "Upper Valleys Daily Demand" means the daily demand in cubic feet per second ("CFS") of diversion rights pursuant to the Globe Equity Decree with Diversion Points upstream from the San Carlos Reservoir, including the daily demand of the San Carlos Apache Tribe, all as determined in accordance with Sub-term 1.1.

B. <u>Terms</u>.

1. The NM Daily Diversion Right on a NM Diversion Day shall be determined as follows:

1.1 The Upper Valleys Daily Demand shall, at the option of the Secretary as Authorized Diverter, be either the amount in the table in Sub-term 1.1.1 or the amount calculated in accordance with Sub-term 1.1.2.

1.1.1 <u>Table of the Upper Valleys Daily Demand</u>:

For NM Diversion Days in the month of:	Upper Valleys Daily Demand (CFS)
January	82.5
February 1-13 February 14-28/29	137.5 215
March	292.5
April	432.5
May	437.5
June	442.5
July	442.5
August	442.5
September	442.5
October	267.5
November	152.5
December	75.5

1.1.2 The Upper Valleys Daily Demand shall be the sum of the following calls, calculated as of 8:00 am Arizona time on the NM Diversion Day:

1.1.2.1 The call under the Globe Equity Decree for the Duncan-Virden Valley for the day following the NM Diversion Day; plus

1.1.2.2 The call under the Globe Equity Decree for the Safford Valley for the day two days following the NM Diversion Day; plus

1.1.2.3 The call under the Globe Equity Decree for the San Carlos Apache Tribe for the day two days following the NM Diversion Day.

1.2 The Additional Arizona Rights shall be all rights that satisfy all of the following conditions:

1.2.1 such rights must be to appropriable water of the Gila River and the San Francisco River in Arizona that have been adjudicated by a court decree;

1.2.2 such rights must not be rights that have been adjudicated by Globe Equity Decree as of the date of enactment of the Arizona Water Settlements Act;

1.2.3 such rights must not be the rights of Phelps Dodge to divert up to 3,000 acre feet of surface water in Arizona from the San Francisco River or Eagle Creek as described in Sub-terms 1.9.3.1 through 1.9.3.4.

1.2.4 the priority of such rights must be earlier than September 30, 1968; and,

1.2.5 the holders of such rights must, absent the provisions of the NM Consumptive Use and Forbearance Agreement, be in position, directly or indirectly, to require that the Secretary as Authorized Diverter not Divert water from the Gila River and/or San Francisco River at locations GX, SY, and the Secretary's Remote Diversion Points to the extent such Diversions by the Secretary as Authorized Diverter would interfere with such rights.

1.3 The additional Arizona daily demand (the "Additional Arizona Daily Demand") shall be the sum of the following calculated as of 8:00 am Arizona time on the NM Diversion Day:

1.3.1 The Calls for water made pursuant to the Additional Arizona Rights for the day following the NM Diversion Day for such rights located upstream of gage station No. USGS 09448500 located on the Gila River at the head of Safford Valley, near Solomon, or upstream from gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona, and

1.3.2 The Calls for water made pursuant to the Additional Arizona Rights for the day two days following the NM Diversion Day for such rights located

downstream of gage station No. USGS 09448500 located on the Gila River at the head of Safford Valley, near Solomon, or downstream from gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona.

1.4 The New Mexico Share shall be fifty percent (50%) of the Additional Arizona Daily Demand, but not more than forty (40) CFS; provided that the New Mexico Share shall not include any demand associated with water rights created by a settlement that were not previously recognized by a court decree. This Sub-term does not apply to the severance and transfer of decreed water rights not resulting from a settlement.

1.5 The Daily Diversion Basis shall be the sum of (a) the New Mexico Share and (b) the Upper Valleys Daily Demand, calculated as of 8:00 am Arizona time on a daily basis for each NM Diversion Day.

1.6 If the sum of the flows, as of 8:00 a.m. Arizona time on the day preceding the NM Diversion Day, at gage station No. USGS 09430500 on the Gila River above Gila, New Mexico, and gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona, (the "Sum of the Available Flows") exceeds the Daily Diversion Basis (the "NM Excess"), the NM Daily Diversion Right, subject to the conditions stated in Sub-term 1.8, shall be the amount calculated in accordance with Sub-term 1.7; otherwise the NM Daily Diversion Right shall be zero (0) CFS.

1.7 For the months of January, February, March, April, October, November, and December, the NM Daily Diversion Right shall be computed by multiplying the NM Excess by 0.80. For the months of May, June, July, August, and September, the NM Daily Diversion Right shall be computed by multiplying the NM Excess by 0.75.

1.8 Notwithstanding any calculation made pursuant to Sub-term 1.7, the NM Daily Diversion Right shall not be exercised so as to cause the Secretary as Authorized Diverter to Consumptively Use more than one hundred forty (140,000) acre-feet of water in any period of ten (10) consecutive Years.

1.9 The Secretary as Authorized Diverter may Divert surface water from the Gila River at GX and from the San Francisco River at SY, subject to all of the following conditions:

1.9.1 The sum of the Diversions at GX and SY may not exceed the NM Daily Diversion Right.

1.9.2 The water flow in the Gila River, as measured at gage station No. USGS 09432000 located on the Gila River Below Blue Creek, Near Virden, New Mexico, following the Diversion at GX, may not be less than 120% of the call under the Globe Equity Decree for the Duncan-Virden Valley for the day following the NM Diversion Day.

1.9.3 The water flow in the San Francisco River, computed as the sum of the flow as measured at gage station No. USGS 09444000 located on the San Francisco Near Glenwood, New Mexico, and the flow as measured at gage station No. USGS 09444200 located on the Blue River Near Clifton, Arizona, may not, on any day when the Secretary as Authorized Diverter is Diverting water from the San Francisco River at SY, be less than 120% multiplied by the following: (i) three (3) CFS during any day in April through October, or (ii) thirty (30) CFS during any day in any other month. The condition in this Sub-term 1.9.3 will not apply under the following circumstances:

1.9.3.1 In any April, May, June, July, August, September, or October, to the extent that Phelps Dodge has previously Diverted sixty (60) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.2 In any November or March, to the extent that Phelps Dodge has previously Diverted six hundred (600) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.3 In any December, January, or February, to the extent that Phelps Dodge has previously Diverted one thousand (1,000) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.4 In any Year to the extent that Phelps Dodge has previously Diverted three thousand (3,000) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such Year.

1.9.4 If the Secretary as Authorized Diverter must reduce its NM Daily Diversion Right from the San Francisco River due to the parameters stated in Sub-term 1.9.3, then fifty percent (50%) of the amount the Secretary as Authorized Diverter is prevented from Diverting under Sub-term 1.9.3, or ten (10) CFS, whichever is less, shall count toward the forty (40) CFS cap in Sub-term 1.4.

1.9.5 The Secretary as Authorized Diverter, in its sole discretion, may Divert any amount of water up to the NM Daily Diversion Right for a 24-hour period beginning at 8:00 a.m. Arizona time on a NM Diversion Day, but is not required to Divert any water.

1.9.6 The Secretary as Authorized Diverter shall report on a daily basis its Diversions to the Secretary as CAP Owner and to the Gila River Water Commissioner.

1.9.7 The Secretary as Authorized Diverter may not Divert more than four thousand (4,000) acre-feet of water in any Year from the San Francisco River at SY.

1.9.8 The Secretary as Authorized Diverter may not Divert either (a) underground water or (b) surface water from locations other than GX and SY unless the Secretary as Authorized Diverter complies with the applicable provisions of Sub-term 1.10.

