GLOBAL WATER RESOURCES, INC.  
(Exact name of registrant as specified in its charter) 

Delaware 001-37756 90-0632193  
(State of other jurisdiction  
of incorporation)  
(Commission  
File Number)  
(IRS Employer  
Identification No.)  

21410 N. 19th Avenue #220, Phoenix, Arizona  
(Address of Principal Executive Offices)  

Registrant’s telephone number, including area code: (480) 360-7775  

Not Applicable  
(Former name or former address, if changed since last report)  

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant  
under any of the following provisions (see General Instruction A.2 below):  

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))  

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933  
(§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).  

Emerging growth company ☒  

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for  
complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Item 1.01 Entry into a Material Definitive Agreement.

Amendment No. 1 to Note Purchase Agreement

On December 19, 2017, Global Water Resources, Inc. (the “Company”) entered into an Amendment No. 1 to Note Purchase Agreement (the “Amendment”) with each of the noteholders party thereto (the “Noteholders”). The Amendment amends the Note Purchase Agreement, dated May 20, 2016, by and among the Company and the Noteholders (the “Note Purchase Agreement”), which was filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2016.

The Amendment modifies the definition of “Consolidated Debt Service” in the Note Purchase Agreement to exclude payments of principal on indebtedness that is refinanced with other indebtedness.

Except as amended by the Amendment, the terms of the Note Purchase Agreement remain unchanged. The Amendment is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein, and the above description of the Amendment is qualified in its entirety by reference to such exhibit.

Standstill Agreement

On December 21, 2017, the Company entered into a Standstill Agreement (the “Standstill Agreement”) with Levine Investments Limited Partnership, William S. Levine, and Andrew M. Cohn, (collectively, the “Shareholders”). The parties entered into the Standstill Agreement in connection with certain stock purchase transactions to be consummated by the Shareholders whereby the Shareholders will acquire shares of the Company’s common stock from certain shareholders of the Company.

Pursuant to the Standstill Agreement, the Shareholders agree that neither themselves nor their Affiliates (as defined in the Standstill Agreement) will directly or indirectly, without the prior written consent of Ron Fleming as CEO of the Company or his replacement (i) agree to acquire, or make any proposal to acquire, equity securities (including convertible debt instruments and preferred stock or any shares of capital stock issuable upon the conversion or exercise thereof) of the Company, or (ii) in any way participate in a “group” (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) in connection with the ownership, voting or acquisition of any equity security of the Company. Notwithstanding the foregoing, a Shareholder who is a member of the board of directors of the Company may receive equity compensation in payment for his board service provided that after such payment, such Shareholder and his Affiliates beneficially own no more than 49.9%, in the aggregate, of the voting power of all voting securities of the Company. In the event that after such payment the Shareholder or Affiliates would own more than 49.9%, in the aggregate, of the voting power of all voting securities of the Company, such equity compensation shall be replaced with a cash payment of equivalent value to the Shareholder and Affiliates as applicable.

William S. Levine is a member of the Company’s board of directors and is the chairman of Keim, Inc., which is the general partner of Levine Investments Limited Partnership. In addition, William S. Levine (through Levine Investments Limited Partnership) and Andrew M. Cohn are each significant shareholders of the Company.

The foregoing description of the Standstill Agreement is only a summary and is qualified in its entirety by reference to the full text of the Standstill Agreement, which is filed as Exhibit 10.4 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 18, 2017, the Company entered into new employment agreements (the “Agreements”) with each of Ron Fleming, the Company’s Chief Executive Officer, and Michael J. Liebman, the Company’s Chief Financial Officer. The Agreements replace the Company’s existing employment agreements with each of Mr. Fleming and Mr. Liebman, effective January 1, 2018. Unless terminated earlier in accordance with its terms, each of the Agreements continues until December 31, 2021 and will automatically renew for one or more additional 12-month periods unless either the Company or the executive provides notice prior to the end of the then-current term.
The Agreements provide that, beginning January 1, 2018, Mr. Fleming will receive an annual base salary of $325,000 and Mr. Liebman will receive an annual base salary of $265,000. As of January 1, 2019, the annual base salary for Mr. Fleming and Mr. Liebman will increase to $350,000 and $280,000, respectively. Thereafter, the Company’s Board of Directors (the “Board”) (or its compensation committee) shall review the base salaries on an annual basis to determine whether any increases are appropriate.

