

**OPERATION AND MAINTENANCE SERVICES AGREEMENT
(RCH Water Supply Corporation)**

THE STATE OF TEXAS §

COUNTY OF ROCKWALL §

THIS OPERATION AND MAINTENANCE SERVICES AGREEMENT (the “Agreement”) entered into as of July 18, 2023, by and between **RCH WATER SUPPLY CORPORATION**, a nonprofit water supply corporation created and operating pursuant to Chapter 67 of the Texas Water Code and Chapter 22 of the Business Organizations Code (“RCH”), and **AQUA OPERATIONS, INC.**, a Texas Corporation (“Aqua”). RCH and Aqua are sometimes referred to individually as a “Party” and collectively as the “Parties” under this Agreement.

W I T N E S S E T H:

- I. RCH is the owner and operator of a public water system (the “RCH System”) that provides retail water services to the customers located in its certificated water service territory in Rockwall County, as defined by CCN No. 10087 (the “RCH CCN”);
- II. RCH has selected Aqua as the sole exclusive party with which RCH will negotiate an Asset Purchase Agreement (“APA”) setting forth the terms and conditions pursuant to which RCH would sell and transfer, and Aqua would purchase and acquire, the RCH System assets to be identified in the APA (the “RCH System Assets”) and thereafter provide retail water service to customers within the RCH CCN;
- III. RCH desires to obtain services for the competent operation and maintenance of the RCH System until such time as the Parties close the conveyance of the RCH System or the APA otherwise terminates according to its terms; and
- IV. Aqua has agreed to provide interim operations and maintenance of the RCH System on behalf of RCH under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF the promises, covenants and consideration hereinafter set forth, the sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**I.
EXCLUSIVITY**

I. **60 Day Exclusive Negotiation Period.** For a period of not less than 60 days after the execution of this Agreement or any extension thereof mutually approved by the Parties (the “Exclusivity Period”), RCH will not, directly or indirectly, through any representative or otherwise, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept, or consider any proposal of any person or entity relating to the sale of the RCH System Assets, or any portion thereof, to a party other than Aqua. RCH agrees to notify Aqua, in writing, regarding any significant verbal or written contact between RCH and any other person or entity regarding any such offer or proposal or any related inquiry received during the Exclusivity Period.

II. **Waiver of Compensation During Exclusivity Period.** As more fully set forth in Article III below, Aqua shall operate and maintain the RCH System in accordance with the terms of this Agreement during the Exclusivity Period and for 30 days thereafter, and Aqua shall assume one-half of the costs of basic operation and maintenance (the “Aqua Share”) during such period, and RCH shall be responsible for payment to Aqua for the Aqua Share of operation and maintenance costs only if the Parties do not execute the APA prior to expiration of the Exclusivity Period.

III. **Waiver of Compensation After Exclusivity Period Upon Execution of APA.** As more fully set forth in Article III below, Aqua shall operate and maintain the RCH System in accordance with the terms of this Agreement

at no cost to RCH after the Parties execute the APA, and for so long as it remains in effect or until the Parties complete the sale and conveyance of the RCH System Assets, unless the APA terminates for one of the causes set forth in Article III below.

II. BASIC SERVICES

During the Exclusivity Period and thereafter until thirty (30) days after the APA terminates or the Parties close the transaction that is the subject of the APA (the "APA Contract Term"), Aqua shall provide the following Basic Services through a TCEQ licensed operator and on behalf of RCH for the RCH System:

I. OPERATION AND MAINTENANCE

- A. System Operations. Aqua shall provide trained, licensed and qualified personnel, vehicles and hand tools necessary for the routine operation of the RCH System in accordance with applicable regulatory requirements.
- B. System Inspection. Aqua shall monitor the facilities daily, including weekends and holidays as required by state regulations. Whenever Aqua employees are in RCH CCN service territory, they shall monitor for leaks, defects, damage and missing equipment and document such findings in bi-monthly reports to the RCH Board of Directors.
- C. Daily Maintenance. Aqua shall provide the trained, licensed and qualified personnel and hand tools for the routine maintenance tasks of the RCH System.
- D. Preventive Maintenance. Aqua shall perform all routine preventive maintenance on RCH System facilities in conformance with TCEQ regulations.
- E. Regulatory Reports. Aqua shall prepare and submit all routine monthly reports required by regulatory authorities and authorized by RCH to receive such reports.
- F. 24-hour Response. Aqua shall maintain a 24-hour telephone response line and dispatch service with qualified personnel to respond to RCH's customer problems and equipment malfunctions. Aqua shall notify all RCH customers of its system operations and provide contact information to all RCH members. Aqua shall dispatch personnel to respond to system concerns, emergencies, and repairs. Such response services are outside the scope of Basic Services, and RCH shall pay for such costs at the costs incurred by Aqua plus ten percent (10%).
- G. Computerized Alarm Monitoring. Aqua shall monitor RCH's facilities, including computer or automatically dialed telephone alarm systems programmed to call the Aqua 24-hour telephone dispatch service. Aqua will promptly respond to all such alarms, and will promptly notify RCH if the cause of such alarm may materially impact the provision of service to RCH's customers.
- H. Employee Identification. Aqua maintenance employees and service vehicles shall be readily identifiable to RCH's customers.
- I. Materials and Supplies. Aqua shall arrange for materials and supplies used to provide services under this Agreement.
- J. Installation and Water Inspections. Aqua shall inspect each new water connection to the RCH System to assure compliance with RCH's specifications and procedures, excluding plumbing inspections conducted by contractors retained by RCH for such purposes.

K. Meter Replacement and Installation.

1. Aqua will assist RCH in connection with the purchase and installation by RCH of a new automated meter reading (AMR) system, including replacement of existing customer meters. Without limitation, Aqua will assist RCH in identifying vendors from whom RCH may purchase the new AMR meters, and in identifying qualified contractors for installation of the new AMR meters purchased by RCH. RCH shall be solely responsible for purchase of the new meters and equipment, and retaining contractors for installation of the meters. In contemplation of the acquisition of the RCH System by Aqua under the APA, the Parties agree to cooperate in good faith to identify AMR meters that are compatible with Aqua's billing and AMR systems.

2. All new meters and installation materials shall conform to industry standards. All installation and inspection fees shall be collected from RCH's customers in advance, in accordance with RCH's Tariff.

3. Aqua will maintain permanent records of meter services installed by Aqua with such records being part of RCH's permanent records.

4. Standard 5/8" and 3/4" residential water meters will be installed to a visible curb stop set near grade level. Installation materials and meters will be billed in accordance with Schedule A rates for those services performed by Aqua.

5. Aqua shall inspect water taps and service lines for new standard residential sites excluding those inspections otherwise performed by contractors retained for such purposes by RCH (including plumbing inspections).

6. Aqua shall inspect non-standard commercial and residential water taps and service lines in accordance with Schedule A rates.

L. Meter Disconnects/Reconnects. Aqua shall terminate water service in accordance with RCH's Tariff or policies or when otherwise requested by RCH's Board of Directors. Meter disconnects/reconnects performed after normal business hours shall be charged at Schedule A rates.

M. Meter Removal/Reinstallation. Aqua shall remove or lockout a customer's water meter if service is restored by unauthorized personnel prior to the customer paying the amount owed to RCH or at the request of RCH's Board of Directors. Upon the customer's compliance with RCH's Tariff the meter will be reinstalled and service returned to normal.

N. Hydrant Surveys. Aqua shall inspect RCH's hydrants (if any) once each year.

O. Valve Surveys. Aqua shall inspect RCH's valves once each year.

P. Security. Aqua shall maintain the security of all electronic information that it maintains on behalf of RCH, including customer information, in accordance with accepted industry standards. Aqua shall also take reasonable precautions to maintain the security of all physical premises of RCH to which it has access. Aqua personnel shall ensure that all facilities are properly locked, that RCH equipment and property is not left in the public domain where it is subject to theft, and Aqua shall promptly notify the RCH Board of Directors of any security concerns and recommendations.