1.9.9 The Secretary as Authorized Diverter may Divert in New Mexico at points below any point of measurement used for computing consumptive use pursuant to Article VIII of the Globe Equity Decree if the Water Commissioner, before computing such consumptive use, subtracts from the measured flows at such upstream point of measurement the flows Diverted by the Secretary as Authorized Diverter below such point of measurement.

1.10 On any NM Diversion Day, the Secretary as Authorized Diverter may Divert at the Secretary's Remote Diversion Points subject to the following conditions:

1.10.1 At least one hundred (180) days before seeking to Divert at any of the Secretary as Authorized Diverter's Remote Diversion Points, the Secretary as Authorized Diverter must give written notice to all of the Parties and the Water Commissioner of the location of each such point;

1.10.2 Within such one hundred eighty (180) days, the Technical Committee established in Subparagraph 12.4 of the NM Consumptive Use and Forbearance Agreement shall meet and attempt to agree on parameters that would permit the Secretary as Authorized Diverter to Divert water at the Secretary's Remote Diversion Points without putting the Parties (other than the Secretary) in a worse position than they would be if the Secretary as Authorized Diverter were only permitted to Divert surface water from the Gila River at GX and from the San Francisco River at SY; and

1.10.3 If the Technical Committee is not, within ninety (90) days, able to determine parameters allowing the Secretary as Authorized Diverter to Divert at the Secretary's Remote Diversion Points, the Secretary as Authorized Diverter or the NM CAP Entity may immediately begin the dispute resolution process set forth in Paragraph 11 of the NM

Consumptive Use and Forbearance Agreement, provided that no resolution may put the Parties (other than the Secretary) in a worse position than they would be if the Secretary as Authorized Diverter were only permitted to Divert surface water from the Gila River at GX and from the San Francisco River at SY.

1.11 If the Secretary as Authorized Diverter chooses to use the values in Sub-term 1.1.1 as the basis for the Upper Valleys Daily Demand, and is in compliance with all other terms in the NM Consumptive Use and Forbearance Agreement, the Secretary shall not be responsible for any failure to satisfy the Upper Valleys Daily Demand.

1.12 If the Secretary as Authorized Diverter chooses to compute the Upper Valleys Daily Demand as provided in Sub-term 1.1.2, it shall be the responsibility of the Secretary as Authorized Diverter to bypass sufficient water to satisfy the Upper Valleys Daily Demand.

1.12.1 If the Secretary as Authorized Diverter chooses to compute the Upper Valleys Daily Demand as in Sub-term 1.1.2 during a week, and the Upper Valleys Daily Demand is not met during that week, the Secretary as Authorized Diverter shall during the following week bypass an additional amount equal to the deficit in calls for the previous week ("Make-up Water").

1.12.2 If the Secretary as Authorized Diverter does not bypass sufficient water to comply with Sub-term 1.12.1, the Secretary as Authorized Diverter shall as soon as such water is available, bypass an additional amount of water equal to one-hundred and fifty percent (150%) of the required Make-up Water (i.e., the Make-up Water plus an additional fifty percent (50%)).

1.12.3 The remedies provided in this Sub-term 1.12 shall not preclude or limit any other remedies that may be available to any of the Parties to the NM Consumptive Use and Forbearance Agreement or the UVDs.

EXHIBIT 2.48

TERMS OF NM UNIT AGREEMENT

The NM Unit Agreement between the Secretary and the NM CAP Entity shall contain the following terms and conditions, among others:

1.0 "PREAMBLE.

1.1 WHEREAS, the State of New Mexico has notified the Secretary that it has elected to have facilities constructed or developed on the Gila River and the San Francisco River to provide for the Consumptive Use (as hereinafter defined) authorized by sections 304(d) and (f) of the Colorado River Basin Project Act (such facilities hereinafter defined as the "NM Unit");

1.2 WHEREAS, the Secretary is obligated pursuant to section 212 of the Arizona Water Settlements Act to enter into this New Mexico Unit Agreement (hereinafter defined as the "NM Unit Agreement");

1.3 WHEREAS, the NM Consumptive Use and Forbearance Agreement (as hereinafter defined) requires the inclusion in this NM Unit Agreement of terms and provisions set forth in exhibit 2.48 of the NM Consumptive Use and Forbearance Agreement;

1.4 WHEREAS, the parties to the NM Consumptive Use and Forbearance Agreement have agreed that Diversions and Consumptive Use of water in accordance with said agreement will not give rise to claims that such Diversions or Consumptive Use impairs or causes economic injury or cost to their rights existing on September 30, 1968, in Arizona, to water from the Gila River and the San Francisco River (as those terms are both hereinafter defined);

1.5 WHEREAS, it was the belief and intent of the parties to the NM Consumptive Use and Forbearance Agreement that Diversions and Consumptive Use of water in accordance with said agreement should not impair or cause economic injury or cost to rights existing, or determined to exist as of September 30, 1968, in Arizona, to water from the Gila River and the San Francisco River; and,

1.6 WHEREAS, the Parties to this NM Unit Agreement shall only Divert and Consumptively Use water in accordance with the provisions herein regarding such Diversion and Consumptive Use that are identical to those included in the NM Consumptive Use and Forbearance Agreement.

2.0 DEFINITIONS.

For purposes of this NM Unit Agreement, the following terms shall have the meanings set forth below:

2.1 "Additional Arizona Daily Demand" means the daily demand of the Additional Arizona Rights as provided by term 1.3 of Attachment 3.1 (Terms of New Mexico Diversions).

2.2 "Agreement" means this agreement and the Attachments attached hereto, which are hereby incorporated by reference.

2.3 "Allottee" means a person who holds a beneficial real property interest in an Indian allotment that is: (1) located within the Reservation; and (2) held in trust by the United States.

2.4 "Attachment" means an attachment to this Agreement.

2.5 "Call System" means that procedure approved by the Globe Equity Enforcement Court in the order issued on March 10, 1999, or any procedure subsequently approved by the Globe Equity Enforcement Court for the same purpose.

2.6 "Canal Companies" has the meaning set forth in the UV Agreement.

2.7 "CAP" or "Central Arizona Project" means that reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§1521 *et seq.*).

2.8 "CAP Fixed OM&R Charge" means 'Fixed OM&R Charge' as that term is defined in the CAP Repayment Stipulation.

2.9 "CAP Pumping Energy Charge" means 'Pumping Energy Charge' as that term is defined in the CAP Repayment Stipulation.

2.10 "CAP Repayment Stipulation" means the Revised Stipulation Regarding Stay of Litigation, Resolution of Issues During the Stay and for Ultimate Judgment Upon the Satisfaction of Conditions, filed in *Central Arizona Water Conservation District v. United States, et al.*, No. CIV 95-625-TUC-WDB (EHC), No. CIV 95-1720-PHX-EHC (Consolidated Action), U.S. District Court for the District of Arizona, and the Order dated April 28, 2003, entered therein, and any amendment or revision thereof. This is the same case referred to in the Act as No. CIV 95-09625-09TUC-09WDB (EHC), No. CIV 95-091720-PHX-EHC (Consolidated Action).

2.11 "CAP System" means: (A) the Mark-Wilmer Pumping Plant, (B) the Hayden-Rhodes Aqueduct, (C) the Fannin-McFarland Aqueduct, (D) the Tucson Aqueduct, (E) the pumping plants and appurtenant works of the Central Arizona Project aqueduct

system that are described in (A) through (D), and (F) any extensions, additions or replacement for the features described in (A) through (E).

2.12 "CAP Turnout" means the place or places to which the Secretary as CAP Owner shall cause the NM CAP Water to be delivered pursuant to this Agreement on the CAP System as are agreed by the Community, the District and CAWCD.

2.13 "CAWCD" or "Central Arizona Water Conservation District" means the political subdivision of the State of Arizona that is the contractor under the CAP Repayment Contract.

2.14 "CFS" means cubic feet per second.