In addition, Mr. Fleming and Mr. Liebman may be entitled to annual incentive compensation as determined (a) in the discretion of the Board (or its compensation committee) or (b) pursuant to any incentive compensation program adopted by the Company from time to time. For each calendar year, Mr. Fleming and Mr. Liebman will be eligible to receive up to 50% and 40%, respectively, of his base salary as incentive compensation in the form of a cash bonus and up to 50% and 40%, respectively, of his base salary as incentive compensation in the form of phantom stock units or other equity awards, with the value of the phantom stock units or other equity awards to be determined in accordance with the Global Water Resources, Inc. Phantom Stock Unit Plan or such other equity plan as may be adopted by the Company. The actual percent of incentive compensation paid to Mr. Fleming and Mr. Liebman in the form of cash and phantom stock units or other equity awards will be based on satisfying the performance goals for each calendar year as determined by the Board (or its compensation committee) and calculated in accordance with the bonus payments for all employees.

The Company will provide to Mr. Fleming and Mr. Liebman such fringe and other benefits as are regularly provided by the Company to members of its senior management team.

If either Mr. Fleming’s or Mr. Liebman’s employment is:

- voluntarily terminated by the executive without Good Reason (as defined in the Agreements) or if the Company terminates the executive’s employment for Cause (as defined in the Agreements), then (i) the Company will be obligated to pay the executive’s then current base salary through the date of termination and any incentive compensation earned in previous years but not yet paid; and (ii) no incentive compensation shall be payable for the year in which the termination occurs. In addition, any unvested phantom stock units, stock appreciation rights or other equity-based awards shall be forfeited.

- voluntarily terminated by the executive with Good Reason, or if the Company terminates the executive’s employment without Cause (including by providing notice of non-renewal), then (i) the Company will be obligated to pay the executive’s then current base salary through the date of termination and any incentive compensation earned in previous years but not yet paid; (ii) no incentive compensation shall be payable for the year in which the termination occurs (except if the termination occurs during the last six months of the Company’s fiscal year, the executive may be entitled to certain pro rata payments); (iii) if the executive timely and properly elects continuation coverage under COBRA, the Company shall reimburse the executive for the COBRA premiums as specified in the Agreements; (iv) any equity or stock price-based awards previously granted will become fully vested and exercisable and all restrictions on restricted awards will lapse; and (v) the Company will pay the executive an amount equal to the sum of (A) three (3) times the executive’s current base salary as of the date of termination, and (B) three (3) times the sum of the maximum cash bonus and equity awards that the executive could have earned in the year of the date of termination.

If either Mr. Fleming or Mr. Liebman terminates his employment with the Company with Good Reason, or if the Company terminates the executive’s employment without Cause within 24 months following a Change of Control (as defined in the Agreements) of the Company, the executive will be entitled to a lump-sum cash payment equal to the sum of (i) three (3) times the executive’s current base salary as of the date of the Change of Control, and (ii) three (3) times the sum of the maximum cash bonus and equity awards that the executive could have earned in the year of the Change of Control. In addition, any equity or stock price-based awards (including phantom stock units and stock appreciation rights) previously granted to Mr. Fleming or Mr. Liebman will become fully vested and exercisable and all restrictions on restricted awards will lapse upon any Change of Control, regardless of whether the executive remains employed by the Company or its successor following the Change of Control. The Agreements also contain a “best-net” provision, which provides that if Internal Revenue Code Section 280G applies to the payments and such payments trigger an excise tax, then the payments may be reduced to an amount that will not trigger the excise tax, if such reduction would result in a greater amount paid to the executive.