Q. Professional Conduct. The RCH System will be operated in a competent and professional manner.

R. Response to Customers. Customer inquiries and concerns will be handled in a courteous and professional manner.

- S. Personnel. Aqua shall provide competent, trained personnel. System supervisors and/or operators shall be licensed or certified by the appropriate state governmental authority. Field personnel shall be trained to be professional and courteous in dealing directly with RCH's customers.
- T. RCH Rules. RCH's rules regarding the distribution of water, as set forth in its Tariff, will be administered.
- U. Consultants. Aqua will coordinate with RCH's consultants, bookkeeper, financial advisors, attorneys, engineers, and auditor for efficient coordination of RCH activities. All records of RCH prepared or maintained at Aqua offices shall be made available to RCH's Board President, consultants, and attorneys.
- V. Regulatory Coordination. Aqua shall coordinate with applicable governmental agencies on matters related to the RCH System.
- W. RCH Meeting Attendance. Aqua will attend regular meetings of the Board of Directors of RCH to discuss items relating to the RCH System's operations. Aqua's representative(s) at each such meeting will have direct knowledge of RCH's on-going operations as appropriate. Reports detailing current operational status shall be presented at the regular monthly meeting.
- X. Operations Report. Aqua will provide at each regular monthly meeting of RCH an Operations Report that will contain the following:
 - 1. Average daily water flows.
 - 2. Summary of taps installed and inspections performed.
 - 3. Informational reports relating to compliance status of the RCH System.
 - 4. Statistics relating to overall System operations, as appropriate.
 - 5. Correspondence to regulatory authorities as appropriate.
 - 6. Records regarding equipment repairs and replacements.
 - 7. Abnormal change in condition or operation of RCH's equipment, needed repairs and recommendations as to the repair of such equipment.
- Y. Blackland Interconnect. RCH has approved and is pursuing an interconnect with Blackland WSC. To the extent necessary, Aqua shall assist RCH with the Blackland WSC interconnect but shall be under no obligation to incur any costs or expenses in connection therewith.

II. EXCLUDED SERVICES, SUPPLIES AND MATERIALS

- A. Financial and Accounting Service. The Parties agree that Aqua shall not be responsible for RCH's customer billing, meter reading, bookkeeping, accounting, investment, bill payment and other financial services. Notwithstanding the foregoing, Aqua agrees to assist RCH in identifying a qualified contractor to provide such financial services. RCH shall be responsible for all costs and expenses associated with the financial services, including payment of fees to the third party contractor retained by RCH. Aqua agrees to fully cooperate with RCH and its bookkeeper as part of the Basic Services to be provided hereunder. Without limitation, Aqua will coordinate with the bookkeeper to prepare an operations budget for review and approval by RCH each year as part of RCH's annual budgeting process.

- B. Other Excluded Services. Except as otherwise agreed by the Parties, all services that are not identified as Basic Services under this Agreement shall not be undertaken by Aqua, and RCH shall remain responsible therefor. Without limitation, Aqua shall not be responsible for funding or construction of expansions to the RCH System, or securing additional water supplies for the RCH System.
- C. Excluded Supplies and Materials. Except as specifically set forth herein, RCH shall be solely responsible for purchasing and providing all supplies and materials required for Aqua to conduct the operation and maintenance services hereunder, including purchasing of materials. In the event that RCH is unable to provide any supplies or materials when required for Aqua to perform services, then Aqua may purchase or otherwise furnish the supplies and materials, and RCH shall reimburse Aqua's actual costs within thirty (30) days after receipt of a written invoice for payment.

III.