2.15 "Colorado River Basin Project Act' means that act approved by Congress on September 30, 1968, (43 U.S.C. §§ 1501 et seq.), 82 Stat. 885, as amended by the Arizona Water Settlements Act of 2004.

2.16 "Consumptive Use" means measured Diversions by the Secretary as Authorized Diverter for the NM Unit pursuant to this Agreement, minus Return Flows. All such measured Diversions shall be accounted as Consumptive Use until such time as there are actual Return Flows. This definition of "Consumptive Use" includes reservoir evaporation losses as required by section 304(f) of the Colorado River Basin Project Act. Consumptive Use as defined in this Agreement has no relation to and shall have no effect on the definition or interpretation of "consumptive use" as that term is defined under: (i) article VIII(2) of the Globe Equity Decree, (ii) the UV Agreement or (iii) the Settlement Agreement.

2.17 "Consumptively Use" means the act of Consumptive Use.

2.18 "Deliver" or "Delivered" means CAWCD's delivery of NM CAP Water to the CAP Turnout. "Delivery" means CAWCD's act of delivering NM CAP Water to the CAP Turnout.

2.19 "Divert" or "Diverting" means to receive, withdraw or develop and produce or capture water by means of a ditch, canal, flume, bypass, dam, pipe line, pit, collection or infiltration gallery, conduit, well, pump, turnout, or other mechanical device or any other human act. "Diversion" means the act of Diverting.

2.20 "Diversion Point" means a diversion point identified in the table of priorities that begins on page fourteen (14) of the Globe Equity Decree, and or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

2.21 "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

2.22 "Gila River Indian Community" or "Community" means the government composed of members of the Pima Tribe and the Maricopa Tribe, which is organized under section 16 of the Act of June 18, 1934 (25 U.S.C. § 476).

2.23 "Globe Equity Decree" means the decree dated June 29, 1935, entered in *United States of America v. Gila Valley Irrigation District, et al*., Globe Equity No. 59, in the U.S. District Court for the District of Arizona. The term "Globe Equity Decree" includes all court orders and decisions supplemental to that decree.

2.24 "Globe Equity Enforcement Court" means the U. S. District Court for the District of Arizona exercising continuing jurisdiction over the Globe Equity Decree.

2.25 "Member" or "Members" means any person or persons duly enrolled as members of the Gila River Indian Community.

2.26 "NM CAP Water" means water from the CAP made available pursuant to the second sentence of section 304(d) of the Colorado River Basin Project Act.

2.27 "NM CAP Water Bank" means the water account established and managed pursuant to paragraph 6 of the NM Consumptive Use and Forbearance Agreement.

2.27A "NM CAP Entity" means the entity to be formed or designated by the State of New Mexico to enter into the NM Unit Agreement with the Secretary as NM Unit and as Authorized Diverter. The NM CAP Entity shall be an entity that: (a) does not have sovereign immunity; (b) does not have the protection of the 11th Amendment to the U.S. Constitution; and (c) continues to satisfy all these conditions throughout its existence.

2.28 "NM CAP Mitigation Water Bank" means the water account established and managed pursuant to paragraph 7 of the NM Consumptive Use and Forbearance Agreement.

2.29 "NM Unit" means the unit or units of the Central Arizona Project to be constructed or developed in New Mexico pursuant to sections 301(a)(4) and 304 of the Colorado River Basin Project Act to Consumptively Use water from the Gila River and San Francisco River.

2.30 "Paragraph" means a numbered paragraph of this Agreement including all Subparagraphs in such Paragraph.

2.31 "Party" means an entity represented by a signatory to this Agreement and "Parties" means more than one of such entities. The United States or the Secretary of the Interior's participation as a Party shall be in the capacity as described in subparagraphs 2.38, 2.39, 2.40, and 2.41.

2.32 "Phelps Dodge Corporation" or "Phelps Dodge" means the New York corporation of that name, Phelps Dodge's subsidiaries (including without limitation Phelps Dodge Morenci, Inc., a Delaware corporation of that name), and Phelps Dodge's successors and assigns.

2.33 "Return Flows" means water that the Secretary as Authorized Diverter has Diverted pursuant to this Agreement that is measured as it is subsequently returned to the Gila River or the San Francisco River. Return Flows that are directly measurable shall be measured using equipment that is calibrated and maintained to industry standards. Return Flows that cannot be directly measured shall be determined using methods and procedures generally accepted in the engineering profession using equipment that is calibrated and maintained to industry standards to make indirect determinations of water Diverted but subsequently returned to the Gila River and the San Francisco River.

2.34 "San Carlos Apache Tribe" means the San Carlos Apache Tribe, a tribe of Apache Indians organized under section 16 of the Act of June 18, 1934 (25 U.S.C. §476).

2.35 "San Carlos Irrigation and Drainage District" or "the District" means the entity of that name that is a political subdivision of the State of Arizona and an irrigation and drainage district organized under the laws of the State of Arizona..

2.36 "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

2.37 "SCIIP" or "SCIP" means the San Carlos irrigation project authorized pursuant to the Act of June 7, 1924 (43 Stat. 475). The term "SCIIP" or "SCIP" includes any amendments or supplements to the act described in the preceding sentence..

2.38 "Secretary" means the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacities as: (a) owner of the CAP; (b) as the official responsible for the design, construction, operation and maintenance of the NM Unit; (c) the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity; and (d) in no other capacity.

2.39 "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity.

2.40 "Secretary as CAP Owner" means the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacity as owner of the CAP and in no other capacity.

2.41 "Secretary as NM Unit" means the Secretary of the U.S. Department of the Interior, or the Secretary's duly authorized representative, acting solely in the capacity as the official responsible for the design, construction, operation and maintenance of the NM Unit and party to the NM Unit Agreement and in no other capacity

2.42 "Settlement Agreement" means that certain amended and restated agreement authorized and approved by section 203 of the Arizona Water Settlements Act of 2004 and entered into among the Community, the District, the United States, the State of Arizona and certain other named parties.

2.43 "State of New Mexico" or "New Mexico" means the State of New Mexico or its designee for purposes of this Agreement.

2.44 "Stored Water" means all water stored in the San Carlos Reservoir that is available under the Globe Equity Decree for release through the gates of the Coolidge Dam for conveyance down the channel of the Gila River for Diversion and use by the Community and the District.

2.45 "Subparagraph" means a numbered subparagraph of this Agreement and any subsections thereof.

2.46 "Terms of New Mexico Diversions" means the terms pursuant to which the Secretary as Authorized Diverter may Divert water of the Gila River and the San Francisco River without objection by the Parties, a copy of which is attached as Attachment 3.1.

2.47 "UV Agreement" means the agreement entered into by and among the Community, the District, the United States on behalf of each, the Gila Valley Irrigation District, the Franklin Irrigation District, Phelps Dodge Corporation, the Canal Companies and certain other named parties in the Upper Valley of the Gila River, a copy of which is attached to the Settlement Agreement as exhibit 26.2.

2.48 "UVD" has the meaning set forth in the UV Agreement. "UVDs" shall mean all such persons or entities.

2.49 "UV Irrigation District" means either the Franklin Irrigation District or the Gila Valley Irrigation District. "UV Irrigation Districts" means both the Franklin Irrigation District and the Gila Valley Irrigation District.

2.50 "UV Non-Signatories" has the meaning set forth in the UV Agreement.

2.51 "Water Commissioner" has the meaning provided by article XII of the Globe Equity Decree.

2.52 "Year" means a calendar year.

2.53 Certain of the Attachments have terms that are specifically defined for purposes of such Attachments only. Such definitions shall apply only to those Attachments in which they appear. In the event of any conflict between the definitions in this Paragraph 2 and the definitions set forth in any Attachment, for purposes of such Attachment, the definitions set forth in such Attachment shall control.

