

# CITY COUNCIL REPORT



Meeting Date: June 23, 2026  
General Plan Element: ***Water Resources***  
General Plan Goal: ***Ensure renewable, long-term water supplies for the community***

## ACTION

---

**Authorize Purchase Agreement Contract No. 2026-112-COS.** Adopt Resolution No. 13702 authorizing:

1. Contract No. 2026-112-COS for the purchase of fifteen-thousand-acre feet of Long-Term Storage Credits (LTSC) and authorizing the City Manager to take any action necessary to execute any other document as necessary to finalize the purchase.
2. A FY 26/27 capital budget appropriation transfer of up to \$8,250,000 from the Water Fund Contingency to a newly created capital project to be titled "Long Term Storage Credits Purchase".

## BACKGROUND

---

For decades, Scottsdale has proactively planned for long-term, sustainable water supplies and has developed a diverse and resilient water supply portfolio. Scottsdale's water supply comes from several sources including Central Arizona Project (CAP) or Colorado River Water, Salt River Project which sources from Northern Arizona and is used within the on-project portions of Scottsdale, groundwater through various wells located throughout Scottsdale, and water reuse for recharge and other non-potable purposes. In addition to these sources of water, the city places a high degree of importance on resource stewardship with a focus on conservation and efficiency.

Long-term storage credits are water rights designated by the Arizona Department of Water Resources through a permitting process. Long-term storage can occur by statute when the water cannot reasonably be used directly, the water was not recovered on an annual basis, and the water would not have been naturally recharged within the Active Management Area (AMA). Thus, the water designated can be stored underground through recharging. Once the credit is established it can be used, recovered, transferred or sold. These rights are single use and once recovered, the credit has been redeemed and is no longer available.

The process to develop these credits occurs through two main methods. The first includes recharging CAP water; and the second includes recharging effluent or effluent being delivered in

Action Taken \_\_\_\_\_

lieu of pumping groundwater. Stored water which has been recharged will always maintain the legal character of the original water source regardless of where it is recovered or how it is used. As an example, if CAP water is stored, no matter where recovery occurs, the water is considered CAP water when it is recovered and may be used in any way that CAP water is utilized.

The current condition of the Colorado River Basin creates the potential for future long-term water challenges. The city has aggressively responded by seeking other sources of water to further enhance the portfolio. These other sources include future water supply as outlined in the Scottsdale Water Strategic Plan 2025-2030.

## **IMPACT ANALYSIS**

---

The Phoenix AMA currently holds approximately 8.1-million-acre feet of long-term storage credits. This system has existed for over 20 years which has created an active market to create, buy and sell long-term storage credits. Currently, Scottsdale has approximately 277,691 long-term storage credits. The long-term storage credits from Vidler Water Company are within the Harquahala Non-Expansion Area (INA). The INA's are administered by the Arizona Department of Water Resources Active Management Area staff. Pursuant to Arizona Revised Statutes title 45-554, groundwater may be transported from the Harquahala INA to an initial AMA. This allows further diversification and augmentation of Scottsdale's water portfolio outside of the Phoenix AMA.

Scottsdale has agreed to purchase 15,000-acre feet of long-term storage credits from Vidler Water Company. The total cost of \$8,250,000 equates to \$550 per acre foot. These credits are being acquired to enhance the city's portfolio and approach to total water supplies. Long-term storage credits do not expire and can be held by the city indefinitely. The city may also opt to either pump water to redeem these credits in the future, or if they become unnecessary, sell the credits. The long-term storage credits offers the city a high degree of flexibility.

## **RESOURCE IMPACTS**

---

### **Available Funding**

Funding is currently available for this purchase using Water Fund CIP Contingency, which has \$20 million in available budget in FY 2026/27.

A new capital project entitled "Long Term Storage Credits Purchase" will be created and up to \$8,250,000 in budget authority will be transferred from the Water Fund CIP Contingency to effectuate the purchase of the credits.

