LOWER BASIN DROUGHT CONTINGENCY PLAN ("LBDCP") IMPLEMENTATION PLAN:
AGREEMENT TO EXCHANGE
LONG-TERM STORAGE CREDITS
BETWEEN
ARIZONA WATER BANKING AUTHORITY
AND
CITY OF AVONDALE; CITY OF CHANDLER; CITY OF GOODYEAR; CITY OF PEORIA; CITY OF PHOENIX; CITY OF SCOTTSDALE; CITY OF TUCSON; FREEPORT MINERALS CORPORATION; AND EPCOR WATER ARIZONA INC.

1. PARTIES:

This LBDCP Implementation Plan: Agreement to Exchange Long-Term Storage Credits ("LTSC Exchange Agreement") is made this 3rd day of July, 2019, between the respective undersigned Cities, which are political subdivisions of the State of Arizona that are located in the Phoenix Active Management Area ("AMA") or the Tucson AMA (each, a "City" or, collectively, the "Cities"), Freeport Minerals Corporation, a Delaware corporation, and EPCOR Water Arizona Inc., an Arizona corporation (collectively the "Storing Parties"), and the Arizona Water Banking Authority ("AWBA"), an authority established under Chapter 14, Title 45 of the Arizona Revised Statutes, added by Law 1996, Ch. 308, § 16, effective April 30, 1996, each individually a "Party" and collectively "Parties."

2. RECITALS:

2.1 The Director of the Arizona Department of Water Resources ("ADWR"), acting on behalf of the State of Arizona ("Arizona") is intended to be a party to the Lower Basin Drought Contingency Plan ("LBDCP Agreement"), which is designed to address falling elevations in Lake Powell and Lake Mead.

2.2 The Cities are municipal corporations that operate municipal utilities and serve water to customers within their service area. The Cities are legally entitled to Central Arizona Project ("CAP") water through various contracts and agreements with the Central Arizona Water Conservation District and other parties.

2.3 Freeport Minerals Corporation ("FMC") is an international mining company that currently operates several mines in Arizona. FMC is legally entitled to CAP water through various contracts and agreements with the Central Arizona Water Conservation District and other parties.

2.4 EPCOR Water Arizona Inc. ("EPCOR") is a water and wastewater utility company servicing multiple Arizona counties. EPCOR is legally entitled to CAP water through various contracts and agreements with the Central Arizona Water Conservation District and other parties.
2.5 AWBA is a State entity, established pursuant to A.R.S. § 45-2421 et seq., to coordinate the storage and recovery of Arizona’s otherwise unused entitlement to Colorado River water.

2.6 In connection with the LBDCP Agreement, various Arizona parties are entering into agreements and arrangements that, taken together, are intended to partially “mitigate” the impacts of the LBDCP Agreement on lower-priority CAP water users as the LBDCP Agreement is implemented (the “Arizona DCP Implementation Framework”). This Exchange Agreement addresses a portion of the mitigation water that would be delivered under the Arizona DCP Implementation Framework, specifically the storage of certain volumes of CAP water by the Storing Parties.

2.7 Under agreements with certain CAP agricultural districts, the Storing Parties would store some of their CAP water at Groundwater Savings Facilities (“GSFs”) during Tier 1 Shortage Conditions and Tier 2a Shortage Conditions, if such condition(s) occur during 2020, 2021, and 2022. Pursuant to the Arizona DCP Implementation Framework, these storage deliveries would provide a portion of the 105,000 acre-feet of mitigation water that agricultural users would receive under a Tier 1 Shortage Condition, and the 70,000 acre-feet of mitigation water that agricultural users would receive under a Tier 2a Shortage Condition, while allowing the Storing Parties to accrue Long-Term Storage Credits (“LTSCs”).

2.8 As the Storing Parties have no ability to directly utilize LTSCs generated in connection with the storage activities described in Paragraph 2.7, the AWBA, as authorized under A.R.S. § 45-2457.01, has agreed to exchange on a one-for-one basis a limited number of LTSCs, as described in Exhibit A, generated by the Storing Parties in the Pinal Active Management Area (AMA) for LTSCs held by the AWBA which may be recovered in another AMA.