3.0 ATTACHMENTS.

3.1 Terms of New Mexico Diversions

3.2 [Description of NM Unit] [to be completed at the time the NM Unit Agreement is negotiated]

4.0 CONSUMPTIVE USE OF GILA RIVER AND SAN FRANCISCO RIVER WATER.

4.1 The Secretary as Authorized Diverter's right to Divert and Consumptively Use water from the Gila River and the San Francisco River pursuant to this NM Unit Agreement is explicitly conditioned on the following condition precedent:

4.1.1. Receipt by the Gila Valley Irrigation District of the funds to be provided pursuant to paragraph 13 of the NM Consumptive Use and Forbearance Agreement.

4.2 Subject to the terms of this NM Unit Agreement, without regard to any priority or entitlement of the Forbearing Parties to Divert or store water under the Globe Equity Decree, the Secretary as Authorized Diverter may Divert water from the Gila River and the San Francisco River solely in accordance with Attachment 3.1 (Terms of New Mexico Diversions).

4.3 Consumptive Use from the Gila River and the San Francisco River shall not exceed a combined total not to exceed one hundred forty thousand (140,000) acre-feet of water during any consecutive ten (10) Year period, provided that such Consumptive Use is in accordance with this NM Unit Agreement.

4.4 Consumptive Use shall not exceed four thousand (4,000) acre-feet per Year from the San Francisco River. Any such Consumptive Use shall be included in the total amount of allowable Consumptive Use in a ten-Year period set forth in Subparagraph 4.3 of this NM Unit Agreement and in the annual amount of allowable Consumptive Use set forth in Subparagraphs 4.6 and 4.8 of this Agreement.

4.5 Diversions shall not begin in any given Year until such time as there is thirty thousand (30,000) acre-feet of Stored Water in that Year, whereupon the Secretary as Authorized Diverter may Divert up to the maximum annual amount of allowable Consumptive Use set forth in Subparagraphs 4.6 and 4.8.

4.6 In any given Year, there may be up to sixty-four thousand (64,000) acre-feet of Consumptive Use of water, provided that:

4.6.1. such Consumptive Use is in accordance with this NM Unit Agreement; and

4.6.2. there are credits in the NM CAP Water Bank equal to or greater than the amount of such Consumptive Use at the time of such Consumptive Use.

4.7 If during any five (5) Year period the annual average of NM Diversion Days on which the Secretary as Authorized Diverter is precluded from Consumptively Using water because there is less than thirty thousand (30,000) acre-feet of Stored Water increases above the annual average number of such days for the period 1968 through 1996 (inclusive), the minimum Stored Water requirement set forth in Subparagraph [4.2] shall be reduced by an amount calculated pursuant to the procedure set forth in subparagraph 4.7 of the NM Consumptive Use and Forbearance Agreement.

4.8 Consumptive Use shall not exceed sixty-four thousand (64,000) acre-feet in any given Year.

4.9 No later than the last day of each month, the Secretary as NM Unit shall provide the parties to the NM Consumptive Use and Forbearance Agreement with a report of the total amount of water Consumptively Used pursuant to this NM Unit Agreement for the preceding month.

4.10 There shall be no requirement to Consumptively Use water from the Gila River or the San Francisco River in any given Year.

4.11 Diversions of water from the Gila River and the San Francisco River, or any combination thereof, shall not exceed three hundred fifty (350) CFS at any time.

4.12 The Secretary shall Divert water and otherwise exercise her rights and authorities pursuant to the NM Consumptive Use and Forbearance Agreement for the sole benefit of the NM CAP Entity and for no other purpose.

5.0 <u>CONSTRUCTION AND OWNERSHIP OF NM UNIT</u>.

5.1 The Secretary as NM Unit shall have the responsibility to design and construct the NM Unit as described in Attachment 3.2. The Secretary as NM Unit shall consult with the NM CAP Entity in such design and construction.

5.2 Upon request by the NM CAP Entity, the Secretary as NM Unit shall transfer to the NM CAP Entity the responsibility for the design and construction of the NM Unit, at the sole option of the NM CAP Entity.

5.3 Funding for the design and construction of the NM Unit shall be as set forth in sections 107 and 212 of the Arizona Water Settlements Act of 2004.

5.4 All funds from the Lower Colorado River Basin Development Fund (the "LCRBDF") used to construct the NM Unit shall be non-reimbursable and such costs shall be excluded from the NM CAP Entity repayment obligation, if any, under the NM Unit Agreement.

5.5 The NM CAP Entity shall own and hold title to the NM Unit all portions of the NM Unit constructed hereunder.

6.0 <u>TRANSFER OF OPERATION OF NM UNIT</u>.

6.1 At the NM CAP Entity's request, the Secretary as NM Unit shall transfer to the NM CAP Entity the operations and maintenance of the NM Unit.

6.2 At the NM CAP Entity's request, the Secretary as Authorized Diverter shall allow the NM CAP Entity to Divert water pursuant to the Secretary's authorization, provided that:

6.2.1. the NM CAP Entity diverts water for the NM Unit in compliance with Attachment 2.47 (Terms of New Mexico Diversions);

6.2.2. the Secretary as Authorized Diverter remains responsible to the parties to the NM Consumptive Use and Forbearance Agreement and to the UV Non-Signatories for ensuring the NM CAP Entity's compliance with Attachment 2.47 (Terms of the New Mexico Diversions);

6.2.3. the Secretary as Authorized Diverter remains responsible to the parties to the NM Consumptive Use and Forbearance Agreement for all rights and responsibilities there under; and,

6.2.4. the NM CAP Entity meets the conditions set forth in subparagraph 2.26A of the NM Consumptive Use and Forbearance Agreement.

6.3 Notwithstanding any other provision of this Agreement, the Secretary as Authorized Diverter shall at all time retain its responsibility to:

6.3.1. ensure the NM CAP Entity's compliance with the terms of this Agreement;

6.3.2. coordinate the consultations required by subparagraph 11.4 of the NM Forbearance and Consumptive Use Agreement; and,

6.3.3. provide all reports to the parties to the NM Forbearance and Consumptive Use Agreement as required therein.

6.4 The Secretary as NM Unit and as Authorized Diverter shall be responsible for ensuring that the operations of the NM Unit comply with applicable law, including but not limited to obtaining any permits required by the New Mexico State Engineer.

6.5 In the event the Secretary as NM Unit transfers to the NM CAP Entity the operations of the NM Unit pursuant to Subparagraph 6.1, the NM CAP Entity shall indemnify the Secretary for any and all liability that the Secretary incurs arising from the NM CAP Entity's failure to comply with its obligations hereunder.

6.6 In the event the Secretary as Authorized Diverter allows the NM CAP Entity to Divert water for the NM Unit pursuant to Subparagraph 6.2, the NM CAP Entity shall indemnify the Secretary for any and all liability the Secretary incurs arising from the NM CAP Entity's failure to comply with obligations hereunder, including, but not limited to its obligation to Divert solely in accordance with the Attachment 3.1 (Terms of New Mexico Diversions). The NM CAP Entity waives and release all rights to challenge or defend against its assumption of any liability or obligations incurred by the Secretary or the United States as a result of the NM CAP Entity's failure to comply with its obligations under Subparagraph 6.2, provided that the NM CAP Entity is not precluded from participating as a party to assert its defense that it complied with Attachment 3.1 (Terms of New Mexico Diversions) in any action against the United States or the Secretary seeking monetary damages in any action brought pursuant to paragraph 11 of CUFA, provided that the NM CAP Entity seeks to participate in such action in a timely manner. Nothing in the preceding sentence is intended to limit the defenses the NM CAP Entity may assert where the NM CAP Entity participates as a

party in any action against the United States or the Secretary seeking monetary damages pursuant to paragraph 11 of CUFA.