## **OPTIONS & STAFF RECOMMENDATION**

---

### **Recommended Approach**

## City Council Report | Purchase of Long-Term Storage Credits

---

Adopt Resolution No. 13702 Authorizing the execution of Purchase and Sale Agreement No. 2026-112-COS for the purchase of fifteen-thousand-acre feet of Long-Term Storage Credits and authorizing the City Manager to take any action necessary to execute any other document as necessary to finalize the purchase.

Further, authorizing a FY 2026/27 capital appropriation contingency transfer from the Water Fund Contingency of up to \$8,250,000 to a newly created capital project named "Long Term Storage Credits Purchase".

### RESPONSIBLE DEPARTMENT(S)

---

Water Resources

### STAFF CONTACTS (S)

---

Thyra Ryden-Diaz, Interim Sr. Director of Water Resources, 480-312-4327  
[TRyden-Diaz@scottsdaleaz.gov](mailto:TRyden-Diaz@scottsdaleaz.gov)

### APPROVED BY

---

*Thyra Ryden-Diaz*

6/10/26 19:06 MST

Thyra Ryden-Diaz, Interim Sr. Director Water Resources  
(480) 312-4327, [TRyden-Diaz@scottsdaleaz.gov](mailto:TRyden-Diaz@scottsdaleaz.gov)

Date

*Scott Selin*

6/10/26 21:44 MST

Scott Selin, Budget Director  
(For Financial Policies Compliance and Budget Appropriation)  
480-312-2603, [SSelin@scottsdaleaz.gov](mailto:SSelin@scottsdaleaz.gov)

Date

*Greg Caton*

6/10/26 19:16 MST

Greg Caton, City Manager  
480-312-7759, [GCaton@scottsdaleaz.gov](mailto:GCaton@scottsdaleaz.gov)

Date

### ATTACHMENTS

---

1. Resolution 13702
2. Purchase Agreement No. 2026-112-COS

RESOLUTION NO. 13702

A RESOLUTION OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE PURCHASE AND SALE AGREEMENT NO. 2026-112-COS WITH VIDLER WATER COMPANY, INC. FOR LONG TERM STORAGE CREDITS IN THE HARQUAHALA VALLEY.

WHEREAS, the City desires to develop a diverse and resilient water supply portfolio to respond to unstable water supplies from the Colorado River;

WHEREAS, long term storage credits ("LTSC") are water rights that have been designated as such by the Arizona Department of Water Resources and may be used or sold by the City to meet future needs.

NOW, THEREFORE, LET IT BE RESOLVED, by the Council of the City of Scottsdale, as follows:

Section 1. That the Mayor is authorized and directed to execute Purchase and Sale Agreement for Long-Term Storage Credits, Agreement No. 2026-112-COS, to acquire 15,000 acre feet LTSC in the Harquahala Valley.

Section 2. The City Council hereby authorizes the City Manager or his designee to execute any other documents and take such other actions as are necessary to carry out the intent of this resolution.

Section 3. That the City Treasurer is directed to a FY 26/27 capital appropriation contingency transfer from the Water Capital Improvement Plan of \$8,250,000.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this \_\_\_\_\_ day of June, 2026.


ATTEST:

CITY OF SCOTTSDALE, an Arizona municipal corporation

By: \_\_\_\_\_  
Ben Lane, City Clerk

By: \_\_\_\_\_  
Lisa Borowsky, Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_

Luis E Santaella, City Attorney  
By: Karen Tyler, Principal Assistant City Attorney

**THIS PURCHASE AND SALE AGREEMENT FOR LONG-TERM STORAGE CREDITS** (this "Agreement") is made this \_\_\_ day of June, 2026, between the **CITY OF SCOTTSDALE, ARIZONA**, an Arizona municipal corporation ("Buyer"), and **VIDLER WATER COMPANY, Inc.**, a Nevada corporation ("Seller").

### **RECITALS**

A. Buyer desires to purchase Long-Term Storage Credits developed by Seller pursuant to Arizona Revised Statutes Title 45, Chapter 3.1.

B. Seller is willing to sell and transfer certain Long-Term Storage Credits in the amount, at the delivery time, and for the price specified in this 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:

### **ARTICLE 1 DEFINITIONS**

As used in this Agreement, the following terms, when capitalized, shall mean:

"ADWR" means the Arizona Department of Water Resources.