2.9 Facilitating the exchanges described in Paragraph 2.8, the Parties recognize that under A.R.S. § 45-2457.01(D) exchanges of LTSCs in accordance with A.R.S. § 45-2457.01 are exempt from any fee established by ADWR for an assignment of LTSCs pursuant to A.R.S. § 45-854.01.

2.10 The Parties’ ability and willingness to enter into this Agreement are contingent upon signature by the Director of ADWR of the Lower Basin Drought Contingency Plan Agreement.

3. AGREEMENT:

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

4. INCORPORATION OF RECITALS:

The Recitals listed above are hereby incorporated into and expressly made a part of this LTSC Exchange Agreement.
5. DEFINITIONS:

In addition to the definitions set forth in A.R.S. Title 45, as used in this LTSC Exchange Agreement, the following terms, when capitalized, shall mean:

5.1 “Long-Term Storage Credit Transfer Form” means the form, as approved by ADWR, to evidence and effectuate, when signed by both the assignor and the assignee, the assignment of Long-Term Storage Credits pursuant to A.R.S. § 45-854.01 and more specifically this LTSC Exchange Agreement.

5.2 “Storage Agreements” means the various Agreements for Water Storage executed between the Storing Parties and the corresponding agricultural districts to implement the delivery of CAP water by the Storing Parties as described in Paragraph 6.1 of this Agreement.

5.3 “Storage Deliveries” means the delivery of CAP water by the Storing Parties as described in Paragraph 6.1 of this Agreement.

5.4 “Tier 1 Shortage Condition” means a calendar year for which the water elevation behind Hoover Dam is projected on January 1 of that year to be below 1,075 feet, but above 1,050 feet, and during which the Secretary of the Interior has determined that a Tier 1 shortage condition will exist under the LBDCP Agreement. For the purpose of this definition, “projected on January 1” means the projection based on the 24-Month Study that is conducted in August of the previous year. The 24-Month Study is the operational study that reflects the current Annual Operating Plan that is updated each month by Reclamation to project future Colorado River reservoir contents and releases.

5.5 “Tier 2a Shortage Condition” means a calendar year for which the water elevation behind Hoover Dam is projected on January 1 of that year to be below 1,050 feet, but above 1,045 feet, and during which the Secretary of the Interior has determined that a Tier 2a shortage condition will exist under the LBDCP Agreement. For the purpose of this definition, “projected on January 1” shall have the same meaning set forth in Paragraph 5.4 above.

6. RECIPROCAL TRANSFER OF LONG-TERM STORAGE CREDITS:

6.1 Transfer by Parties. Pursuant to the Arizona DCP Implementation Framework, it is anticipated that each of the Storing Parties will be delivering CAP water for storage in various GSFs located in the Pinal AMA as described in Exhibit A, thus generating LTSCs in the Pinal AMA. Subject to the terms of this LTSC Exchange Agreement, once such LTSCs have been issued to each Storing Party, each Storing Party may elect to transfer and assign such LTSCs to the AWBA, and AWBA shall accept such transfer and assignment in accordance with A.R.S. § 45-2457.01, up to the limits described in Exhibit A.

6.2 Reciprocal Transfer by AWBA. AWBA agrees that, in consideration for any and all LTSCs transferred to it by a Storing Party from the Pinal AMA pursuant to Paragraph 6.1, AWBA shall transfer and assign an equal number of LTSCs held by AWBA in the Phoenix AMA (for FMC and all Storing Parties located in the Phoenix AMA) or the Tucson AMA (for Storing
Parties located in the Tucson AMA), provided that AWBA shall not be required to transfer a cumulative volume of LTSCs to any Storing Party that is greater than the amount listed under “Total LTSCs Generated/Eligible for AWBA Exchange” for that Storing Party in Exhibit A.