7.0 DISPUTE RESOLUTION.

7.1 In the event of any dispute, controversy or disagreement arising under this Agreement ("Dispute"), either Party may bring an action in the U.S. District Court for the District of New Mexico seeking such relief as is appropriate and available pursuant to this Agreement; provided that the NM CAP Entity may not bring such an action to resolve a Dispute arising from or relating to its obligation to indemnify the United States pursuant to Subparagraphs 6.5 and 6.6.

7.2 The remedies available to the Parties for breach of this Agreement shall be: (i) injunctive relief, including specific performance; or, (ii) if injunctive relief is not available or not adequate to compensate a Party for damages incurred as a result of such breach, monetary damages; provided that any action against the United States for monetary damages shall be brought pursuant to 28 U.S.C. 1491.

7.3 **Waiver of sovereign immunity.** The Secretary, to the extent consistent with section 213(a) of the Act or 28 U.S.C. 1491, has provided a strictly limited waiver of her sovereign immunity for the sole and exclusive purposes of resolving a Dispute and for no other reason.

7.4 The parties to the NM Consumptive Use and Forbearance Agreement, the UV Non-Signatories and the State of New Mexico may intervene in any action initiated by either Party to this Agreement pursuant to Subparagraph 7.1 and the Parties to this Agreement shall not object to such intervention on any ground whatsoever.

7.5 This Agreement is entered into pursuant to section 304 of the Colorado River Basin Project Act. The Secretary shall be subject to an order of specific performance pursuant to Public Law No. 97-293, Title III, Section 221. For purposes of any and all disputes, controversies or claims arising under this Agreement, the location of the NM Unit shall be deemed to be within the State of New Mexico.

8.0 MISCELLANEOUS.

8.1 **Third party beneficiaries**.

8.1.1. The parties to the NM Consumptive Use and Forbearance Agreement, the UVDs and the State of New Mexico are not Parties to this Agreement but are intended by the Parties to be third party beneficiaries hereof and may any and all of their rights under this Agreement.

8.1.2. The parties to the NM Consumptive Use and Forbearance Agreement and the State of New Mexico shall be entitled to any and all notices provided to the Parties hereunder.

8.1.3. The Parties shall not amend those terms and provisions of this NM Unit Agreement that were included in exhibit 2.48 of the NM Consumptive Use and Forbearance Agreement without the prior written consent of the parties to the NM Consumptive Use and Forbearance Agreement.

8.1.4. The Parties shall not amend any term or provision of this NM Unit Agreement without the prior written consent of the State of New Mexico.

8.2 Except as set forth in Subparagraph 8.1, the Parties do not intend for any other person or entity to be a third party beneficiary of this Agreement and this Agreement shall not create any obligations, rights, duties or responsibilities for any such other persons or entities.

8.3 Execution of this Agreement shall not constitute a major Federal action under the National Environmental Policy Act (42 U.S.C. 4321 *et seq*.).

8.4 If any provision or clause of this Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect such other provisions, clauses or applications of this Agreement as can be given effect without the invalid or unenforceable provision, clause or application. To this end, the provisions and clauses of this Agreement are severable.

8.5 Upon receipt by the Secretary of written notice from the NM CAP Entity that it deems the severance of any provision of the NM Consumptive Use and Forbearance Agreement as depriving the NM CAP Entity of its material benefits under said agreement, the Secretary shall seek its release from said agreement pursuant to subparagraph 8.4 thereof.

8.6 Nothing herein shall affect, alter or diminish rights to use of waters of the Gila River system within New Mexico, or the authority of the State of New Mexico to administer such rights for use within the state, including rights decreed by article IV of the decree of the United States Supreme Court in *Arizona v. California*, 376 U.S. 340.

8.7 This Agreement and each of its provisions are to be construed fairly and reasonably, and neutrally, and there shall be no presumption of construction for or against any Party. The Paragraph and Subparagraph titles and numbering used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

8.8 Each of the terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

8.9 No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise here from. This shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

8.10 This Agreement is the entire agreement between the Parties. All previous agreements, statements, contracts and representations by or among the Parties and their agents

relating to the subject matter of this Agreement are hereby merged into this Agreement and no evidence of any such agreement, contract, representation or statement shall be admissible to interpret this Agreement. The Parties warrant that they are not relying on any such agreement, contract, representation or statement as a reason for entering this Agreement. Any modification of this Agreement shall be void unless it is in writing and signed by all the Parties.

8.11 This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

8.12 Service of process shall be by Certified U.S. Mail, as provided under Federal Rules of Procedure 4(d), using the addresses specified in Subparagraph 8.13 regarding notices.

8.13 Any notice to be given or payment to be made under this Agreement shall be properly given or made when received or when deposited in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed as follows, or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Subparagraph 8.13. Notice or payment shall be deemed to have been received at the earlier of (a) actual delivery or (b) the first business day that is at least four (4) calendar days after the notice or payment has been deposited in the United States mails in accordance with this Subparagraph 8.13:

(a) As to the United States:
The Secretary of the Interior
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Regional Director
Southwest Regional Office
Bureau of Indian Affairs
P.O. Box 10
Phoenix, Arizona 85001

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 427
Boulder City, Nevada 89005

(b) As to the NM CAP Entity
c/o the New Mexico Interstate Stream Commission

Attachment 3.1 to NM Unit Agreement

TERMS OF NEW MEXICO DIVERSIONS

A. Definitions.

Capitalized terms in this Exhibit that are not expressly defined herein shall have the same meaning as in the NM Consumptive Use and Forbearance Agreement. The following terms shall have the following meanings when capitalized in this Exhibit. In the event of a conflict, the definition in this Exhibit shall control for purposes of interpreting this Exhibit.

1. "Additional Arizona Daily Demand" means the daily demand of the Additional Arizona Rights as provided by Sub-term 1.3.

2. "Additional Arizona Rights" means the additional Arizona rights to waters of the Gila River and the San Francisco River that satisfy the conditions stated in Sub-term 1.2.

3. "Calls" when used in Sub-term 1.3 means diversions of water made in accordance with a court decree or order pursuant to a decree.

4. "Daily Diversion Basis" is the basis for determining the NM Daily Diversion Right determined in accordance with Sub-term 1.4.

5. "Diversion Point" means a diversion point identified in the table of priorities that begins on page fourteen (14) of the Globe Equity Decree, and or their replacements, whether or not now existing and whether or not shared by one or more Canal Company.

6. "Gila River" means the Gila River, its tributaries and underground water sources at or above Ashurst-Hayden Diversion Dam, other than the San Francisco River, its tributaries and underground water sources.

7. "GX" means the Diversion point located in New Mexico upstream from all Diversion Points at which the Secretary as Authorized Diverter may Divert surface water from the Gila River in accordance with the NM Consumptive use Agreement, which point the Secretary as Authorized Diverter must identify before water may be Diverted from the Gila River.

8. "New Mexico" means the State of New Mexico and its designees.

9. "New Mexico Share" means the Secretary as Authorized Diverter's share of the Additional Arizona Daily Demand determined in accordance with Sub-term 1.4.

10. "New Mexico Interstate Stream Commission" means the agency of the State of New Mexico of that name, or any successor agency thereto.

11. "NM Daily Diversion Right" means the amount of water that the Secretary as Authorized Diverter may Divert determined in accordance with Term 1.

12. "NM Diversion Day" means a calendar day during which the Secretary as Authorized Diverter Diverts water pursuant to the NM Consumptive Use and Forbearance Agreement.

13. "NM Excess" means the portion of the waters flowing in the Gila River and San Francisco River from which the Secretary as Authorized Diverter may Divert water determined in accordance with Sub-term 1.6.