The payments due on termination of employment and termination following a Change of Control are subject to the requirement that Mr. Fleming or Mr. Liebman, as the case may be, execute a release agreement in a form requested by the Company.
Under the Agreements, Mr. Fleming and Mr. Liebman have also agreed to post-employment undertakings regarding non-solicitation and non-competition for a period of one year thereafter.

The foregoing description of the Agreements is only a summary and is qualified in its entirety by reference to the full text of the Agreements, which are filed as Exhibit 10.2 and 10.3 to this Current Report on Form 8-K and are incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits.**

**Exhibit No.** | **Description**
--- | ---
10.1 | **Amendment No. 1 to Note Purchase Agreement, dated December 19, 2017, by and among Global Water Resources, Inc. and the noteholders party thereto.**
10.2 | **Employment Agreement with Ron Fleming, dated December 18, 2017***
10.3 | **Employment Agreement with Michael J. Liebman, dated December 18, 2017***
10.4 | **Standstill Agreement, dated December 21, 2017, by and among Global Water Resources, Inc., Levine Investments Limited Partnerships, William S. Levine, and Andrew M. Cohn***

* Compensation plan or arrangement
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GLOBAL WATER RESOURCES, INC.

Date: December 22, 2017

/s/ Michael J. Liebman
Michael J. Liebman
Chief Financial Officer
AMENDMENT NO. 1
TO
NOTE PURCHASE AGREEMENT

This AMENDMENT NO. 1 TO NOTE PURCHASE AGREEMENT (this “Amendment”), dated as of December 19, 2017 (the “Effective Date”), is by and among (i) Global Water Resources, Inc., a Delaware corporation (the “Company”), and (ii) each of the holders of the Notes signatory hereto (the “Noteholders”).

RECITALS:

A. The Company and the Purchasers are parties to that certain Note Purchase Agreement, dated as of May 20, 2016 (the “Note Purchase Agreement”), pursuant to which the Purchasers purchased from the Company (i) $28,750,000 4.38% senior secured promissory notes, Series A, due June 15, 2028, and (ii) $86,250,000 4.58% senior secured promissory notes, Series B, due June 15, 2036.

B. The Note Purchase Agreement requires the Company to maintain a certain ratio of Consolidated EBITDA to Consolidated Debt Service.

C. Consolidated Debt Service includes all payments of principal in respect of Indebtedness of the Company and its Subsidiaries paid or payable during the applicable period.

D. The Company desires to amend the Note Purchase Agreement to exclude from the definition of Consolidated Debt Service payments of principal on Indebtedness that is refinanced with other Indebtedness.

E. Subject to the terms and conditions set forth below, the Noteholders are willing to amend the Note Purchase Agreement as described below.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the Company and the Noteholders agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed in the Note Purchase Agreement.

2. Amendment. The definition of “Consolidated Debt Service” in the Note Purchase Agreement is hereby amended and restated in its entirety as follows:

“Consolidated Debt Service” means, with respect to any period, the sum of the following: (a) Consolidated Interest Expense for such period, (b) all payments of principal (other than (i) balloon payments at final maturity of the Series A Notes, and (ii) principal payments on Indebtedness to the extent such payments are made with the proceeds of new Indebtedness incurred in order to refinance such existing Indebtedness) in respect of Indebtedness of the Company and its Subsidiaries (including the principal component of any payments in respect of Capital Lease obligations) paid or payable during such period after eliminating all offsetting debits and credits between the Company and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Subsidiaries in accordance with GAAP, and (c) any dividends
or stock repurchases related to Equity Interests of the Company paid or payable during such period, in each case, as of the date declared whether or not paid during any period; provided, however; Consolidated Debt Service for the Company and its Subsidiaries for the most recently ended four consecutive fiscal quarters following the date hereof and the date of Closing shall be determined on a pro forma basis (including pro forma application of the proceeds therefrom) as if the Indebtedness represented by the Notes had been incurred at the beginning of such four-quarter period.