6.2.1 In the event that AWBA determines that a requested transfer would exceed such volume, AWBA will notify the Storing Party of the same within 30 days of that Storing Party’s submitting its Long-Term Storage Credit Transfer Form to AWBA for review pursuant to Paragraph 6.3, and identify the amount of LTSCs that remain available for transfer to that Storing Party.

6.2.2 If the Director of ADWR ("Director") notifies the Parties that an additional quantity of mitigation water will be made available within the CAP system during 2020, 2021, and/or 2022 that: (a) was not planned as a supply of mitigation water in the Arizona DCP Implementation Framework, as of the date of execution of this Agreement; (b) is intended to substitute for a portion of the Storage Deliveries in order to reduce the amount of LTSCs that would otherwise be required to be transferred and assigned by AWBA to the Storing Parties under Paragraph 6.2; and (c) can be delivered for use within the CAP system in a manner consistent with the Arizona DCP Implementation Framework, without any increase in cost to the receiving agricultural district(s) and without reducing net storage in Lake Mead; then upon notification to any proposed affected Storing Party(ies) and the corresponding agricultural district(s), the Director may, acting in the Director’s capacity as the chairperson of the AWBA, reduce the number of credits available for exchange, in order to allow the substitution of such mitigation water for a proportionate volume of the Storage Deliveries. Such notification must be made to a Storing Party no later than August 1 for water deliveries scheduled to occur in the following year.

6.3 Documentation and Filing of Transfers. The transfers and assignments of LTSCs between each Storing Party and AWBA pursuant to Paragraphs 6.1 and 6.2 shall be undertaken via appropriate filings with ADWR. To initiate each transfer, the Storing Party seeking to exchange LTSCs with AWBA pursuant to this LTSC Exchange Agreement will complete and execute a Long-Term Storage Credit Transfer Form indicating the volume of LTSCs that the Storing Party will be transferring to AWBA in accordance with Paragraph 6.1, and shall transmit such forms to AWBA for its review. AWBA will then complete and execute a Long-Term Storage Credit Transfer Form indicating the corresponding volume of Phoenix or Tucson AMA LTSCs that AWBA will be transferring to that Storing Party in accordance with Paragraph 6.2, and shall transmit such forms to that Storing Party for its review and execution, whereafter that Storing Party will return the executed form to AWBA. AWBA will then file each of the completely executed forms with ADWR under a cover letter identifying them as a reciprocal transfer of LTSCs in accordance with the terms of this LTSC Exchange Agreement, and with a copy to the corresponding Storing Party. Each Storing Party and AWBA will cooperate in good faith to promptly undertake and complete all required documentation and filings necessary to accomplish the transfers and assignments of LTSCs anticipated by this LTSC Exchange Agreement.
6.4 **Fees.** Pursuant to A.R.S. § 45-2457.01(D) exchanges of LTSCs in accordance with A.R.S. § 45-2457.01 are exempt from any fee established by ADWR for an assignment of LTSCs pursuant to A.R.S. § 45-854.01.

7. **EFFECTIVE DATE AND TERM:**

7.1 **Effective Date as to Each Party.** This LTSC Exchange Agreement shall be effective as to the AWBA upon the signature of its duly authorized representative. This LTSC Exchange Agreement shall be effective as to each respective Storing Party upon the signature of the duly authorized representative of that Storing Party. It is the expectation of the Parties that AWBA will execute this LTSC Exchange Agreement first.

7.2 **Drought Contingency Plan Prerequisite.** Notwithstanding the provisions of Paragraph 7.1, the Parties agree that no transfer of LTSCs as contemplated in this LTSC Exchange Agreement shall occur unless and until the Director of ADWR has executed the LBDCP Agreement pursuant to the terms of Senate Joint Resolution 1001, a joint resolution of the Arizona Legislature authorizing drought contingency plan agreements for the Colorado River that was signed by the Governor of the State of Arizona on January 31, 2019. In the event that the LBDCP Agreement has not been executed by the Director of ADWR by August 31, 2019, this LTSC Exchange Agreement will automatically terminate as to all Parties.