COMPENSATION FOR SERVICES DURING THE EXCLUSIVITY PERIOD AND APA CONTRACT TERM

- A. Compensation for Basic Services. RCH shall compensate Aqua for Basic Services rendered under this Agreement in accordance with the terms of this Article III.
- B. Waiver of Compensation for Basic Operations Services During Exclusivity Period. Aqua shall not bill, and RCH shall not be responsible for payment, for the Aqua Share of basic operation and routine maintenance costs during the Exclusivity Period and for a thirty day period thereafter. The total share of basic operation and routine maintenance costs for which RCH is responsible during such period (the "*RCH Share*") shall not exceed \$10,500 per month, and shall be equal to the sum of the following: (i) one-half of the actual costs incurred by Aqua retaining a third party operator (which cost for RCH shall not exceed \$9,300 per month), plus (ii) \$1,200 per month, which represents one-half of Aqua's monthly costs to provide monthly supervision and administration services. RCH shall provide payment of an invoice for the RCH Share of basic operation and routine maintenance costs rendered during this period within thirty (30) days after receipt of a written invoice for payment. Prior to execution of the APA, the Parties shall determine whether to continue or modify these compensation terms.
- C. Waiver of Payment for Services If Parties Execute APA. In the event that the Parties execute the APA prior to expiration of the Exclusivity Period, Aqua shall waive its right to receipt of payment of the Aqua Share of the basic operation and routine maintenance costs during the Exclusivity Payment and thirty days thereafter, and RCH shall not be responsible for payment of the Aqua Share of the costs of all Basic Services rendered by Aqua during such 90 day period.
- D. Payment Due and Payable if APA Not Executed. In the event that the Parties do not execute the APA prior to expiration of the Exclusivity Period, then Aqua shall send a written invoice for payment to RCH for the Aqua Share (and RCH Share to the extent such share has not been previously paid) of all costs and expenses for basic operation and routine maintenance services rendered during the Exclusivity Period and thirty days thereafter. The invoice shall be in an amount equal to the sum of the following: (i) the actual costs incurred by Aqua retaining a third party operator for basic operation and routine maintenance services (which invoiced sum shall not exceed \$18,600 per month), plus (ii) \$2,400 per month for Aqua supervision and administration services. RCH shall provide payment of the invoiced sum in full within thirty (30) after receipt of the written invoice.
- E. Waiver of Payment for Services During the APA Contract Term. Except as otherwise agreed by the Parties prior to execution of the APA, Aqua shall waive its right to payment during the APA Contract Term for basic operation and routine maintenance services, and RCH shall not be responsible for payment to Aqua, for all such basic operation and routine maintenance services rendered by Aqua during the APA Contract Term. Notwithstanding the foregoing, if the APA terminates due to RCH's breach of its obligations under the APA, otherwise due to the fault or negligence of RCH, or a court or regulatory authority with relevant jurisdiction renders a decision that prevents RCH from conveying the RCH System Assets to Aqua (including a decision that conveys the assets to a third party), then RCH

shall be responsible for payment of the basic operation and routine maintenance services rendered by Aqua during the APA Contract Term. In such an event, Aqua shall send a written invoice for payment to RCH for all costs and expenses incurred by Aqua for services rendered during the APA Contract Term. The invoice shall be in an amount equal to Aqua's actual costs and expenses for services rendered, plus ten percent (10%). Aqua shall include supporting information in reasonable detail substantiating its costs and expenses. RCH shall provide payment of the invoiced sum in full within thirty (30) after receipt of the written invoice.

F. Non-Waiver for Additional Services. Notwithstanding any provision in this Agreement to the contrary, the Parties agree that the waiver of compensation provisions set forth in this Agreement relate only to basic operation and routine maintenance services, and shall not apply to additional services rendered by Aqua. All costs incurred by Aqua for services that are not basic operation and routine maintenance shall be billed to RCH at Aqua's cost plus ten percent (10%). For instance, in the event of water line breaks or equipment failures, RCH shall reimburse all costs and expenses incurred by Aqua for such additional services plus ten percent (10%). Aqua shall send a written invoice for payment to RCH for all costs and expenses incurred by Aqua for non-basic operation and non-routine maintenance services rendered during the term of this Agreement, including during the APA Contract Term. The invoice shall be in an amount equal to Aqua's actual costs and expenses for services rendered, plus ten percent (10%). Aqua shall include supporting information in reasonable detail substantiating its costs and expenses. RCH shall provide payment of the invoiced sum in full within thirty (30) after receipt of the written invoice.

G. Interest and Taxes.

- i. RCH agrees to pay interest at a rate of 10% per annum to Aqua for all undisputed amounts unpaid 30 days after receipt of the written invoice for payment by Aqua. Interest on nondisputed charges that are not timely paid shall accrue from the 31st day following receipt of statements and/or invoices until the date payment in full is made. Items awaiting backup data shall be excluded from interest charges.
- ii. The compensation to be paid to Aqua herein is exclusive of any tax, assessment, regulatory expense or other charge which may be imposed upon Aqua by any governmental authority as a result of performing its obligations pursuant to this Agreement other than taxes upon the purchase of material, utilities, supplies, and parts. In the event Aqua is required by applicable law or regulation to pay or collect any such tax, assessment or regulatory expense or other charge on account of this Agreement or its performance hereunder, then the amount thereof shall be reimbursed to Aqua by RCH

IV.

REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Aqua Responsibilities.

- i. Aqua warrants to RCH that the operation and maintenances services performed by Aqua hereunder will be performed in a professional and workmanlike manner in accordance with applicable commercial standards.
- ii. Aqua is not the owner of the RCH System and shall not be responsible or liable as an owner of the RCH System.
- iii. Aqua shall only be responsible for operational deficiencies directly caused by negligence on the part of Aqua from and after the date Aqua commences operations under this Agreement.

