

**STORED WATER RECOVERY AND
CENTRAL ARIZONA PROJECT WATER EXCHANGE AGREEMENT
BETWEEN
CENTRAL ARIZONA WATER CONSERVATION DISTRICT
AND
THE GILA RIVER INDIAN COMMUNITY**

This STORED WATER RECOVERY AND CENTRAL ARIZONA PROJECT WATER EXCHANGE AGREEMENT (this "Agreement") is entered into as of January 31, 2019, by and between Gila River Indian Community, a federally recognized Indian community ("Community"), and ("CAWCD") a multi-county water conservation district and municipal corporation duly formed in accordance with the laws of the State of Arizona ("CAWCD"). Community and CAWCD are sometimes each referred to in this Agreement as a "Party" and collectively as the "Parties."

RECITALS

A. WHEREAS, pursuant to A.R.S. § 45-854.01, a holder of long-term storage credits may assign by sale or exchange all or a part of the holder's long-term storage credits;

B. WHEREAS, pursuant to that certain Purchase and Sale Agreement for long-term storage credits between the Gila River Water Storage, LLC ("GRWS") and CAWCD dated February 1, 2019 (the "LTSC Purchase and Sale Agreement"), GRWS agreed to sell to CAWCD for transfer into CAWCD's Central Arizona Groundwater Replenishment District Long-Term Storage Account No. 70.431120.0001 (the "CAWCD LTSA") 375,000 Pinal Active Management Area long-term storage credits (the "Stored Water Credits");

C. WHEREAS, A.R.S. § 45-834.01 allows long-term storage credits to be recovered pursuant to a recovery well permit;

D. WHEREAS, Community operates approximately 14 water production wells, which are indicated as "Gila River Indian Irrigation and Drainage District Wells" on the attached **Exhibit "A"** (the "GRIIDD Wells");

E. WHEREAS, CAWCD has or intends to submit to ADWR an Application for a Recovery Well Permit pursuant to A.R.S. § 45-834.01 (the "Recovery Permit"), which shall give Community the right to recover, on CAWCD's behalf, the Stored Water Credits from the GRIIDD Wells indicated as "Recovery Well DRW-11," "Recovery Well DRW-18," "Recovery Well DRW-12," "Recovery Well DRW-4," "Recovery Well DRW-5," "Recovery Well SW-35," "Recovery Well SW-21," "Recovery Well BW-1," "Recovery Well BW-2," "Recovery Well BW-3," "Recovery Well 8-1," "Recovery Well 8-2," "Recovery Well 8-3," and "Recovery Well SW-27" on the attached **Exhibit "A"**, as may be amended, to include any additional wells CAWCD and the Community agree should be permitted as recovery wells (collectively, the "Recovery Wells" and individually, a "Recovery Well");

F. WHEREAS, throughout the Term (defined in Section 2 hereof), CAWCD desires for

Community to recover, on CAWCD's behalf, 375,000 Stored Water Credits through the use of the Recovery Wells to pump the Stored Water Credits ("Recovered Water");

G. WHEREAS, pursuant to Section 204(b)(1)(B) of the Arizona Water Settlements Act of 2004, Pub. L. No. 108-451, 118 Stat. 3478 (the "Act"), the United States Department of Interior's Federal Register notice dated March 24, 1983, 48 Fed. Reg. 12446, and the Amended Central Arizona Project Water Delivery Contract between Community and the United States dated May 15, 2006, Community holds an annual entitlement of up to 191,200 acre-feet of CAP Indian Priority Water (as that term is defined in Subparagraph 2.27 of that certain Amended and Restated Gila River Indian Community Water Rights Settlement Agreement dated October 21, 2005 (Settlement Agreement));

H. WHEREAS, pursuant to Section 205(a)(2) of the Act, Community may, with the approval of the Secretary of the Interior, enter into contracts to exchange water to which Community is entitled under the Community Water Delivery Contract (as that term is defined in Section 2(18) of the Act), providing for the temporary delivery of such water to others for use within, among other places, Maricopa, Pima, and Pinal Counties;