3. **Representations and Warranties of the Company.** To induce the Noteholders to execute and deliver this Amendment (which representations shall survive the execution and delivery of this Amendment), the Company represents and warrants to the Noteholders that:

   (a) the Note Purchase Agreement, as amended by this Amendment, constitutes the legal, valid and binding obligation, contract and agreement of the Company enforceable against it in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally;

   (b) as of the date hereof and after giving effect to this Amendment, no Default or Event of Default has occurred which is continuing; and

   (c) none of the Company or any of its Affiliates has paid or agreed to pay any fees or other consideration, or given any additional security or collateral, or shortened the maturity or average life of any Indebtedness or permanently reduced any borrowing capacity, in each case, in favor of or for the benefit of any creditor of the Company, any Subsidiary or any Affiliate, in connection with the changes contemplated by, or changes to any other agreement in respect of Indebtedness for borrowed money that are similar in nature to, the changes in this Amendment.

4. **Conditions to Effectiveness of This Amendment.** This Amendment shall not become effective until, and shall become effective when, each and every one of the following conditions shall have been satisfied:

   (a) executed counterparts of this Amendment, duly executed by the Company and the holders of at least 51% of the outstanding principal of the Notes, shall have been delivered to the Noteholders (as defined in the Note Purchase Agreement);

   (b) The Company shall have entered into amendments in respect of each other Material Credit Facility substantially similar to the amendment set forth in Section 2 hereof;

   (c) the representations and warranties of the Company set forth in Section 3 hereof are true and correct on and with respect to the date hereof; and

   (d) the fees and expenses of Chapman and Cutler LLP, counsel to the Noteholders, shall have been paid by the Company, in connection with the negotiation, preparation, approval, execution and delivery of this Amendment.
5. **Confirmation of Subsidiary Guaranties.** By its execution of this Amendment, each Subsidiary Guarantor reaffirms its obligations under its Subsidiary Guaranty and acknowledges that it is aware of this Amendment and that its Subsidiary Guaranty remains in full force and effect and extends to all obligations of the Company under the Note Purchase Agreement as amended by this Amendment and as may be further amended, amended and restated, modified or supplemented from time to time.

6. **Continued Validity of Original Agreement.** Except as specifically amended hereby, the Note Purchase Agreement shall continue in full force and effect as originally constituted and is amended, ratified and affirmed by the parties hereto. This Amendment shall be subject to and enforced in accordance with the terms of the Note Purchase Agreement.

7. **Governing Law.** This Amendment shall be construed in accordance with and governed by the laws of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

8. **Counterparts.** This Amendment may be executed in counterparts. This Amendment may be signed by facsimile signatures or other electronic delivery of an image file reflecting the execution hereof, and, if so signed: (a) may be relied on by each party as if the document were a manually signed original and (b) will be binding on each of the parties for all purposes.

[Remainder Intentionally Blank]
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

THE COMPANY:

GLOBAL WATER RESOURCES, INC.

By: /s/ Michael J. Liebman
Name: Michael J. Liebman
Title: Senior Vice President, Chief Financial Officer and Corporate Secretary

SUBSIDIARY GUARANTORS:

GLOBAL WATER, LLC

By: /s/ Michael J. Liebman

WEST MARICOPA COMBINE, LLC

By: /s/ Michael J. Liebman
THE NOTEHOLDERS:

METROPOLITAN LIFE INSURANCE COMPANY

By: /s/ John A. Tanyeri
Name: John A. Tanyeri
Title: Vice President and Managing Director