Any fines or penalties imposed on Aqua that are not the direct result of Aqua's operational negligence shall be paid immediately by RCH to Aqua or directly to the entity imposing the fine.

B. RCH Responsibilities.

- i. RCH shall provide all available "As Built" drawings of the RCH System; customer information necessary for operations; water tap standards; and any other information necessary for the services to be furnished by Aqua hereunder.
- ii. RCH will, at its own expense, ensure all such electricity and other utilities necessary for Aqua to provide operation services and for retail water service to RCH's customers continue to be available at RCH's sole cost and expense.
- iii. Except as expressly set forth in this Agreement, RCH has full and complete responsibility for the RCH System.
- iv. RCH is solely responsible for securing and during the term of this Agreement will maintain all access and other rights necessary for Aqua to perform operation and maintenance services.
- v. RCH shall make all payments of governmental charges (including taxes or similar assessments), if any, lawfully levied or assessed in connection with the RCH System including, without limitation, all governmental charges levied or assessed upon Aqua with respect to the RCH System. RCH shall make said payments when they become due, and shall bear all responsibility for, and save Aqua harmless from, any fines and penalties levied by governmental authorities to the extent such fines and penalties are the result of deficiencies relating to the RCH System or defects or conditions with respect to the RCH System which existed prior to Aqua commencing operations under this Agreement.
- vi. RCH shall, at its sole expense, be responsible for any capital improvements and repairs to the RCH System during the term of this Agreement.
- vii. Except to the extent of Aqua's obligations, RCH will take all action and steps necessary to ensure that the RCH System complies with all applicable regulatory requirements.
- viii. Notwithstanding any other provision of this Agreement, RCH shall remain responsible for all aspects of the RCH System as owner of the system, accepts and acknowledges all responsibility for past, existing and any future health, safety or environmental violations except any such future violations that arise as a direct result of Aqua's gross negligence. RCH shall bear responsibility for any and all penalties and costs related to resolving or imposed under any notices of violation or other regulatory compliance orders.

**V.
INSURANCE**

- A. Liability Insurance. Each Party will, at its expense, take out and maintain at all times during the term of this Agreement, comprehensive general liability insurance covering no less than \$1 million per occurrence. Such insurance will, in each case, be placed with reputable insurers licensed in the relevant jurisdiction (with a minimum rating of "AM Best A-VI", licensed in Texas) and will include the other Party as an additional insured.
- B. Aqua Insurance. In addition to the insurance listed in Section V(A) above, Aqua will, at its expense, take out and maintain \$1 million Employers Liability insurance.
- C. RCH Insurance. In addition to the insurance listed in Section V(A) above, RCH will, at its expense,

take out and maintain all risks property insurance on its furniture, fixtures and improvements and, where applicable, boiler and machinery insurance, in each case in an amount that a prudent facility owner in similar circumstances would maintain and with an insurer with a minimum rating of AM Best A-VI licensed in Texas.

- D. Worker’s Compensation and Employer’s Liability Insurance. Worker’s Compensation and Employer’s Liability. Aqua shall maintain Worker’s Compensation and Employer’s Liability insurance, which shall protect Aqua against all claims under applicable state worker’s compensation laws and employer’s liability. Coverage shall not be less than:

Statutory Amount - Workers’ Compensation

| | |
|--------------|---|
| \$500,000.00 | Employer’s Liability, Each Accident |
| \$500,000.00 | Employer’s Liability, Disease – Each Employee |
| \$500,000.00 | Employer’s Liability, Disease – Policy Limit |

- E. Certificate of Insurance. Each Party will, upon request during the term of this Agreement, provide to the other Party a certificate of insurance evidencing those insurances required to be maintained by it pursuant to this Section.