I. WHEREAS, throughout the Term, CAWCD desires to exchange annually the Recovered Water for CAP Indian Priority Water to replenish groundwater and for the other uses described herein; and

J. WHEREAS, Community and CAWCD desire to enter into an agreement for recovery of the Stored Water Credits and the contemporaneous exchange of the Recovered Water for CAP Indian Priority Water.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, terms, and conditions set forth in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Incorporation of Recitals and Exhibits. The Recitals set forth in Paragraphs A through J above and the exhibits attached hereto are incorporated here by this reference as if fully set forth and are acknowledged and agreed to by the Parties.

2. Term. This Agreement shall become effective on January 1, 2020 (the "Effective Date"), and shall remain in effect through December 31, 2044 (the "Term").

3. Recovery Well Permit. CAWCD shall maintain the Recovery Well Permit in force and effect and shall seek to obtain amendments, extensions, or renewals thereof, as needed, for the duration of this Agreement.

4. Recovery Fee. CAWCD shall pay the long-term storage credit recovery fee payable to ADWR pursuant to A.R.S. § 45-874.01 at the rate established from time to time by ADWR for all Stored Water Credits recovered by Community from the Recovery Wells pursuant to this Agreement (the "Storage Credit Recovery Fee"). CAWCD shall pay any penalties assessed by

ADWR pursuant to A.R.S. § 45-874.01(D) for CAWCD's failure to pay the Storage Credit Recovery Fee when due.

5. Reports. At its sole expense, CAWCD shall file with ADWR all reports required of holders of recovery well permits, including, without limitation, the annual report required by A.R.S. § 45-875.01(D) (the "Annual Reports"). Community shall cooperate with CAWCD and provide assistance as reasonably requested by CAWCD necessary to complete and file with ADWR the Annual Reports. No later than February 15 of each year, Community shall submit to CAWCD the following information applicable to the preceding calendar year necessary for CAWCD to file the Annual Reports with ADWR: (i) Community registration number and location of each Recovery Well used to recover the Stored Water Credits; (ii) the total quantity of electricity consumed by each Recovery Well and the electricity consumed to withdraw the Recovered Water from each such Recovery Well; (iii) the total quantity of water withdrawn from each Recovery Well and the quantity of Recovered Water withdrawn from each Recovery Well; (iv) the total quantity of Stored Water Credits recovered; and (v) any other information reasonably requested by CAWCD for purposes of completing the Annual Reports.

6. Annual Scheduling.

6.1. By September 25 of each year of the Term (except for the last year of the Term), CAWCD and Community shall consult together to develop and agree on a written schedule for: (i) 15,000 acre-feet of Stored Water Credits to be recovered in the following calendar year, detailing the number of Stored Water Credits estimated to be recovered in each month of that same year, pursuant to this Agreement; and (ii) a corresponding per-month annual estimate of the 15,000 acre-feet of CAP Indian Priority Water to be delivered to CAWCD pursuant to this Agreement ("Annual Schedule").

6.2. The amounts of Stored Water Credits to be recovered and corresponding CAP Indian Priority Water to be exchanged and delivered pursuant to an Annual Schedule may be amended upon CAWCD's written request to the Community, provided that such amendment does not exceed 15,000 acre-feet per year.

6.3. In the event of a Time of Shortage as defined in subparagraphs 8.16.1.1 and 8.16.1.2 of the Settlement Agreement, the Parties shall cooperate in good faith to avoid any reductions in the quantity of Stored Water Credits to be recovered and exchanged. In the event such a reduction is necessary, the quantity of Stored Water Credits to be exchanged pursuant to subsections 6.1 and 6.2 may be reduced to an amount equivalent to the quantity of CAP Indian Priority water available to the Community, after consideration of previous leases or exchanges. In the event of such a reduction, or in anticipation of such a reduction, the Parties shall meet and confer to discuss methods to accomplish the exchange of the full quantity of Stored Water Credits as set forth in Recital B, including, but not limited to, an extension of the Agreement or an increase in the volume of Recovered Water and CAP Exchange Water allowed each year during the Term of this Agreement.