"Agreement" means this Purchase and Sale Agreement for Long-Term Storage Credits.

"Buyer" has the meaning given that term in the introductory paragraph of this Agreement.

"Buyer's Long-Term Storage Account" or "LTSA" means an account to be established by Buyer in Buyer's name pursuant to Arizona Revised Statutes § 45-852.01 for Long-Term Storage Credits stored in the Harquahala INA.

"Long-Term Storage Credit" or "LTSC" has the meaning given that term in Arizona Revised Statutes § 45-802.01(11).

"Seller" has the meaning given that term in the introductory paragraph of this Agreement.

19219754

“Seller’s Long-Term Storage Account” means an account established in Seller’s name pursuant to Arizona Revised Statutes § 45-852.01 for Long-Term Storage Credits stored in the Harquahala INA, ADWR Long Term Storage Account No. 70-461000.0000.

“Transfer Form” means the form currently in use by ADWR to document the transfer of LTSCs on the date that each transfer occurs pursuant to this Agreement.

**ARTICLE 2  
PURCHASE AND SALE  
OF LONG-TERM STORAGE CREDITS**

2.1 Sale and Purchase. Subject to the terms and conditions of this Agreement, Seller agrees to sell, transfer, and assign and Buyer agrees to purchase, accept, assume, and pay for FIFTEEN THOUSAND (15,000) acre-feet of LTSCs. The Buyer agrees to deliver payment in full for such acre-feet of LTSCs on or before July 10, 2026 (“Payment Deadline”).

2.2 Type of Water. Seller represents and warrants to its actual knowledge that all of the LTSCs to be sold pursuant to this Agreement have been accrued through storage of water from the Central Arizona Project. The parties intend that all LTSCs purchased and sold under this Agreement shall retain the identity of the source of water used to generate such LTSCs. Subject to the representations and warranties of Seller set forth in this Agreement, Buyer is acquiring the LTSCs “as is, where is” and “with all faults”, and in their present state and condition as of the date such LTSCs are transferred to Buyer.

2.3 Long-Term Storage Credits to be Transferred.

2.3.1 The LTSCs to be sold by Seller pursuant to this Agreement are from Seller’s Long-Term Storage Account and shall represent credits accrued for water stored in the Vidler Underground Storage Facility No. 71-576699.0004 located in the Harquahala INA.

2.4 Purchase Price and Payment Calculation. The purchase price shall be EIGHT MILLION TWO HUNDRED FIFTY THOUSAND and NO/100 DOLLARS (\$8,250,000.00) which equates to FIVE HUNDRED FIFTY and NO/100 DOLLARS (\$550.00) per LTSC (acre-foot) if payment in full for all LTSCs purchased hereunder is received by Seller on or before the Payment Deadline. Subsequent purchases of additional LTSCs that may be needed by the Buyer

will be negotiated at the time of the need by the Buyer and based on the availability of remaining LTSCs and at the then applicable purchase price.

2.5 Seller's Warranty of Title. Seller represents and warrants to Buyer that it will have good and marketable title to the LTSCs that are the subject of this Agreement at the time of the transfer of the LTSCs and agrees to convey marketable title to such LTSCs free and clear of all liens, claims and encumbrances.

2.6 Term. The term of this Agreement shall commence on the date hereof and shall terminate when the final payment is received on or before the Payment Deadline, or such later date and on such terms as the Seller and Buyer may agree in writing.

### **ARTICLE 3 TRANSFER DOCUMENTATION**

3.1 Transfer Form. To evidence the transfer of the Long-Term Storage Credits contemplated by this Agreement, Buyer and Seller upon receipt of the above-referenced purchase price per LTSC, shall execute Transfer Forms as specified in Section 4.1.

3.2 Additional Actions and Documentation. The parties shall cooperate to take such further actions and execute such further documents as may be determined by either party to be reasonably necessary or advisable in order to complete the transfer of the LTSCs contemplated by this Agreement.