BRIGHTHOUSE LIFE INSURANCE COMPANY

By: /s/ Frank O. Monfalcone
Name: Frank O. Monfalcone
Title: Managing Director
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ Brian Lemons
   Vice President

PRIVATE PLACEMENT TRUST INVESTORS, LLC

By: Prudential Private Placement Investors, L.P., as Managing Member

By: Prudential Private Placement Investors, Inc., as its General Partner

By: /s/ Brian Lemons
   Vice President

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

By: /s/ Brian Lemons
   Assistant Vice President

PRUCO LIFE INSURANCE COMPANY

By: /s/ Brian Lemons
   Assistant Vice President

PRUDENTIAL ARIZONA REINSURANCE TERM COMPANY

By: PGIM, Inc., as investment manager

By: /s/ Brian Lemons
   Vice President
SUN LIFE ASSURANCE COMPANY OF CANADA

By: /s/ Deborah J. Foss
Name: Deborah J. Foss
Title: Managing Director, Head of Private Debt,
       Private Fixed Income

By: /s/ Ann C. King
Name: Ann C. King
Title: Assistant Vice President and Senior Counsel

SUN LIFE ASSURANCE COMPANY OF CANADA
(U.S. BRANCH)

SUN LIFE OF CANADA FUND SEPARATE ACCOUNT

By: /s/ Deborah J. Foss
Name: Deborah J. Foss
Title: Managing Director, Head of Private Debt,
       Private Fixed Income

By: /s/ Ann C. King
Name: Ann C. King
Title: Assistant Vice President and Senior Counsel
AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY

By: /s/ Jeffrey A. Fossell
Name: Jeffrey A. Fossell
Title: Authorized Signatory

[Signature Page to Amendment No. 1]
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is made as of the 18th day of December, 2017, by and between Global Water Resources, Inc., a Delaware corporation (the “Company”), and Ron L. Fleming, a resident of the State of Arizona (the “Executive”) and shall be effective on January 1, 2018.

RECITALS

WHEREAS, the Company desires to continue to employ the Executive as its President and Chief Executive Officer, as well as President of Global Water, LLC and all utility subsidiaries, and the Executive desires to continue such employment; and

WHEREAS, the parties desire to enter into this Agreement to replace that certain Employment Agreement dated May 13, 2015 and to set forth the terms and conditions of the Executive’s employment with the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance upon the representations, covenants and mutual agreements contained herein, the Company and the Executive agree as follows:

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ the Executive as its President and Chief Executive Officer, and as President of Global Water, LLC and all regulated utility subsidiaries, and the Executive agrees to diligently perform the duties associated with such positions, including (without limitation) those duties listed on Exhibit A attached hereto. The Executive shall perform his duties primarily at the Company’s headquarters located in Phoenix, Arizona. The Executive will report directly to the Company’s board of directors (the “Board”), and shall perform such other duties as the Board may assign from time to time, provided that such additional duties are reasonable and consistent with the scope of the positions held by the Executive. The Executive will devote substantially all of his business time, attention and energies to the business of the Company and will comply with the policies and guidelines established by the Company from time to time applicable to its senior management executives. During the term of this Agreement, the Executive shall not, without the Company’s prior written consent, be a director, officer, employee, consultant or advisor of or to any person, firm, association, syndicate, partnership, trust or corporation engaged in, concerned with or interested in a business substantially similar to the business of the Company. Notwithstanding the foregoing, the Executive may (a) serve on civic or charitable or not-for-profit industry-related organizations, (b) engage in charitable, civic, educational, professional, community and/or industry activities without remuneration therefore, (c) manage personal and family investments, and (d) purchase securities in any corporation whose securities are regularly traded, provided that such purchase shall not result in the Executive beneficially owning 5% or more of the equity securities of any business in competition with the Company at any time.