7. Recovery. Community shall pump the Recovered Water pursuant to the Recovery Well Permit. Community shall retain sole and absolute discretion concerning which Recovery Wells

shall be utilized to recover Stored Water Credits. In no event shall the quantity of water recovered under this Agreement exceed 15,000 acre-feet in a given year. Upon the exchange contemplated under Section 8 below, Recovered Water shall be for the sole use, benefit, and disposition of Community.

8. CAP Water Exchange. At its sole expense, upon transfer of the Stored Water Credits into the CAWCD LTSA, CAWCD shall promptly submit to ADWR a Notice of Water Exchange pursuant to A.R.S. § 45-1051. Throughout the Term, in each calendar year, Community shall contemporaneously exchange with CAWCD one acre-foot of CAP Indian Priority Water that would have otherwise been delivered for Community use in that year ("CAP Exchange Water") for each acre-foot of Recovered Water recovered pursuant to Section 7 above.

9. CAP Water Delivery Point. Unless otherwise agreed to by the Parties, CAP Exchange Water shall be delivered within the boundaries of the CAWCD's water service area, consisting of Maricopa, Pinal, and Pima Counties, as well as any other counties, or portions thereof, that may hereafter become part of CAWCD ("CAP Service Area") or to the storage facilities listed in **Exhibit "B"** hereof. The Parties may, from time to time, by mutual written agreement, designate additional points of delivery for the purpose of delivering CAP Exchange Water pursuant to this Agreement.

10. Water Recovery Charges; Disputed Charge(s) Defined.

10.1. Each calendar year ("Payment Year"), CAWCD shall pay Community a recovery charge ("Recovery Charge") for the recovery of Stored Water Credits in the preceding year (the "Recovery Year"). The Recovery Charge shall be based on Community's *actual* costs to recover Stored Water Credits in the Recovery Year, and shall be determined by adding the Per Acre-Foot Electrical Cost (as defined in subsection 10.1.1 below) and the Per Acre-Foot O&M Cost (as defined in subsection 10.1.2 below) and multiplying the sum by the number of Stored Water Credits recovered in the Recovery Year.

10.1.1. The Per Acre-Foot Electrical Cost shall be determined by dividing the total electrical cost *actually* incurred by Community to withdraw water from the Recovery Wells in the Recovery Year by the total number of acre-feet withdrawn from the Recovery Wells by Community in the Recovery Year and multiplying the quotient by the total number of Stored Water Credits recovered by Community in the Recovery Year pursuant to this Agreement.

10.1.2. The Per Acre-Foot O&M Cost shall be determined by dividing the total cost (not including electrical costs) *actually* incurred by Community to operate and maintain the Recovery Wells in the Recovery Year by the total number of acre-feet withdrawn from the Recovery Wells by Community in the Recovery Year and multiplying the quotient by the total number of Stored Water Credits recovered by Community in the Recovery Year pursuant to this Agreement. The Per Acre-Foot O&M Cost shall include ordinary and routine operations and maintenance costs only and shall not include "extraordinary costs" for well maintenance, repair, and

replacement, which shall not be reimbursable by CAWCD. For purposes of this subsection 10.1.2, "extraordinary costs" shall mean: (i) any costs to operate, maintain, and repair a Recovery Well in a Recovery Year in excess of 10 percent of the average cost to operate, maintain, and repair all operating GRIIDD Wells in the Recovery Year; or (ii) any costs associated with the following activities: (a) pump replacement and any labor charges associated therewith; (b) motor replacement and any labor charges associated therewith; and (c) drilling of a new well and any charges associated therewith. The foregoing notwithstanding, in no event shall the Per Acre-Foot O&M Cost in a Recovery Year exceed the amount the Community charges any other water user in that same Recovery Year for ordinary and routine operation and maintenance costs related to the Recovery Wells.

10.1.3. Community shall provide CAWCD with calculations and all documentation reasonably requested by CAWCD to substantiate the *actual* Per Acre-Foot Recovery Cost and to demonstrate the basis for the amounts claimed.

