

MANAGEMENT SERVICE AGREEMENT

- 1.0 Agreement.** This Agreement between Southwestern Utility Management ("Southwestern"), and **Blue Ridge DWID** ("Utility") requires Southwestern to provide the services described in Attachment 1. In exchange, the Utility will compensate Southwestern as described in Attachment 1.
- 2.0 Term.** This Agreement is effective on _____ and runs for a term of one year.
- 3.0 Insurance.** Both parties will have, at a minimum, \$2,000,000 Aggregate Limit, \$1,000,000 Products and Complete Operations Aggregate, \$1,000,000 Personal & Advertising Injury, \$1,000,000 Each Occurrence – Bodily Injury & Property Damage, \$1,000,000 Non-Owned & Hired Auto Liability, \$100,000 Fire Damage (any one fire), \$5,000 Medical Expense (any one person).
- 4.0 Employees.** Each Party to this Agreement is solely responsible for all acts or omissions of its employees, and for paying all salaries, withholding tax deductions, benefits, unemployment compensation, worker's compensation, and all other charges and liabilities arising out of the employer-employee relationship.
- 5.0 Costs.** The Utility is responsible for all costs associated with the services provided by Southwestern on the Utility's behalf, including postage, office supplies, mileage, and bank fees.
- 6.0 Indemnification.** Southwestern and the Utility each agree that they shall indemnify, defend, and hold each other harmless from any claims of injury or damage to any persons or property, and/or claims of injury or damage made by third parties (including attorney fees and court costs), whether or not such claims of third parties are meritorious, that result from or are claimed to result from, in whole or in part, any act, error, omission, or fault of the other party (which includes such party's agents, employees, volunteers or any tier of its contractors), or the exercise of any of the privileges under this Agreement. The insurance coverage requirements of this Agreement do not limit the scope of indemnification.
- 7.0 Termination.** This Agreement may be terminated by mutual consent of the Parties in writing, which shall specify a termination date that does not exceed 90 days. In the event of default by either Party, the non-breaching Party may terminate this Agreement 10 business days after providing written notice to the breaching Party unless that Party cures the default during that time.

8.0 Legal Remedies for Breach of Contract. Arizona law applies to this Agreement. The Parties agree that any action to enforce the provisions of this Agreement must be brought in the Superior Court in and for Coconino County, Arizona. The prevailing Party will be entitled to recover its reasonable attorneys' fees and costs in any dispute or action arising under this Agreement. Neither Party will be liable for any exemplary, special, indirect, consequential, or incidental damages.

9.0 Interpretation. The Parties acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and that this Agreement is the result of negotiations between the Parties. The Parties agree that any ambiguous or disputed terms of this Agreement are not to subject to any rule of interpretation providing for the interpretation against the drafting Party.

10.0 Not Partners. This Agreement and its related activities do not establish the Parties as partners for any purpose.

11.0 Severability. If the Court holds that any term or provision of this Agreement is illegal, the validity or enforceability of the remainder of this Agreement will not be affected.

12.0 Notice. Unless expressly stated otherwise, notices under this Agreement must be in writing and delivered by electronic mail, hand-delivered, or sent by US mail to the address provided by the other Party. The Parties may change their address for receipt of notices at any time.

13.0 Entire Agreement. This Agreement and the attachments hereto constitute the entire understanding of the Parties and supersedes any previous agreements.

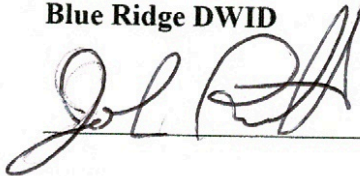
IN WITNESS HEREOF, this Agreement is executed by the Parties and made effective on the date described below.

Southwestern Utility Management

Veronica Wene

Date: 11.3.21

Blue Ridge DWID



Date: 11-3-21

Attachment 1
Scope of Services and Compensation Terms

JR 11-3-21

The change of ownership fee is **\$750.00** upon Utility's execution of this Agreement.

Utility agrees to pay Southwestern **\$3.90** per connection upon receipt of the invoice for the following services provided by Southwestern:

Field Services (within scope of service)

1. Act as Utility's certified operator

Office Services (within scope of service)

1. Provide telephone customer service
2. Provide 24-hour emergency service contact
3. Administer billing, collections, and services connection/disconnection
4. Manage collections and payments
5. Maintain utility records

Additional Services Offered at Southwestern's Hourly Rate (outside scope of service)

1. Repairs outside normal business hours (Utility pre-approval not required)
2. Repairs requiring 2 hours or more labor (Utility pre-approval required)
3. Draft regulatory reports filed with ADEQ, ACC, ADOR, ADWR, or other regulatory agency (Utility pre-approval required)
4. Transferring records, accounts, and data to Utility upon Agreement termination
5. Tasks requested by Utility outside of the Field and Office Services listed above

Southwestern's current hourly rate is \$65.00 per hour. Hourly rates are subject to increase at the discretion of Southwestern and upon notice to Utility at a rate not to exceed 3% per year.