7.2 **Termination Date.** Except as it may have been earlier terminated as to one or more of the Parties, this LTSC Exchange Agreement shall terminate as to all Parties on December 31, 2026.

8. **DEFAULT AND REMEDIES:**

8.1 **Default.** The failure of any Party to perform any term or condition of this LTSC Exchange Agreement constitutes a default if that failure continues for thirty (30) days following the receipt of written notice by any other Party.

8.2 **Termination Following Default.** If a default occurs, any non-defaulting Party may terminate this LTSC Exchange Agreement as to itself and the defaulting Party by written notice to the defaulting Party and may pursue any other rights available to it in law or equity. In the event of any termination by a Storing Party, or in the event of any termination by AWBA, this agreement shall nevertheless remain in force between AWBA and all non-defaulting Storing Parties.

8.3 **Dispute 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 LTSC Exchange Agreement promptly, equitably, and in good faith. The Parties also agree to resolve all disputes arising out of or relating to this LTSC Exchange Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518.
9. **UNCONTROLLABLE FORCES:**

No Party will be considered to be in default in the performance of any of its obligations hereunder (other than obligations to make payments) when a failure of performance is due to uncontrollable forces. The term "uncontrollable forces" shall mean any cause beyond the control of the Party unable to perform such obligation, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, labor or material shortage, sabotage, terrorism, or restraint by court order or public authority, and action or nonaction 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. Drought is not an “uncontrollable force” for the purposes of this LTSC Exchange Agreement. Nothing contained herein shall be construed to require a Party to settle any strike or labor dispute in which it is involved.

10. **MISCELLANEOUS:**

10.1 **Choice of Law.** This LTSC Exchange Agreement is governed by and shall be construed and interpreted in accordance with Arizona law. Any action to resolve any dispute regarding this LTSC Exchange Agreement shall be taken in a state court of competent jurisdiction located in Maricopa County, Arizona.

10.2 **No Third Party Beneficiaries.** This LTSC Exchange Agreement is solely for the benefit of the signatory Parties and does not create, nor shall it be construed to create, rights in any third party unless expressly provided herein. No third party may enforce the terms of this LTSC Exchange Agreement.

10.3 **Conflict of Interest.** The Parties to this LTSC Exchange Agreement are hereby notified of and acknowledge A.R.S. § 38-511 regarding cancellation for conflict of interest.

10.4 **Permits.** Each Party shall obtain and maintain all licenses, permits and authority, and file any notices necessary to meet the requirements of this LTSC Exchange Agreement.

10.5 **No Partnership or Agency.** Nothing contained in this LTSC Exchange Agreement shall be construed as creating a partnership or joint venture between the Parties hereto. The covenants, obligations, and liabilities contained in this LTSC Exchange Agreement are intended to be several and not joint or collective, and nothing contained herein shall be construed to create an association, joint venture, agency, trust, or partnership, or to impose a trust or partnership covenant, obligation, fiduciary duty, or liability between the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as provided herein.

10.6 **Severability.** The provisions of this LTSC Exchange Agreement are severable to the extent that if any provision is held unenforceable under applicable law, the remaining provisions of the LTSC Exchange Agreement shall remain in effect.
10.7 **Records and Inspections.** All books, accounts, reports, files and other records in relation to this LTSC Exchange Agreement shall be subject at all reasonable times to inspection and audit by the Parties throughout the term of this LTSC Exchange Agreement and for a period of five years after the completion of this LTSC Exchange Agreement. Upon request, a Party must produce original of any or all such records.

10.8 **Indemnification.** Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of the Indemnitor's performance under this Agreement and resulting in bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. The State of Arizona, ADWR and AWBA, are self-insured pursuant to A.R.S. § 41-621.

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

10.10 **Entire Agreement.** This LTSC Exchange Agreement is the entire agreement of the Parties and no understandings or obligations not expressly set forth in this LTSC Exchange Agreement are binding on the Parties.

10.11 **Captions.** All captions, title, or headings in this LTSC Exchange Agreement are used for reference and convenience only and do not limit, modify, or otherwise affect this LTSC Exchange Agreement.