14. "Secretary as Authorized Diverter" means the Secretary of the U.S. Department of the Interior acting solely in the capacity as the official authorized to Divert and responsible for Diversions pursuant to this Agreement for the benefit of the NM CAP Entity and in no other capacity.

15. "Parties" shall be the entities who execute the NM Consumptive Use and Forbearance Agreement.

16. "Secretary's Additional Gila River Diversion Points" means those Diversion points, in addition to or in lieu of GX, located in New Mexico upstream from all the Diversion Points, at which the Secretary as Authorized Diverter, in accordance with the NM Consumptive Use and Forbearance Agreement, may Divert surface water from the mainstem of the Gila River as further provided in Sub-term 1.10.

17. "Secretary's Additional San Francisco River Diversion Points" means those Diversion points, in addition to or in lieu of SY, located in New Mexico, at which the Secretary as Authorized Diverter, in accordance with the NM Consumptive Use and Forbearance Agreement, may Divert surface water from the mainstem of the San Francisco River as further provided in Sub-term 1.11.

18. "Secretary's Remote Diversion Points" means those Diversion points, located in New Mexico, at which the Secretary as Authorized Diverter, in accordance with the NM Consumptive Use and Forbearance Agreement, may Divert water from the Gila River, the San Francisco River, or both, regardless of whether the Diversions are from the surface waters of those rivers, as further provided in Sub-term 1.12.

19. "San Francisco River" means the San Francisco River, its tributaries and underground water sources. The San Francisco is a tributary of the Gila River at or above Ashurst-Hayden Diversion Dam, but is not included in the definition of "Gila River" for purposes of this Agreement.

20. "Sub-term" means a sub-term of the Terms of New Mexico Diversion.

21. "Sum of the Available Flows" has the meaning set forth in Sub-term 1.6.

22. "SY" means the Diversion point located upstream from the Arizona/New Mexico boundary at which the Secretary as Authorized Diverter may Divert surface water from the mainstem of the San Francisco River in accordance with the NM Consumptive Use and Forbearance Agreement, which point the Secretary as Authorized Diverter must identify before water may be Diverted from the San Francisco River.

23. "Terms of New Mexico Diversion" shall be the terms, stated in section B of this Exhibit, governing the conditions and requirements for the Secretary as Authorized Diverter's Diversions of water pursuant to and in accordance with the NM Consumptive Use and Forbearance Agreement. "Term" shall be one such term.

24. "Upper Valleys Daily Demand" means the daily demand in CFS of diversion rights pursuant to the Globe Equity Decree with Diversion Points upstream from the San Carlos Reservoir, including the daily demand of the San Carlos Apache Tribe, all as determined in accordance with Sub-term 1.1.

B. <u>Terms</u>.

1. The NM Daily Diversion Right on a NM Diversion Day shall be determined as follows:

1.1 The Upper Valleys Daily Demand shall, at the option of the Secretary as Authorized Diverter, be either the amount in the table in Term 1.1.1 or the amount calculated in accordance with Sub-term 1.1.2.

1.1.1 <u>Table of the Upper Valleys Daily Demand</u>.

For NM Diversion Days in the month of:	Upper Valleys Daily Demand (CFS)
January	82.5
February 1-13	137.5
February 13-28/29	215.0
March	292.5
April	432.5
May	437.5
June	442.5
July	442.5
August	442.5

September	442.5
October	267.5
November	152.5
December	75.5

1.1.2 The Upper Valleys Daily Demand shall be the sum of the following calls, in the amounts as called as of 8:00 am Arizona time on the NM Diversion Day:

1.1.2.1 The call under the Globe Equity Decree for the Duncan-Virden Valley for the day following the NM Diversion Day; plus

1.1.2.2 The call under the Globe Equity Decree for the Safford Valley for the day two days following the NM Diversion Day; plus

1.1.2.3 The call under the Globe Equity Decree for the San Carlos Apache Tribe for the day two days following the NM Diversion Day.

1.2 The Additional Arizona Rights shall be all rights that satisfy all of the following conditions:

1.2.1 such rights must be to appropriable water of the Gila River and the San Francisco River in Arizona that have been adjudicated by a court decree;

1.2.2 such rights must not be rights that have been adjudicated by Globe Equity Decree as of the date of enactment of the Arizona Water Settlements Act;

1.2.3 such rights must not be the rights of Phelps Dodge to divert up to 3,000 acre feet of surface water in Arizona from the San Francisco River or Eagle Creek as described in Sub-terms 1.9.3.1 through 1.9.3.4.

1.2.4 the priority of such rights must be earlier than September 30, 1968; and,

1.2.5 the holders of such rights must, absent the provisions of the NM Consumptive Use and Forbearance Agreement, be in position, directly or indirectly, to require that the Secretary as Authorized Diverter not Divert water from the Gila River and/or San Francisco River at locations GX, SY, the Secretary's Additional Gila River Diversion Points, the Secretary's Additional San Francisco Diversion Points and the Secretary's Remote Diversion Points to the extent such Diversions by the Secretary as Authorized Diverter would interfere with such rights.

1.3 The additional Arizona daily demand (the "Additional Arizona Daily Demand") shall be the sum of the following:

1.3.1 The Calls for water made pursuant to the Additional Arizona Rights for the day following the NM Diversion Day for such rights located upstream of gage station No. USGS 09448500 located on the Gila River at the head of Safford Valley, near Solomon, or upstream from gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona, and

1.3.2 The Calls for water made pursuant to the Additional Arizona Rights for the day two days following the NM Diversion Day for such rights located downstream of gage station No. USGS 09448500 located on the Gila River at the head of Safford Valley, near Solomon, or downstream from gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona.

1.4 The New Mexico Share shall be fifty percent (50%) of the Additional Arizona Daily Demand, but not more than forty (40) CFS; provided that the New Mexico Share shall not include any demand associated with water rights created by a settlement that were not previously recognized by a court decree. This Sub-term does not apply to the severance and transfer of decreed water rights not resulting from a settlement.

1.5 The Daily Diversion Basis shall be the sum of (a) the New Mexico Share and (b) the Upper Valleys Daily Demand, calculated on a daily basis for each NM Diversion Day.

1.6 If the sum of the flows as of 8:00 a.m. on the NM Diversion Day at gage station No. USGS 09430500 on the Gila River above Gila, New Mexico, and gage station No. USGS 09444500 on the San Francisco River at Clifton, Arizona, (the "Sum of the Available Flows") exceeds the Daily Diversion Basis (the "NM Excess"), the NM Daily Diversion Right, subject to the conditions stated in Sub-term 1.8, shall be the amount calculated in accordance with Sub-term 1.7; otherwise the NM Daily Diversion Right shall be zero (0) CFS.

1.7 For the months of January, February, March, April, October, November, and December, the NM Daily Diversion Right shall be computed by multiplying the NM Excess by 0.80. For the months of May, June, July, August, and September, the NM Daily Diversion Right shall be computed by multiplying the NM Excess by 0.75.

1.8 Notwithstanding any calculation made pursuant to Sub-term 1.7, the NM Daily Diversion Right shall not be exercised so as to cause the Secretary as Authorized Diverter to Consumptively Use more than one hundred forty (140,000) acre-feet of water in any period of ten (10) consecutive Years.

1.9 The Secretary as Authorized Diverter may Divert surface water from the Gila River at GX and from the San Francisco River at SY, subject to all of the following conditions:

1.9.1 The sum of the Diversions at GX and SY may not exceed the NM Daily Diversion Right.

1.9.2 The water flow in the Gila River, as measured at gage station No. USGS 09432000 located on the Gila River Below Blue Creek, Near Virden, New Mexico, following the Diversion at GX, may not be less than 120% of the call under the Globe Equity Decree for the Duncan-Virden Valley for the day following the NM Diversion Day.