10.2. On or before January 31 of each Payment Year, Community shall submit to CAWCD an invoice for the Recovery Charge, which shall be paid by CAWCD on or before the thirtieth day following the date on which the invoice was postmarked, or if such day is not a business day, on the next succeeding business day.

10.3. In the event of a *bona fide* dispute concerning the validity of a charge under this Agreement (a "Disputed Charge" or "Disputed Charges"), CAWCD shall notify Community of the Disputed Charge pursuant to Section 22 hereof on or before the fifteenth day following the day on which the invoice that is the subject of the Disputed Charge was postmarked, or if such day is not a business day, on the next succeeding business day. The Parties shall meet in good faith to resolve all Disputed Charges. Upon resolution of a Disputed Charge, all amounts, if any, due Community pursuant to this Section 10 shall be paid by CAWCD within ten business days of resolution. Any Disputed Charges, which the Parties are unable to resolve pursuant to this Subsection 10.3, shall be resolved in accordance with Section 19 below.

11. Budgeting. Except for the last year of the Term, by no later than April 30 of each Payment Year, Community shall provide to CAWCD a written statement setting forth Community's reasonable, good faith estimate of the Per Acre-Foot Electrical Cost and Per Acre-Foot O&M Cost for the Payment Year. The estimate referenced in the immediately preceding sentence is for budgeting purposes and shall not be binding on Community.

12. CAP Water Delivery Charges. Using the applicable Annual Schedule as the basis, throughout the Term (except for the last month of the Term), each month (the "Payment Month"), CAWCD shall pay all CAP water delivery charges estimated to be assessed by it for delivery of the CAP Exchange Water in the following calendar month (the "Exchange Month"), which charges shall be determined by adding the per acre-foot Fixed OM&R component (as determined with reference to CAWCD's Final Rate Schedule applicable to the year in which the CAP Exchange Water is delivered) and the per acre-foot Pumping Energy Rate 1 component (as determined with

reference to CAWCD's Final Rate Schedule applicable to the year in which the CAP Exchange Water is delivered) and multiplying the sum by the number of acre-feet of CAP Exchange Water estimated to be delivered in the Exchange Month (the "Delivery Charge").

13. Notification to CAWCD. On or before October 1 of each year, Community shall provide CAWCD with notification of the quantity of CAP Exchange Water to be delivered to CAWCD pursuant to Section 8 hereof. This notice shall include the total and monthly amounts of CAP Exchange Water to be delivered to CAWCD during the following year along with a preliminary schedule of CAP Exchange Water for the succeeding two years.

14. Use of CAP Exchange Water. CAWCD may use CAP Exchange Water for any legal purpose and may sell, trade, or otherwise convey CAP Exchange Water; provided such sale, trade, or conveyance is not prohibited by state or federal law or Community contracts with CAWCD. CAWCD shall not sell, trade, or otherwise convey CAP Exchange Water without the prior written consent of Community, which consent shall not be unreasonable withheld.

15. Location of Use. The CAP Exchange Water may be used by CAWCD or any party to which CAP Exchange Water has been sold, traded, or otherwise conveyed pursuant to Section 14 above in Maricopa, Pima, and Pinal Counties.

16. No Waiver of Water Rights. Nothing in this Agreement shall constitute a waiver, relinquishment, abandonment, or forfeiture of Community's water rights.

17. Quality of Water. Neither Party makes any representations or warranties as to the quality of the Recovered Water or CAP Exchange Water. **CAWCD and Community understand, acknowledge, and agree that Recovered Water and CAP Exchange Water will be delivered "As Is."** Each Party waives its right to make a claim against the other Party with respect to any matter relating to or arising from the quality of surface or underground water as a result of this Agreement, except to the extent such effect on water quality is the result of the other Party's negligence or wrongful action or inaction.