### **ARTICLE 4 DELIVERY AND PAYMENT**

4.1 Delivery. Within 10 business days after the date that payment in full for transfer of the LTSCs is received by Seller, Seller shall execute and deliver to Buyer a Transfer Form for the total amount of LTSCs per this Agreement. Upon Buyer's receipt of the executed Transfer Form, Buyer shall promptly countersign the Transfer Form and file it with ADWR. Buyer shall be solely responsible for filing the Transfer Forms with ADWR and shall pay any applicable filing and transfer fees in connection therewith. Buyer and Seller shall cooperate with ADWR to facilitate completion of such transfer by ADWR. For purposes of this Section 4.1, "delivery" shall mean delivery to the address and in the manner specified in Article 6 below and "receipt" or "received" shall mean the date that the overnight carrier delivers to the address specified.

4.2 Payment. Buyer shall pay Seller the purchase price then due in accordance with Sections 2.4 in full by wire transfer or cashier's check.

## **ARTICLE 5 REJECTION OF TRANSFER**

Buyer shall be solely responsible for confirming and verifying that it is eligible to receive the LTSCs to be purchased pursuant to this Agreement. Buyer acknowledges that it is assuming the risk that Arizona law or ADWR's policies regarding eligibility may change between the date of this Agreement and the filing of the Transfer Form and Buyer assumes all risks of any such change in law or policies. Seller shall take no action to impair or impede the transfer of LTSCs and in the event that Seller's action or inaction, or Seller's inability to deliver good and marketable title to the LTSCs at the time of the transfer prevents the transfer from occurring, Seller shall be responsible to immediately refund the purchase price to Buyer as Buyer's sole and exclusive remedy. Buyer represents and warrants that, to its actual knowledge, Buyer is eligible to receive the LTSCs to be purchased and transferred hereunder.

## **ARTICLE 6 NOTICES**

All notices requests, consents, waivers or other communications required or permitted to be given under this Agreement to a party must be in writing and must be personally delivered to the intended recipient or sent to the intended recipient via a nationally recognized overnight courier such as Federal Express or UPS, shipping charges paid by sender, addressed as follows:

If to Buyer:

City of Scottsdale  
9379 E. San Salvador  
Scottsdale, Arizona 85004  
Attn: Senior Director Water Resources

With a copy to:

City of Scottsdale  
3939 N. Drinkwater Blvd.  
Scottsdale, AZ 85251  
Attn: City Attorney's Office

If to Seller:

Vidler Water Company  
3480 GS Richards Blvd, Ste 101  
Carson City, NV 89703  
Attn: Donald A Pattalock, President and CEO; and  
Justin Townsend, Associate Region Counsel  
E-mail: [dapattalock@vidlerwater.com](mailto:dapattalock@vidlerwater.com)  
[jmtownsend@drhorton.com](mailto:jmtownsend@drhorton.com)

With copies to:

David Jennings, Region Counsel  
1081 Whitney Ranch Drive, Suite 141  
Henderson, NV 89014  
E-mail: [dsjennings@drhorton.com](mailto:dsjennings@drhorton.com)

Mark Karnes, Vice-President and Counsel  
1341 Horton Circle  
Arlington, TX 76011  
E-mail: [RMKarnes@drhorton.com](mailto:RMKarnes@drhorton.com)

## **ARTICLE 7 MISCELLANEOUS PROVISIONS**

7.1 Choice of Law; Jurisdiction; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to conflicts of law principles. The parties agree that any action, suit, or proceeding arising out of or relating to this Agreement shall be initiated and prosecuted in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, and the parties irrevocably submit to the jurisdiction of any such court.

7.2 Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any dispute arising out of or relating to this Agreement.

7.3 Amendment. No amendment, modification or change to this Agreement shall be enforceable unless set forth in writing and executed by both parties.

7.4 Assignability. Neither party hereto may assign its rights or obligations under this Agreement without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned or delayed.