2. **Term.** The Executive will be employed under this Agreement from January 1, 2018 until December 31, 2021, unless the Executive’s employment is terminated earlier pursuant to Section 7. Thereafter, the Agreement will automatically renew for one or more additional 12-month periods (each a “Renewal Term”), unless on or before December 31, 2021 (or December 31st during the year
of the then current Renewal Term, as applicable), either the Executive or the Company notifies the other party in writing that it wishes to terminate employment under this Agreement at the end of the term then in effect.

3. **Base Salary.** The Company will pay the Executive an annual base salary ("Base Salary") of $325,000 beginning January 1, 2018. As of January 1, 2019, the annual Base Salary will increase to $350,000. Thereafter, the Board (or its compensation committee) shall review the Base Salary on an annual basis to determine whether any increases are appropriate based on a combination of factors, which shall include (without limitation) the Executive’s achievement of specified performance objectives and/or the amount of compensation paid to the Executive’s peers at other, similarly situated public companies. The Base Salary may not be reduced without the Executive’s consent. The Base Salary will be payable in accordance with the payroll practices of the Company in effect from time to time and will be subject to customary withholding for applicable taxes and other deductions.

4. **Incentive Compensation.** The Executive may be entitled to annual incentive compensation as determined (a) in the discretion of the Board (or its compensation committee) or (b) pursuant to any incentive compensation program adopted by the Company from time to time. For each calendar year, the Executive will be eligible to receive up to 50% of his Base Salary as incentive compensation in the form of a cash bonus and up to 50% of his Base Salary as incentive compensation in the form of phantom stock units or other equity awards, with the value of the phantom stock units or other equity awards to be determined in accordance with Global Water Resources, Inc. Phantom Stock Unit Plan (the “PSU Plan”) or such other equity plan as may be adopted by the Company. The actual percent of incentive compensation paid to Executive in the form of cash and phantom stock units or other equity awards will be based on satisfying the performance goals for each calendar year as determined by the Board (or its compensation committee) and calculated in accordance with the bonus payments for all employees. If Executive is entitled to an award of phantom stock units pursuant to the PSU Plan, such phantom stock units shall be subject to the terms and conditions of the PSU Plan and any award agreement issued pursuant to the PSU Plan. If Executive is entitled to receive a cash bonus, such bonus shall be paid at such time as cash bonuses are otherwise payable to all employees under the incentive compensation program.

5. **Reimbursement of Business Expenses.** The Executive shall be entitled to reimbursement of reasonable and customary business expenses, including for all authorized travel and all out of pocket expenses incurred by the Executive as authorized by the Company in the performance of his duties. The Executive shall furnish any statements, receipts, invoices and other documentation that the Company may reasonably require in connection with processing such reimbursements.

6. **Other Benefits.** The Company will provide to the Executive such fringe and other benefits as are regularly provided by the Company to members of its senior management team, including participation in the Company’s welfare plans (e.g., health, medical, dental, vision, etc.) and other benefit programs (e.g., profit-sharing, long-term incentive compensation, retirement, investment, life and disability insurance, etc.) in effect from time to time, in each case to the extent that the Executive is eligible for participation under the terms of such plans or programs. The Executive shall be entitled to five (5) weeks of paid vacation per year, which vacation shall be paid at a rate equal to the Executive’s then current Base Salary. The Executive may take such vacation at such time(s) as the Executive and the Company shall mutually agree to, acting reasonably.
7. **Termination of Employment.**

A. **Voluntary Resignation by Executive without Good Reason.** The Executive may voluntarily terminate his employment with the Company at any time by giving two (2) weeks advance written notice to the Company (which notice period the Company may waive in whole or in part in its sole discretion). If such voluntary termination is without Good Reason (as defined below), then (i) the Company will be obligated to pay the Executive’s then current Base Salary through the Date of Termination (as defined below) and any incentive compensation earned in previous years but not yet paid; (ii) no incentive compensation shall be payable for the year in which the termination occurs; and (iii) the Company shall not pay or reimburse the Executive for COBRA (as defined below) premiums for the period that the Company is required to offer COBRA coverage as a matter of law. For the avoidance of doubt, any unvested phantom stock units, stock appreciation rights or other equity-based awards shall be forfeited.