1.9.3 The water flow in the San Francisco River, computed as the sum of the flow as measured at gage station No. USGS 09444000 located on the San Francisco Near Glenwood, New Mexico, and the flow as measured at gage station No. USGS 09444200 located on the Blue River Near Clifton, Arizona, may not, on any day when the Secretary as Authorized Diverter is Diverting water from the San Francisco River at SY, be less than 120% multiplied by the following: (i) three (3) CFS during any day in April through October, or (ii) thirty (30) CFS during any day in any other month. The condition in this Sub-term 1.9.3 will not apply under the following circumstances:

1.9.3.1 In any April, May, June, July, August, September, or October, to the extent that Phelps Dodge has previously Diverted sixty (60) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.2 In any November or March, to the extent that Phelps Dodge has previously Diverted six hundred (600) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.3 In any December, January, or February, to the extent that Phelps Dodge has previously Diverted one thousand (1,000) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such month.

1.9.3.4 In any Year to the extent that Phelps Dodge has previously Diverted three thousand (3,000) acre-feet of water from the San Francisco River in Arizona or Eagle Creek, or any combination thereof, exclusive of Phelps Dodge's Diversions from Eagle Creek of imported groundwater or exchange water, during such Year.

1.9.4 If the Secretary as Authorized Diverter must reduce its NM Daily Diversion Right from the San Francisco River due to the parameters stated in Sub-term 1.9.3, then fifty percent (50%) of the amount the Secretary as Authorized Diverter is prevented from Diverting under Sub-term 1.9.3, or ten (10) CFS, whichever is less, shall count toward the forty (40) CFS cap in Sub-term 1.4.

1.9.5 If GX is located more than fifteen (15) miles downstream from gage station No. USGS 094305o on the Gila River above Gila, New Mexico, the flow on the NM Diversion Day as of 8:00 a.m. at GX may not be less than one hundred thirty-five percent (135%) of the flow as of 8:00 a.m. at such gage station.

1.9.6 The Secretary as Authorized Diverter, in its sole discretion, may Divert any amount of water up to the NM Daily Diversion Right, but is not required to Divert any water.

1.9.7 The Secretary as Authorized Diverter shall report on a daily basis its Diversions to the Secretary as CAP Owner and to the Gila River Water Commissioner.

1.9.8 The Secretary as Authorized Diverter may not Divert more than four thousand (4,000) acre-feet of water in any Year from the San Francisco River at SY.

1.9.9 The Secretary as Authorized Diverter may not Divert either (a) underground water or (b) surface water from locations other than GX and SY unless the Secretary as Authorized Diverter complies with the applicable provisions of Sub-terms 1.10, 1.11, and 1.12.

1.10 On any NM Diversion Day, the Secretary as Authorized Diverter may Divert surface water from the mainstem of the Gila River at the Secretary's Additional Gila River Diversion Points subject to such conditions and parameters as may be agreed upon by the Technical Committee, or if the Technical Committee cannot unanimously agree, subject to all of the following conditions:

1.10.1 At least ninety (90) days before Diverting at any of the Secretary's Additional Gila River Diversion Points, the Secretary as Authorized Diverter must give written notice to all of the Parties and the Water Commissioner of the location of each such point;

1.10.2 The flow on the NM Diversion Day as of 8:00 a.m. at the Secretary's Additional Gila River Diversion Point closest to the Diversion Points may not be less than one hundred thirty-five (135%) of the flow on the NM Diversion Day as of 8:00 a.m. at gage station No. USGS 09430500 on the Gila River above Gila, New Mexico;

1.10.3 On any NM Diversion Day, the sum of the Secretary as Authorized Diverter's Diversions at all the Secretary's Additional Gila River Diversion Points and GX may not exceed what the Secretary as Authorized Diverter could have Diverted at GX if the Secretary as Authorized Diverter were not Diverting at the Secretary's Additional Gila River Diversion Points;

1.10.4 The water flow in the Gila River, as measured at gage station No. USGS 09432000 located on the Gila River Below Blue Creek, Near Virden, New Mexico, following the Diversion at the Secretary's Additional Gila River Diversion Points, may not be less than one hundred twenty percent (120%) of the call under the Globe Equity Decree for the Duncan-Virden Valley for the day following the NM Diversion Day; and

1.10.5 On any NM Diversion Day, the sum of the Secretary as Authorized Diverter's Diversions at (a) all the Secretary's Additional San Francisco River Diversion Points, (b) all the Secretary's Additional Gila River Diversion Points, (c) GX, and (d) SY may not exceed the NM Daily Diversion Right.

1.11 On any NM Diversion Day, the Secretary as Authorized Diverter may Divert surface water at the Secretary's Additional San Francisco River Diversion Points subject to such conditions and parameters as may be agreed upon by the Technical Committee, or if the Technical Committee cannot unanimously agree, subject to all of the following conditions:

1.11.1 At least 90 days before Diverting at any of the Secretary's Additional San Francisco River Diversion Points, the Secretary as Authorized Diverter must give written notice to all of the Parties and the Water Commissioner of the location of each such point;

1.11.2 On any NM Diversion Day, the sum of the Secretary as Authorized Diverter's Diversions at all the Secretary's Additional San Francisco River Diversion Points and SY may not exceed what the Secretary as Authorized Diverter could have Diverted at SY if the Secretary as Authorized Diverter were not diverting at the Secretary's Additional San Francisco River Diversion Points;

1.11.3 The Secretary as Authorized Diverter may not Divert at any of the Secretary's Additional San Francisco River Diversion Points if Sub-Term

1.9.3 would prohibit the Secretary as Authorized Diverter from Diverting at SY; and

1.11.4 On any NM Diversion Day, the sum of the Secretary as Authorized Diverter's Diversions at (a) all the Secretary's Additional San Francisco River Diversion Points, (b) all the Secretary's Additional Gila River Diversion Points, (c) GX, and (d) SY may not exceed the NM Daily Diversion Right.

1.12 On any NM Diversion Day, the Secretary as Authorized Diverter may Divert at the Secretary's Remote Diversion Points subject to the following conditions:

1.12.1 At least one hundred (180) days before seeking to Divert at any of the Secretary's Remote Diversion Points, the Secretary as Authorized Diverter must give written notice to all of the Parties and the Water Commissioner of the location of each such point;

1.12.2 Within such one hundred eighty (180) days, the Technical Committee established in Subparagraph 12.4 of the Agreement shall meet and attempt to agree on parameters that would permit the Secretary as Authorized Diverter to Divert water at the Secretary's Remote Diversion Points without putting the Parties (other than the Secretary) in a worse position than they would be if the Secretary as Authorized Diverter were only permitted to Divert surface water from the Gila River at GX and from the San Francisco River at SY; and

1.12.3 If the Technical Committee is not, within ninety (90) days, able to determine parameters allowing the Secretary as Authorized Diverter to Divert at the Secretary's Remote Diversion Points, the Secretary as Authorized Diverter or the NM CAP Entity may immediately begin the dispute resolution process set forth in Paragraph 11 of the Agreement, provided that no resolution may put the Parties (other than the Secretary) in a worse position than they would be if the Secretary as Authorized Diverter were only permitted to Divert surface water from the Gila River at GX and from the San Francisco River at SY.

1.13 If the Secretary as Authorized Diverter chooses to use the values in Sub-term 1.1.1 as the basis for the Upper Valleys Daily Demand, and is in compliance with all other terms in the NM Consumptive Use and Forbearance Agreement, the Secretary shall not be responsible for any failure to satisfy the Upper Valley Daily Demand.