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

7.6 Specific Performance; Cure Period. 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, except to extent performance is prevented due to any change in Arizona law or ADWR's policies. Each party hereto shall be given a 10-day written notice and opportunity to cure any default and any failure to meet a deadline under this Agreement before the other party may exercise any remedy in this Agreement. If a default exists on any performance date, such date shall be extended to provide the benefit of the above cure period. The parties expressly waive and agree that in no event shall either party be liable for any speculative, consequential or punitive damages as a result of this Agreement.

7.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it will not be necessary in making proof of this Agreement or the terms of this Agreement to produce or account for more than one of such counterparts; provided that the counterpart produced bears the signature of the party sought to be bound.

7.8 Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and thereof and supersedes any and all prior negotiations, undertakings, understandings, agreements and business term sheets between the parties with respect to the subject matter hereof and thereof. No party will be bound by or deemed to have made in connection herewith any representations, warranties, commitments or undertakings, except those contained herein or therein.

7.9 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.

7.10 Captions; Construction. All captions, titles, or headings in this Agreement are used for the purpose of reference and convenience only and do not limit, modify, or otherwise affect any of the provisions of this Agreement. The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against any party hereto.

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

7.12 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

7.13 Attorneys' Fees. In the event it becomes necessary for either Buyer or Seller to employ legal counsel or to bring an action at law or other proceeding to enforce any of the terms, covenants or conditions of this Agreement, the prevailing party in any such action and proceeding shall be entitled to recover its costs and expenses incurred in such action from the other party, including, without limitation, reasonable attorneys' fees.

7.14 Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement, or the claimed breach or interpretation thereof, including, but not limited to, any impasse reached by the parties after negotiating in good faith, shall be resolved by binding arbitration, subject to the following provisions:

7.14.1 The party seeking arbitration (the "Demanding Party") shall deliver a written notice of demand to resolve dispute (the "Demand") to the other party (the "Non-Demanding Party"). The Demand shall include a brief statement of the Demanding Party's claim or controversy, the amount or other nature thereof, and the name of the proposed arbitrator to

decide the dispute. Within ten (10) days after receipt of the Demand, the Non-Demanding Party against whom the Demand is made shall deliver a written response to the Demanding Party. Such response shall include a short and plain statement of the Non-Demanding Party's defenses to the claim and shall also state whether such party agrees to the arbitrator chosen by the Demanding Party. If the Non-Demanding Party fails to agree to the arbitrator chosen by the Demanding Party, then such Non-Demanding Party shall state in its response the name of a proposed arbitrator chosen by such Non-Demanding Party as the proposed arbitrator. If the Non-Demanding Party fails to deliver its written response to the Demanding Party within ten (10) days after receipt of the demand, or if the Non-Demanding Party fails to select in its written response a proposed arbitrator, then the arbitrator selected by the Demanding Party shall serve as the arbitrator. A arbitrator shall not be employed by any party or any affiliate of any party, directly, indirectly or as an agent, except in connection with a arbitration proceeding. Any person appointed as a arbitrator shall be knowledgeable and experienced in the matter(s) sought to be arbitrated.

7.14.2 The locale of any arbitration shall be in Phoenix, Arizona.

7.14.3 If the Non-Demanding Party selects a proposed arbitrator different than the arbitrator selected by the Demanding Party, and such selection is indicated by the Non-Demanding Party in its written response to the Demanding Party made within ten (10) days after receipt of the demand, then the parties shall, for ten (10) days after the Demanding Party's receipt of the Non-Demanding Party's written response to the demand, attempt to agree upon a arbitrator. If the parties cannot agree upon a arbitrator within such ten (10) day period, then upon request of the Demanding Party, a single neutral arbitrator shall be appointed by the parties.

7.14.4 The arbitrator shall apply the substantive laws of the State of Arizona and the Rules of Evidence of Arizona, the arbitration shall be conducted in accordance with the Arizona Arbitration Rules as set forth in the Arizona Rules Governing Alternative Dispute Resolution and the arbitrator's decision shall only be subject to review as set forth in the Arizona Revised Statutes.