B. **Voluntary Resignation by Executive with Good Reason; Termination without Cause by the Company.** If the Executive terminates his employment with the Company with Good Reason, or if the Company terminates the Executive’s employment without Cause (as defined below), including by providing the notice of non-renewal referenced in Section 2, then (i) the Company will be obligated to pay the Executive’s then current Base Salary through the Date of Termination and any incentive compensation earned in previous years but not yet paid; (ii) no incentive compensation shall be payable for the year in which the termination occurs, except if during the last six (6) months of the Company’s fiscal year, (a) the Company terminates the Executive’s employment without Cause or (b) the Executive terminates his employment with Good Reason, in which case the Executive will be paid a pro rata bonus based upon the Company’s performance for the fiscal year payable at such time as incentive compensation is otherwise payable to employees under the incentive compensation program; (iii) if Executive timely and properly elects continuation coverage under COBRA, the Company shall reimburse Executive for the COBRA premiums for the level of coverage that the Executive had elected prior to the Executive’s Separation from Service until the earliest of (A) 18 months following the date of Executive’s Separation from Service, (B) the date on which the Executive becomes employed by any other employer that provides health insurance coverage, regardless of whether such coverage is comparable to the coverage provided by the Company or (C) the date the Executive is no longer eligible to receive COBRA continuation coverage; (iv) notwithstanding the provisions in any equity, phantom stock, or stock appreciation right plan or award agreement to the contrary, any equity or stock price-based awards previously granted will become fully vested and exercisable and all restrictions on restricted awards will lapse; and (v) the Company will pay the Executive an amount equal to the sum of (A) three (3) times the Executive’s current Base Salary as of the Date of Termination, and (B) three (3) times the sum of the maximum cash bonus and equity awards (i.e., six (6) times the cash bonus) that the Executive could have earned in the year of the Date of Termination. Unless otherwise provided in this Agreement, this amount shall be paid in a lump-sum payment within 60 days following the Executive’s Separation from Service.

C. **Termination for Cause by the Company.** If the Company terminates the Executive’s employment for Cause, then, (i) the Company will be obligated to pay the Executive’s then current Base Salary through the Date of Termination and any incentive compensation earned in previous years but not yet paid; and (ii) no incentive compensation shall be payable for the year in which the termination occurs. For the avoidance of doubt, any unvested phantom stock units, stock appreciation rights or other equity-based awards shall be forfeited.
D. **Death or Disability.** If Executive dies or becomes Disabled, then the Company will be obligated to pay (i) the Executive’s then current Base Salary through the effective date of Disability and any incentive compensation earned in previous years but not yet paid, (ii) a pro-rated amount of the Executive’s actual incentive compensation for the year, payable at such time as incentive compensation is otherwise payable to employees under the incentive compensation program, (iii) if Executive or Executive’s qualified beneficiary timely and properly elects continuation coverage under COBRA, the Company shall reimburse Executive or Executive’s qualified beneficiary for the COBRA premiums for the level of coverage that the Executive had elected prior to the Executive’s death or Disability until the earliest of (A) 18 months following the date of Executive’s death or Disability, (B) the date on which the Executive or Executive’s qualified beneficiary becomes employed by any other employer that provides health insurance coverage, regardless of whether such coverage is comparable to the coverage provided by the Company or (C) the date the Executive or his qualified beneficiary is no longer eligible to receive COBRA continuation coverage; and (iv) notwithstanding the provisions in any equity, phantom stock, or stock appreciation right plan or award agreement to the contrary, any equity or stock price-based awards previously granted will become fully vested and exercisable and all restrictions on restricted awards will lapse and, to the extent permitted under the applicable plan’s governing documents, the Executive (or the Executive’s beneficiary(ies)) shall have a period of one (1) year from the effective date of Disability to exercise any such options (or if shorter, the expiration date of the option).