18. Limitation on Liability. Each Party to this Agreement is solely responsible for its own negligence, misrepresentation, or wrongdoing. Except to the extent of an award issued against the other Party pursuant to Section 19 below, each Party to this Agreement shall be responsible for and pay its own expenses, damages, costs, attorneys' fees, judgments, settlement amounts, or other charges incurred by such Party under or as a result of this Agreement. Neither Party shall have responsibility for, nor shall either Party be liable for, the other Party's liabilities, losses (including, without limitation, lost profits, lost opportunity, or diminution in the value of its property), costs, obligations, demands, suits, damages (including, without limitation, consequential or punitive damages), fines, assessments, or penalties arising from or in connection with this Agreement.

19. Dispute Resolution. Disputes arising between the Parties with respect to this Agreement shall be resolved in accordance with **Exhibit "C"** (Dispute Resolution), which is incorporated here by this reference as if fully set forth and is acknowledged and agreed to by the Parties.

20. Time of the Essence. Time is of the essence in the performance of this Agreement.

21. Governing Law. This Lease Agreement shall be governed by Federal law and, if and to the extent applicable, laws of the State of Arizona.

22. Notices. Any notice, demand, or request provided for in this Agreement, or served, given, or made in connection with it, shall be in writing and shall be given by: (i) personal delivery; (ii) national overnight delivery service; or (iii) United States Mail, certified mail, return receipt requested, postage prepaid. Notices shall be delivered or addressed to the addresses set forth below or at such other address as CAWCD or Community, as the case may be, may designate in writing. The date a notice shall be deemed to have been given, received, and become effective shall be: (a) the date on which the notice is delivered or refused, if notice is given by personal delivery or delivery by a national overnight delivery service; or (b) three days following the date of deposit in the mail, if the notice is sent by certified United States Mail, return receipt requested and postage prepaid. Subject to Section 6 hereof, no notice shall be deemed effective unless sent to the following entities at the following addresses:

If to Community: Gila River Indian Community
 Att'n: General Counsel
 Post Office Box 97
 525 W. Gu u Ki
 Sacaton, Arizona 85147

If to CAWCD: CAWCD
 Att'n: General Manager
 P.O. Box 43020
 Phoenix, AZ 85080-3020

If to the United States:

The Secretary of the Interior
Department of the Interior
1849 C Street, N.W., Mailstop 4100-MIB
Washington, D.C. 20240

Regional Director
Western Region Office
Bureau of Indian Affairs
2600 N. Central Avenue, 4th floor
Phoenix, Arizona 85004

Regional Director
Bureau of Reclamation
Lower Colorado Region
P.O. Box 61470
Boulder City, Nevada 89006-1470

Either Party may at any time, by notice to the other Party, change the designation or address of the

person specified as the one to receive notices pursuant to this Agreement.

23. Specific Performance. The Parties agree that if a Party fails to perform its obligations under this Agreement, other remedies will not be sufficient, and the Parties agree that, in addition to other available remedies, the remedy of specific performance shall be available to the aggrieved Party.

24. Remedies Cumulative. All rights or remedies of the Parties under this Agreement shall be cumulative and not exclusive. All remedies available under this Agreement shall be in addition to any and all remedies at law or in equity.

25. Survival of Termination. Termination or completion of this Agreement shall not relieve either Party of any obligation under this Agreement which expressly or by implication survives termination of this Agreement.

26. Amendments and Modifications; Entire Agreement. This Agreement may not be amended except by written instrument signed by both Parties. Provided, however, that any such amendments shall not be effective unless and until approved by the Secretary. This Agreement and the LTSC Purchase and Sale Agreement constitute the entire agreement of the Parties with respect to the subject matter thereof and supersede all prior written and oral agreements, understandings, and negotiations between the Parties with respect to the subject matter thereof. In the event of any conflict between the terms appearing in this Agreement and the terms appearing in the LTSC Purchase and Sale Agreement regarding the recovery and exchange operations contemplated hereunder, the terms appearing in this Agreement shall prevail.