**VI.
MISCELLANEOUS**

- A. Relationship of RCH and Aqua. Aqua has been retained by RCH only for the purposes and to the extent set forth in this Agreement, and its relationship to RCH during the period of this Agreement is that of an independent contractor.
- B. Entire Agreement. This Agreement constitutes the sole and only agreement of Aqua and RCH relating to the subject matter hereof and supersedes any prior understanding or written or oral agreements between the Parties respecting the subject matter contained herein.
- C. Term and Termination of Agreement.
 - i. This Agreement shall be effective as of the date first above written and shall continue thereafter until Aqua acquires ownership of the RCH System, the APA otherwise terminates, or this Agreement terminates according to the terms hereof.
 - ii. In addition to any other rights of termination set forth herein, either Party may terminate this Agreement for convenience by providing not less than sixty (60) days prior notice of termination to the other Party.
 - iii. Aqua may terminate this Agreement immediately on thirty (30) days’ notice due to RCH’s breach of this Agreement, including but not limited to breach of the exclusivity requirement set forth in Article I.
 - iv. In the event of termination or expiration of this Agreement, Aqua shall fully cooperate with RCH as necessary for RCH to retain the services of another contractor to perform the operation and maintenance services performed by Aqua hereunder.
- D. Notice. All notices, certificates or other communications hereunder shall be sufficiently given when hand delivered or mailed by registered or certified mail, postage prepaid, or by courier service, charges prepaid, to the Parties at the following addresses:

To RCH:

RCH Water Supply Corporation
Mailing Address: PO Box 2318
Rockwall, TX 75087
Physical Address: 609 S Goliad #2318
Rockwall, TX 75087
Attn: David Naylor, President

To Aqua:

Aqua Operations, Inc.
1106 Clayton Lane, Suite 400W
Austin, TX 78723
Attn: President

With copy to:

Aqua Operations, Inc.
Office of General Counsel
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Either Party may, by notice in writing given to the Party, designate any future or different address to which the subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand, or courier, or five (5) days after the date mailed.

- E. Representatives. The following person shall be RCH's Representative, who can be contacted at any hour of the day or night for the duration of this Agreement:

David Naylor

The following person shall be Aqua's Representative who can be contacted at any hour of the day or night for the duration of this Agreement:

Darryl Waldock

- F. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party.

- G. Amendments. No alteration, modification or amendment of this Agreement shall be made except by written agreement duly signed by the Parties hereto.

- H. Force Majeure. Neither Party shall be considered in default in the performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered or prevented by any cause which is beyond the reasonable control of such Party (hereinafter called "Force Majeure"). Force Majeure includes but is not limited to any of the following if reasonably beyond the control of the Party claiming Force Majeure: war (declared or undeclared), blockages, hostilities, revolutions, riots, strikes, lockouts or other labor disturbances, epidemics, fires, storms, delays or interruptions in transportation, terrorist acts, or any other cause (whether or not of kinds specifically mentioned herein) that is not reasonably within the control of the Party claiming Force Majeure.

Either Party hereto shall give notice promptly within seven (7) calendar days of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. Failure to do so shall constitute a waiver of any claim of Force Majeure hereunder.

I. Indemnification.

- (a) RCH Release and Indemnity. TO THE EXTENT ALLOWED BY LAW, RCH RELEASES AND WILL INDEMNIFY AND HOLD HARMLESS AQUA AND ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, SERVANTS, AGENTS, CONTRACTORS AND EMPLOYEES (COLLECTIVELY, "AQUA GROUP") FROM AND AGAINST ANY AND ALL ACTIONS, LIABILITIES, DEMANDS, ENVIRONMENTAL REMEDIATION AND COST RECOVERIES, LOSSES, ORDERS, FINES, PENALTIES, CLAIMS, DAMAGES, COSTS AND EXPENSES (INCLUDING APPLICABLE ATTORNEYS' FEES AND DISBURSEMENTS, INVESTIGATION EXPENSES, CONSULTANTS' FEES AND ADJUSTERS' FEES AND DISBURSEMENTS) (COLLECTIVELY, "LOSSES") WHATSOEVER AND WHENEVER OCCURRING OR CAUSED, THAT MAY BE BROUGHT AGAINST OR SUFFERED, INCURRED, SUSTAINED OR PAID BY ANY ONE OR MORE OF THE AQUA GROUP CAUSED BY THE NEGLIGENCE OR BREACH OF THIS AGREEMENT BY RCH, EXCLUDING ONLY SUCH OF THE FOREGOING TO THE EXTENT ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF AQUA OR THE MATERIAL BREACH BY AQUA OF ANY OF ITS OBLIGATIONS UNDER THIS AGREEMENT. FOR GREATER CERTAINTY AND WITHOUT LIMITING THE FOREGOING, RCH WILL INDEMNIFY AND HOLD HARMLESS THE AQUA GROUP FOR ANY LOSSES RELATING TO ENVIRONMENTAL DAMAGE OR ASBESTOS, EXCEPT TO THE EXTENT SUCH LOSSES ARISE FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AQUA OR THE MATERIAL BREACH BY AQUA OF ITS OBLIGATIONS UNDER THIS AGREEMENT TO THE EXTENT ALLOWED BY LAW.
- (b) Aqua Release and Indemnity. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, AQUA RELEASES AND WILL INDEMNIFY AND HOLD HARMLESS RCH AND ITS DIRECTORS, OFFICERS, SERVANTS, AGENTS, CONTRACTORS AND EMPLOYEES (COLLECTIVELY, "RCH GROUP") FROM AND AGAINST ANY AND ALL LOSSES WHATSOEVER AND WHENEVER OCCURRING OR CAUSED, THAT MAY BE BROUGHT AGAINST OR SUFFERED, INCURRED, SUSTAINED OR PAID BY ANY ONE OR MORE OF THE RCH GROUP ARISING OUT OF THE NEGLIGENCE OR MISCONDUCT OF AQUA OR ITS BREACH OF OBLIGATIONS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT SUCH LOSSES ARISE FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF RCH OR THE MATERIAL BREACH BY RCH OF ITS OBLIGATIONS UNDER THIS AGREEMENT.
- (c) Survival. The provisions of this Section VI(I) will survive any termination of this Agreement.