7.14.5 The costs of resolution (including reporter costs) shall be **divided equally** between the parties pro rata, provided, however, that such costs, along with all other costs and expenses, including attorneys' fees, shall be subject to award, in full or in part, by the arbitrator, in his or her discretion, to the prevailing party. Unless the arbitrator so awards attorneys' fees, each party shall be responsible for its own attorneys' fees.

7.14.6 To the extent possible, the arbitration hearings shall be conducted on consecutive days, excluding Saturdays, Sundays and holidays, until the completion of the hearings.

7.14.7 In connection with any arbitration proceedings commenced hereunder, any party shall have the right to join any third parties in such proceedings in order to resolve any other disputes, the facts of which are related to the matters submitted for arbitration hereunder.

7.14.8 The arbitrator shall render his or her decision(s) concerning the substantive issues in dispute in writing. The written decision shall be sent to the parties no later than thirty (30) days following the last hearing date.

7.14.9 All hearings shall be concluded within ninety (90) days from the day the arbitrator is selected or appointed, unless the arbitrator determines that this deadline is impractical.

7.14.10 If any of the provisions relating to arbitration are not adhered to or complied with, either party may petition the District Court of the State of Arizona, County of Maricopa for appropriate relief.

7.14.11 The award of the arbitrator may be entered as a judgment in a court of competent jurisdiction. All arbitration conducted under this Article shall be in accordance with the Arizona Arbitration Rules as set forth in the Arizona Rules Governing Alternative Dispute Resolution and the Arizona Revised Statutes. To the extent permitted by law, compliance with this Article is a condition precedent to the commencement by any party of a judicial proceeding arising out of any dispute relating directly or indirectly to this Agreement in accordance with the Arizona Arbitration Rules as set forth in the Arizona Rules Governing Alternative Dispute Resolution and the Arizona Revised Statutes, and any judgment or award rendered by the arbitrator shall be final, binding and unappealable, and judgment may be entered by any court having jurisdiction thereof. The parties hereto intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable. In his or her award the arbitrator shall allocate, in his discretion, among the parties to the arbitration all costs of the arbitration, including the fees and expenses of the arbitrator and reasonable attorney's fees, costs and expert witness expense of the parties. The parties hereto agree to comply with any award made in any such arbitration proceedings that has become final in accordance with Arizona law and agree to the entry of a judgment in any jurisdiction upon any award rendered in such proceedings becoming final. The arbitrator shall be

entitled, if appropriate, to award in such proceedings, monetary damages, specific performance, or injunctive relief, but may not award speculative, consequential or punitive damages.

7.15 Enforcement Rights. Only Seller and Buyer may enforce this Agreement. Seller and Buyer do not intend through this Agreement to confer enforceable rights on any non-party and do not intend to create any third-party beneficiaries to this Agreement.

7.16 Limitation of Liability. No partner, member, manager, officer, director, shareholder, beneficial owner, agent or employee of Seller or Buyer, or any affiliate thereof, shall be personally liable for any obligation of Seller or Buyer, as applicable, hereunder.

8. SELLER'S CORPORATE APPROVAL. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, NEITHER THIS AGREEMENT NOR ANY AMENDMENT SHALL BE A VALID AND ENFORCEABLE OBLIGATION OF SELLER UNLESS EXECUTED BY EITHER ONE OF DAVID V. AULD, PAUL ROMANOWSKI, MICHAEL J. MURRAY, BILL W. WHEAT, OR J. MATT FARRIS, EACH AN OFFICER OF SELLER (THE "AUTHORIZED OFFICERS"). SUCH APPROVAL BY AN AUTHORIZED OFFICER IS REFERRED TO AS "SELLER'S CORPORATE APPROVAL."

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first set forth above.

**SELLER:**

VIDLER WATER COMPANY, INC.,  
a Nevada corporation

By: \_\_\_\_\_

Name: Donald A. Pattalock

Title: President/CEO

Date: \_\_\_\_\_

**SELLER CORPORATE APPROVAL**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**BUYER:**

CITY OF SCOTTSDALE, ARIZONA  
an Arizona Municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Ben Lane, City Clerk

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Luis E. Santaella, City Attorney

Date: 6/11/2020