27. No Waiver. No delay in exercising any right or remedy shall constitute a waiver unless such right or remedy is waived in writing signed by the waiving Party. A waiver by any Party of any right or remedy hereunder shall not be construed as a waiver of any other right or remedy, whether pursuant to the same or a different term, condition, or covenant.

28. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. All signatures need not be on the same counterpart.

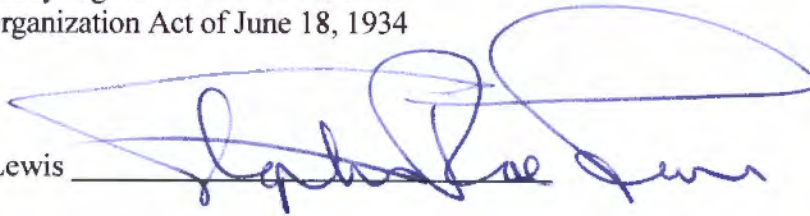
29. Authorizations. The signatories to this Agreement represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign and that no further action or approvals are necessary before execution of this Agreement.

IN WITNESS WHEREOF, the authorized representatives of Community and CAWCD have executed this Agreement, as set forth below.

(signature pages follow)

GILA RIVER INDIAN COMMUNITY,
an Indian Community organized under Section 16
of the Indian Reorganization Act of June 18, 1934

By: Stephen R. Lewis

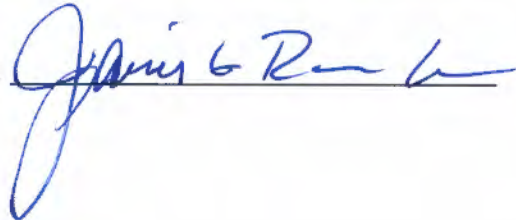


Title: Governor


Date:

5-20-2019


Approved as to form:

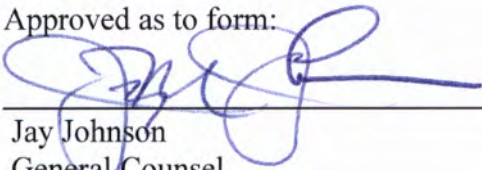


CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
a multi-county conservation district and
municipal corporation duly formed in accordance with the laws
of the State of Arizona

By: 
Lisa A. Atkins
President

DATE: 20 May, 2019

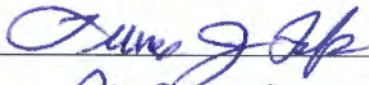
Attest:

Sharon Megdal
Secretary

Approved as to form:

Jay Johnson
General Counsel

Pursuant to Sections 204(b)(2) and 205(a)(2) of Public Law 108-451, the foregoing Lease Agreement for CAP Water between Central Arizona Water Conservation District and the Gila River Indian Community is hereby approved.