- J. Disputes and Governing Law. Any dispute, controversy or claim arising out of or relating in any way to this Agreement, including without limitation any dispute concerning the construction, validity, interpretation, enforceability or breach of this Agreement, shall be resolved by binding arbitration in accordance with the JAMS Comprehensive Rules upon a Party's submission of the dispute arbitration with JAMS. In the event of a dispute, controversy or claim, the complaining Party shall notify the other Party in writing thereof. Within thirty (30) days of such notice, representatives of the Parties shall meet in an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining Party shall seek remedies through arbitration. Arbitration shall be heard in Rockwall County, Texas. The demand for arbitration may be made within a reasonable time after the claim, dispute or other matter in question has arisen. The arbitration shall be conducted by one arbitrator. It is the intent of the Parties that the arbitration proceeding shall be concluded within sixty (60) days from the date the arbitrator is appointed. The arbitrator shall have no authority to award punitive or special damages, and the arbitrator shall be entitled to issue injunctive or equitable relief. The cost of the arbitration proceeding and any proceeding in court to confirm or vacate any arbitration award, as applicable, including, without limitation, reasonable attorneys' fees and costs shall be borne by the unsuccessful Party, as determined by the arbitrator, and shall be awarded as part of the arbitrator's reward. The arbitrator shall be entitled to award the foregoing arbitration and

administrative fees and expenses as damages in his/her discretion which shall be subject to judicial review. Notwithstanding the foregoing, nothing herein shall require Aqua to perform under this Agreement if it has exercised its right of termination.

- K. Severability. If any provisions hereof shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provisions shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid and unenforceable provision had not been contained herein so long as the Parties' intended objectives under the terms of the Agreement can reasonably be fulfilled under the surviving terms.
- L. Execution. This Agreement may be executed by facsimile, PDF, or other electronic means, and in any number of counterparts, each of which will be considered an original and all of which, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed.

AQUA OPERATIONS, INC., a Texas Corporation

DS
DER

DocuSigned by:
Craig Blanchette
924BB61A43A44C8...

BY: _____

DS
DER

NAME: Craig L. Blanchette

TITLE: President

DATE: July 18, 2023

RCH WATER SUPPLY CORPORATION, a Texas
nonprofit corporation

BY: DocuSigned by:
David Naylor
D8563CDCAC5341A...

NAME: David Naylor

TITLE: President

DATE: 7/19/2023



RCH Operation & Maintenance Services

Schedule A Rates

| Basic Services | Flat Rate |
|---|------------------|
| CSI Inspection | \$150.00 |
| CSI Re-Inspection Due to Failure | \$150.00 |
| Inspection of RPZ or Backflow Preventer | \$200.00 |

| Basic Services | Hourly |
|---|---------------|
| Water Operator and Truck (Class "C" or Higher) | \$90.00 |
| Water Operator and Truck (Class "C" or Higher) – Overtime | \$135.00 |
| Administrative Support | \$ 60.00 |
| Administrative Support – Overtime | \$ 90.00 |

| Project Based Services | Hourly |
|-------------------------------|---------------|
| Supervisor | \$100.00 |
| Administrative Assistant | \$ 70.00 |