1.14 If the Secretary as Authorized Diverter chooses to compute the Upper Valleys Daily Demand as provided in Sub-term 1.1.2, it shall be the responsibility of the Secretary as Authorized Diverter to bypass sufficient water to satisfy the Upper Valleys Daily Demand.

1.14.1 If the Secretary as Authorized Diverter chooses to compute the Upper Valleys Daily Demand as in Sub-term 1.1.2 during a week, and the Upper Valleys Daily Demand is not met during that week, the Secretary as Authorized Diverter shall during the following week bypass an additional amount equal to the deficit in calls for the previous week ("Make-up Water").

1.14.2 If the Secretary as Authorized Diverter does not bypass sufficient water to comply with Sub-term 1.14.1, the Secretary as Authorized Diverter shall as soon as such water is available, bypass an additional amount of water equal to one-hundred and fifty (150%) of the required Make-up Water (i.e., the Make-up Water plus an additional fifty percent (50%)).

1.1.4.3 The remedies provided in this Sub-term 1.14 shall not preclude or limit any other remedies that may be available to any of the Parties to the NM Consumptive Use and Forbearance Agreement or the UVDs.

Attachment 3.2 to NM Unit Agreement

DESCRIPTION OF THE NM UNIT

[To be developed at the time the NM Unit Agreement is negotiated]

EXHIBIT 6

EXAMPLES OF OPERATION OF NM CAP WATER BANK

Example 1

If the balance in the NM CAP Water Bank is projected to be fifty-five thousand (55,000) acre-feet as of December 31st of any Year, no more than fifteen thousand (15,000) acre-feet of NM CAP Water may be ordered. (The maximum amount of water that may be stored in the NM CAP Water Bank is 70,000 acre-feet. 70,000 acre-feet minus 55,000 acre-feet equals 15,000 acre-feet, which is less than the maximum of 18,000 acre-feet that may be ordered for delivery to downstream users for credit to the NM CAP Water Bank in any one year.). The amount of pre-banked water in the NM CAP Water Bank would be 70,000 acre-feet. The Secretary as Authorized Diverter could Consumptively Use only the annual maximum of sixty-four thousand (64,000) acre-feet in the following Year.

Example 2

If the balance in the NM CAP Water Bank is projected to be seventy thousand (70,000) acre-feet as of December 31st of any Year, no NM CAP Water may be ordered for Delivery to downstream users in the next Year for credit to the NM CAP Water Bank because of the seventy thousand (70,000) acre-feet limit in the NM CAP Water Bank. The Secretary as Authorized Diverter could Consumptively Use sixty-four thousand (64,000) acre-feet in the following Year.

Example 3

If the balance in the NM CAP Water Bank is projected to be two thousand (2,000) acre-feet as of December 31st of any Year, the maximum annual order of eighteen thousand (18,000) acre-feet of NM CAP Water may be ordered for Delivery to downstream users in the next Year for credit to the NM CAP Water Bank. The Secretary as Authorized Diverter could Consumptively Use twenty thousand (20,000) acre-feet in the following Year.

EXHIBIT 7

EXAMPLES OF OPERATION OF NM CAP MITIGATION WATER BANK

Example 1

a) the NM CAP Entity informs the Secretary as CAP Owner pursuant to Subparagraph 5.3 that it will pay for 18,000 acre-feet of NM CAP Water.
b) SCIP parties may not purchase NM CAP Water pursuant to Subparagraph 5.12 for the establishment of credits in the NM CAP Mitigation Water Bank because the 18,000 acre-foot annual limit for NM CAP Water deliveries is fully taken up by New Mexico.

Example 2

a) John Doe receives an enforceable Additional Arizona Right to 300 acre-feet of water from the mainstem of either the Gila River or the San Francisco River.
b) New Mexico informs the Secretary as CAP Owner pursuant to Subparagraph 5.3 that it will pay for 14,000 acre-feet of NM CAP Water.
c) SCIP parties have zero (0) credits in the NM CAP Mitigation Water Bank.
d) SCIP parties may purchase up to fifteen hundred (1,500) acre-feet. (5 x 300) of NM CAP Water pursuant to Subparagraph 5.12 for the establishment of credits in the NM CAP Mitigation Water Bank because the 18,000 acre-foot annual limit for NM CAP Water deliveries was not fully taken up by New Mexico.

Example 3

a) John Doe receives an enforceable Additional Arizona Right to 300 acre-feet of water from the mainstem of either the Gila River or the San Francisco River.
b) New Mexico informs the Secretary as CAP Owner pursuant to Subparagraph 5.3 that it will pay for 14,000 acre-feet of NM CAP Water.
c) SCIP parties have one thousand three hundred (1,300) acre feet of credits in the NM CAP Mitigation Water Bank.
d) SCIP parties may purchase up to two hundred (200) acre-feet. (5 x 300-1,300=200) of NM CAP Water pursuant to Subparagraph 5.12 for the establishment of credits in the NM CAP Mitigation Water Bank because the 18,000 acre-foot annual limit for NM CAP Water deliveries was not fully taken up by New Mexico.

Example 4

a) John Doe receives an enforceable Additional Arizona Right to 300 acre-feet of water from the mainstem of either the Gila River or the San Francisco River.
b) John Doe receives an enforceable Additional Arizona Right to 300 acre-feet of water from the mainstem of either the Gila River or the San Francisco River.
c) SCIP parties reduce their call by five (5) CFS for that run of water pursuant to sub-term 1.1 of Exhibit 2.30 (NM Risk Allocation Terms).

d) SCIP parties have fifteen hundred (1,500) acre-feet of credits in the NM CAP Mitigation Water Bank.
e) The Secretary as CAP Owner shall reduce the credits in the NM CAP Mitigation Water Bank by one thousand four hundred ninety and one-tenth (1,490.1) acre-feet of credits (1,500 acre feet of credits minus 5 CFS-day x 1.983471 acre-feet/CFS-day)

Example 5

a) John Doe has received an enforceable Additional Arizona Right to 300 acre-feet of water from the mainstem of either the Gila River or the San Francisco River.
b) Mary Poe receives a newly declared enforceable Additional Arizona Right to 11.700 acre-feet of water from the mainstem of either the Gila River or the San Francisco River.
c) New Mexico informs the Secretary as CAP Owner pursuant to Subparagraph 5.3 that it will pay for 2,000 acre-feet of NM CAP Water.
d) SCIP parties have fifteen hundred (1,500) acre-feet of credits in the NM CAP Mitigation Water Bank pursuant to earlier purchases as a result of John Doe's Additional Arizona Right.
e) SCIP parties may purchase up to sixteen thousand (16,000) acre-feet. NM CAP Water pursuant to Subparagraph 5.12 for the establishment of credits in the NM CAP Mitigation Water Bank (18,000 minus 2,000 subject to cap of 20,000 total credits in NM CAP Mitigation Water Bank – the lesser of 20,000 and 5 times 12,000)

EXHIBIT 11.3.1

FORM OF UV NON-SIGNATORY WAIVER

The undersigned, seeking to participate in a dispute, controversy or disagreement arising under that certain New Mexico Consumptive Use and Forbearance Agreement among the Gila River Indian Community, San Carlos Irrigation and Drainage District, the United States, Franklin Irrigation District, Gila Valley Irrigation District, Phelps Dodge Corporation, the Secretary of the Interior, and other parties located in the Upper Valley of the Gila River, dated September 2, 2004, hereby forever waives and permanently agrees not to assert any and all defenses as to the enforceability of such agreement against the undersigned based on the fact that the undersigned has not executed such agreement. The undersigned also hereby agrees to be bound by the terms of the New Mexico Consumptive Use and Forbearance Agreement in the same manner as if the undersigned had executed such agreement as a party thereto.

Dated:

_____

Name and address of person/entity executing this waiver