10.12 **Rules, Regulations and Amendment or Successor Statutes.** All references in this LTSC Exchange Agreement to the Arizona Revised Statutes include all rules and regulations promulgated by ADWR under such statutes and all amendments and successor statutes, rules, and regulations to such statutes, rules, and regulations.

10.13 **Authority and Counterparts.** The undersigned representative of each Party certifies that he or she is fully authorized by the Party whom he or she represents to enter into the terms and conditions of this LTSC Exchange Agreement and to legally bind the Party to it. This LTSC Exchange Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.14 **No Israel Boycott.** By entering into this LTSC Exchange Agreement, the Parties certify that they are not currently engaged in, and agree for the duration of the contract to not engage in, a boycott of Israel.

10.15 **Equal Opportunity.** The Parties shall comply with State Executive Order No. 75-5, as amended by State Executive Order No. 2009-9, and all other applicable Federal and State laws, rules and regulations relating to equal opportunity and non-discrimination, including the Americans with Disabilities Act.
10.16 Notices. Except as otherwise required by law, any notice given in connection with this LTSC Exchange Agreement must be in writing and must be given by personal delivery, overnight delivery, facsimile, or United State certified or registered mail. Notice is deemed to have been given on the date on which notice is delivered pursuant to this paragraph. Notice is deemed to have been received on the date on which the notice is actually received, or delivery is refused. Any such notice must be addressed to the appropriate Party at the following address:

**If to the AWBA:**
Director  
Arizona Water Banking Authority  
1110 West Washington Street, Ste 310  
Phoenix, Arizona 85007

**If to the City of Avondale:**
Charles Montoya, City Manager  
City of Avondale  
11465 West Civic Center Drive  
Avondale, Arizona 85323

**With a copies to:**
Michael Wawro, City Attorney  
City of Avondale  
11465 West Civic Center Drive  
Avondale, Arizona

Andrew McGuire, Outside Counsel  
Gust Rosenfeld, PLC  
One East Washington Street, Suite 1600  
Phoenix, Arizona 85004-2553

**If to the City of Chandler:**
Water Resources Manager  
City of Chandler  
P. O. Box 4008, Mail Stop 905  
Chandler, Arizona 85244-4008  
Facsimile: (480) 782-3805

**With a copy to:**
City Attorney  
City of Chandler  
P. O. Box 4008, Mail Stop 602  
Chandler, Arizona 85244-4008  
Facsimile: (480) 782-4652
LTSC Exchange Agreement

If to the City of Goodyear:
City Manager
City of Goodyear
PO Box 5100
190 N Litchfield Road
Goodyear, Arizona 85338

With a copy to:
City Attorney
City of Goodyear
PO Box 5100
190 N Litchfield Road
Goodyear, Arizona 85338

If to the City of Peoria:
City of Peoria
Attn: City Manager
8401 West Monroe
Peoria, Arizona 85345

With a copy to:
City of Peoria
Attn: City Attorney’s Office
9875 N. 85th Avenue
Peoria, Arizona 85345

If to the City of Phoenix:
Water Services Director
City of Phoenix
200 West Washington Street, 9th Floor
Phoenix, Arizona 85003-1611

With a copy to:
City Attorney
City of Phoenix
200 West Washington Street, 13th Floor
Phoenix, Arizona 85003-1611

If to the City of Scottsdale:
City of Scottsdale
Attn: Water Director
9379 East San Salvador Drive
Scottsdale, Arizona 85258

With a copy to:
City of Scottsdale
Attn: City Attorney
3939 North Drinkwater Blvd
Scottsdale, Arizona 85251
If to the City of Tucson: Director
Tucson Water
310 West Alameda Street
PO Box 27210
Tucson, Arizona 85726-7210
Phone: (520) 791-2666

With a copy to: City Attorney
City of Tucson
255 West Alameda Street
Tucson, Arizona 85701

If to Freeport Minerals Corporation: Freeport Minerals Corporation
Attn: Sandy Fabritz, Land and Water Dept.
333 North Central Avenue
Phoenix, Arizona 85004

If to EPCOR Water Arizona Inc: Doug Dunham
Water Resources Manager
EPCOR Water
2355 West Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027

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[Signatures on the following pages]
LTSC Exchange Agreement

AGREED on this 3rd day of July, 2019.