THE UNITED STATES OF AMERICA

BUREAU OF RECLAMATION

By: 
Its: Regional Director
Date: May 20, 2019

THE UNITED STATES OF AMERICA

BUREAU OF INDIAN AFFAIRS


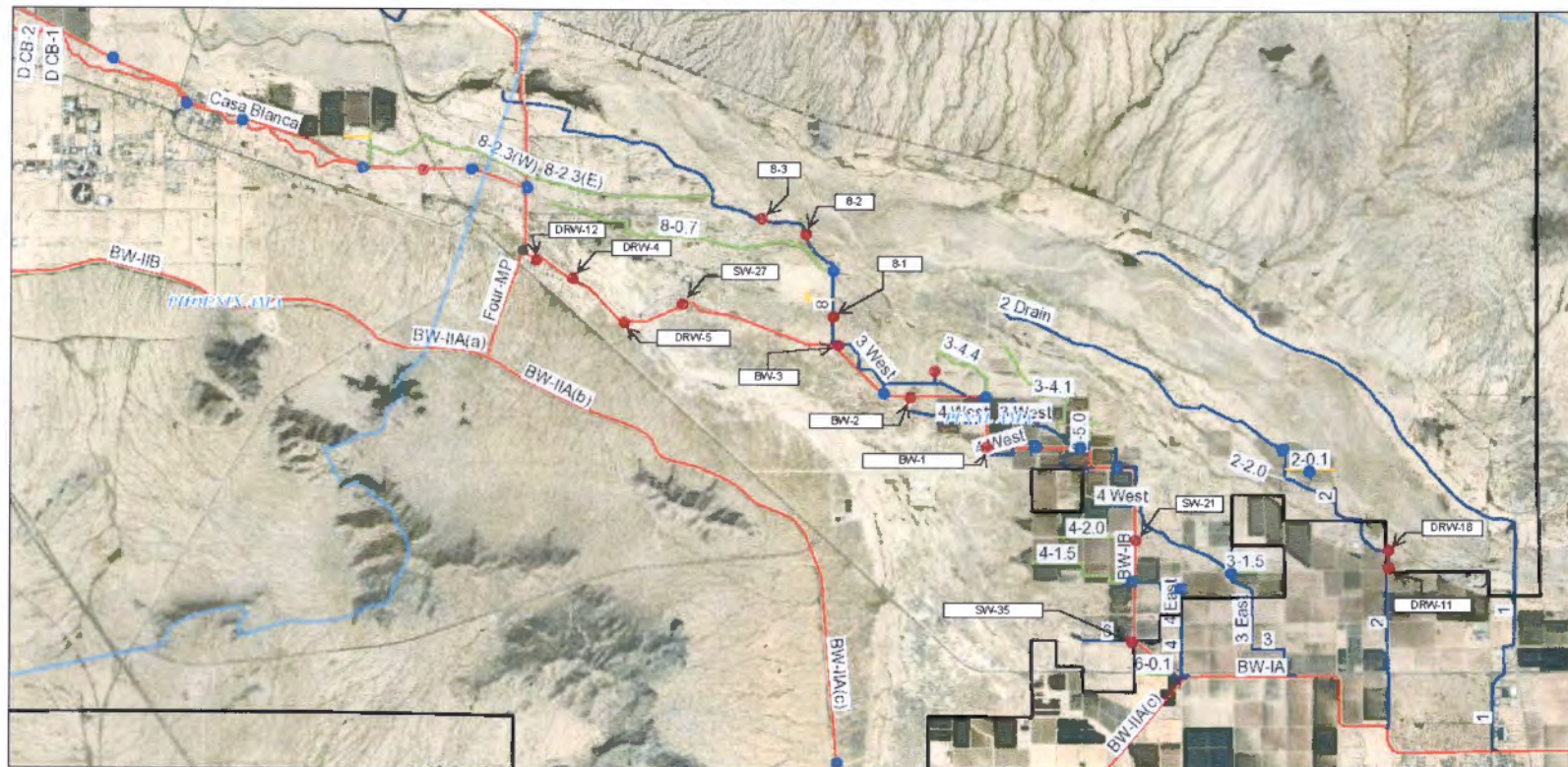
By: 
Its: Regional Director
Date: 6/4/19

EXHIBIT "A" GRIDD RECOVERY WELLS

GRIC Recovery Wells Within Pinal AMA



April 10, 2019

Irrigation Wells (02-22-2019)

- GRIDD
- SCIP
- AMA Boundaries
- Community Boundary
- Canals (02-21-2019)
- Drain
- Lift Station
- Primary
- Secondary
- Tertiary
- Quaternary

1:72,224

0 0.75 1.5 3 mi

0 1.25 2.5 5 km

Keller-Bilfinger Engineering
KB
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics,
CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User
Community

Pima-Maricopa Irrigation Project

EXHIBIT "B"

Facility Name	Water Storage Permit No.
Agua Fria Recharge Project (Constructed)	73-569776.0000
Agua Fria Recharge Project (Managed)	73-569775.0000
Hieroglyphic Mountain Recharge Project	73-584466.0000
Kai Farms	73-558092.0201
Lower Santa Cruz Recharge Project	73-561366.0000
Maricopa Water District	73-558246.0800
New-Magma Irrigation and Drainage District	73-534888.0101
Pima Mine Road Recharge Project	73-577501.0100
Queen Creek Irrigation and Drainage District	73-534550.0400
Superstition Mountain Recharge Project	73-207702.0001
Tonopah Desert Recharge Project	73-593305.0001
Tonopah Irrigation District	73-534439.0001

EXHIBIT "C"
[DISPUTE RESOLUTION]

The Parties agree that the following procedures shall govern the resolution of disputes arising under this Agreement.