ARIZONA WATER BANKING AUTHORITY

By

Thomas Buschatzke, Chair

ATTEST:

Kathryn Sorensen, Secretary

APPROVED AS TO FORM:

Nicole Klobas, Counsel
LTSC Exchange Agreement

AGREEED on this 27 day of August, 2019.

CITY OF AVONDALE

By: ______________________

Charles A. Montoya, City Manager

ATTEST:

______________________________
Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

______________________________
Michael Wawro, City Attorney
LTSC Exchange Agreement

AGREED on this 12th day of July, 2019.

CITY OF CHANDLER, an Arizona municipal corporation

By: Kevin Hartke
Kevin Hartke, Mayor

ATTEST:

Dana DeLong, City Clerk

APPROVED AS TO FORM:

Jenny K. Winkler, Assistant City Attorney

[City of Chandler Corporate Seal]
LTSC Exchange Agreement

AGREED on this 11th day of June, 2019.

CITY OF GOODYEAR

By: [Signature]
Julie Arendall, City Manager

ATTEST:

[Signature]
Darcie McCracken, City Clerk

APPROVED AS TO FORM:

[Signature]
Roric Massey, City Attorney
LTSC Exchange Agreement

AGREED on this 4th day of June, 2019.

CITY OF PEORIA

By: 
Cathy Carlat, Mayor

ATTEST:

Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM

Vanessa P. Hickman, City Attorney
LTSC Exchange Agreement

AGREED on this 20th day of June, 2019.

CITY OF PHOENIX
Ed Zuercher, City Manager

By: ____________________________
Kathryn Sorensen
Director, Water Services Department

ATTEST:

______________________________
ACTING
City Clerk

APPROVED AS TO FORM:

______________________________
Acting City Attorney

2019 06 20 AM 11:25
CITY CLERK DEPT
AGREED on this 15th day of July, 2019.

CITY OF SCOTTSDALE, an Arizona municipal corporation

By: _____________________________
   W.J. "Jim" Lane, Mayor

ATTEST:

_______________________________
Carolyn Jaggers, City Clerk

APPROVED AS TO FORM:

_______________________________
Bruce Washburn, City Attorney
By Janis L. Bladine, Senior Assistant City Attorney

REVIEWED BY:

_______________________________
Katherine Callaway, Risk Management Director
LTSC Exchange Agreement

AGREED on this 21st day of June, 2019.

CITY OF TUCSON

By: [Signature]
Timothy Thomure
Director, Tucson Water

APPROVED AS TO FORM:

[Signature]
Christopher Avery, Principal Assistant City Attorney
LTSC Exchange Agreement

AGREED on this 20th day of June, 2019.

FREEPORT MINERALS CORPORATION

By: [Signature]
Sandy Fabritz
Director, Water Strategy

APPROVED AS TO FORM:

[Signature]
L. William Staudenmaier, Attorney for Freeport Minerals Corporation
LTSC Exchange Agreement

AGREED on this 27th day of August, 2019.

EPCOR WATER ARIZONA INC.

By: Troy Day
V.P. Engineering and Commercial Services

APPROVED AS TO FORM:

Jason Gellman, Legal Counsel
Rates and Regulatory Affairs
### USF-GSF Transfers Authorized for AWBA Exchange Pursuant to the Arizona DCP Implementation Framework - Tier 1 Conditions

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### USF-GSF Transfers Authorized for AWBA Exchange Pursuant to the Arizona DCP Implementation Framework - Tier 2(a) Conditions

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1. City of Tucson will receive Tucson AMA LTSCs in exchange; all others except Freeport will receive Phoenix AMA LTSCs; Freeport may elect to receive either Phoenix AMA LTSCs or Tucson LTSCs stored at Pima Mine Road USF.
2. The AWBA will not exchange for credits in the Harquahala INA.