1. **Amicable resolution.** The Parties shall attempt to resolve all claims, disputes, controversies, or other matters in question between the Parties arising out of, or relating to, this Agreement ("Dispute") promptly, equitably, and in a good faith manner.
2. **Submission to arbitration.** Either Party may submit any Dispute that cannot be resolved between the Parties to arbitration by written notice to the other Party.
3. **Notice of arbitration.** The notice of arbitration shall specify with particularity the nature of the Dispute, the particular provisions of this Agreement that are at issue, and the proposed relief sought by the Party seeking arbitration.
4. **Appointment of arbitrators.** The arbitration shall be conducted before a panel composed of three (3) arbitrators, each of whom shall be a person familiar, by profession or experience, with the issues in controversy. Within fourteen (14) days after delivery of a notice of arbitration, each Party shall appoint an arbitrator, obtain its appointee's acceptance of such appointment, and deliver written notification of such appointment and acceptance to the other Party. If a Party fails to provide timely written notification of such appointment and acceptance to the other Party, the other Party may seek to have an arbitrator appointed for the other Party by the American Arbitration Association ("AAA") pursuant to AAA Rules and Procedures. Within fourteen (14) days of being appointed, the two (2) Party-appointed arbitrators shall jointly appoint the third (who shall be the chairperson), and shall obtain the acceptance of such appointment and deliver written notification of such appointment and acceptance to the Parties. If the two (2) arbitrators fail timely to provide such written notification to the Parties of the appointment and acceptance of the third arbitrator, then either Party may seek to have the third arbitrator appointed by the AAA pursuant to AAA rules and procedures.
5. **Disqualification of an arbitrator.** 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.
6. **Time.** Time is of the essence in the resolution of Disputes pursuant to this Exhibit "C". All deadlines established herein shall be strictly enforced by the arbitrators and the Parties.
7. **Submission of evidence.** Each Party 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 a Party.
8. **Arbitral 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, if held, must be held within sixty (60) calendar days after written notice of the arbitration request has been received by a Party.

9. **Conduct of arbitration.** The arbitrators shall comply with and follow to the extent possible the AAA Rules and Procedures with respect to impartiality and independence, and shall render an independent, impartial review of the claim(s) presented, and each arbitrator shall act independently and shall not be either Party's representative. The arbitrators' deliberations are confidential and shall not be disclosed to third parties. Each arbitrator shall be disqualified as a witness, consultant, or expert for either Party in any Dispute. No written communication shall be between the arbitrators and a Party without the other Party receiving a copy of such written communication, and no oral communications shall take place without the other Party being present.
10. **Arbitral award.** The arbitrators shall render a reasoned decision and award, by majority vote, no later than ninety (90) calendar days after written notice of the arbitration request has been received by a Party.
11. **Enforcement of arbitral award.** The arbitrators' decision will be final and binding on the Parties and will not be subject to appeal. The prevailing Party in such arbitration may seek enforcement of such award in any court of competent jurisdiction. Each Party agrees to submit to the jurisdiction of any such court solely for purposes of the enforcement of such arbitration decision and for no other purpose.
12. **Costs of arbitration.** The costs of the arbitration shall be shared equally by the Parties, but the Parties shall bear their own costs and attorneys' fees associated with their participation in the arbitration.
13. **Limited waiver of sovereign immunity.** Community hereby provides a strictly limited waiver of its sovereign immunity in any court of competent jurisdiction for the sole and exclusive purpose of enforcement of an arbitration award rendered pursuant to this Exhibit "C" and for no other purpose. The waiver of sovereign immunity provided by Community extends solely to CAWCD and to no other person or party.