E. **Definitions.** For purposes of this Agreement:

1. “Cause” shall occur if the Executive (a) has engaged in malfeasance, willful or gross misconduct, or willful dishonesty that materially harms the Company or its stockholders, (b) is convicted of a felony that is materially detrimental to the Company or its stockholders, (c) is convicted of or enters a plea of *nolo contendere* to a felony that materially damages the Company’s financial condition or reputation or to a crime involving fraud; (d) is in material violation of the Company’s ethics/policy code, including breach of duty of loyalty in connection with the Company’s business; (e) willfully fails to perform his duties under this Agreement after notice by the Company and a reasonable opportunity to cure; or (f) impedes, interferes or fails to reasonably cooperate with an investigation authorized by the Company or fails to follow a legal and proper Company directive.


4. “Date of Termination” shall mean (a) if this Agreement is terminated as a result of the Executive’s death, the date of the Executive’s death, (b) if this Agreement is terminated by the Executive, the last day of his employment with the Company, (c) if this Agreement is terminated as a result of the Executive’s Disability, the effective date of the Disability, (d) if this Agreement is terminated by the Company for Cause, the date a final determination is provided to the Executive by the Company, or (e) if this Agreement is terminated by the Company without Cause, the date notice of termination is given to the Executive by the Company.

5. “Disability” or “Disabled” shall mean if, by reason of any medically determinable physical or mental impairment which actually hinders the Executive’s ability to perform his job and which can be expected to result in death or can be expected to last for
a continuous period of not less than 12 months, the Executive is receiving income replacement benefits for a period of not less than six (6) months under an accident and health plan established by the Company for its employees. The effective date of Executive’s Disability is the last day of the sixth month on which the Executive receives the income replacement benefits.

(6) “Good Reason” shall mean a Separation from Service within two (2) years following the occurrence of one or more of the following circumstances without Executive’s express consent: (a) a material diminution in the Executive’s authority, duties or responsibilities, (b) a material diminution in the authority, duties or responsibilities of the supervisor to whom the Executive is required to report; (c) a material diminution in Executive’s base compensation not consented to as required under Section 3; (d) a material change in the geographic location of Executive’s principal office; or (e) any other action or inaction that constitutes a material breach by the Company of this Agreement. Executive must provide written notice to Company of the existence of the Good Reason condition described in clauses (a) - (e) above within ninety (90) days of the initial existence of the condition. Notwithstanding anything to the contrary, an event described in clauses (a) - (e) above will not constitute Good Reason if, within thirty (30) days after Executive gives Company notice of the occurrence or existence of an event that Executive believes constitutes Good Reason, Company has fully corrected such event.

(7) “Separation from Service” shall mean either (a) termination of the Executive’s employment with Company and all affiliates of the Company, or (b) a permanent reduction in the level of bona fide services the Executive provides to the Company and all affiliates to an amount that is 20% or less of the average level of bona fide services the Executive provided to the Company in the immediately preceding 36 months, with the level of bona fide service calculated in accordance with Treasury Regulations Section 1.409A-1(h) (1)(ii). Solely for purposes of determining whether the Executive has a Separation from Service, the Executive’s employment relationship is treated as continuing while the Executive is on military leave, sick leave, or other bona fide leave of absence (if the period of such leave does not exceed six months, or if longer, so long as the Executive’s right to reemployment with the Company or an affiliate is provided either by statute or contract). If the Executive’s period of leave exceeds six (6) months and the Executive’s right to reemployment is not provided either by statute or by contract, the employment relationship is deemed to terminate on the first day immediately following the expiration of such six (6)-month period. Whether a termination of employment has occurred will be determined based on all of the facts and circumstances and in accordance with regulations issued by the United States Treasury Department pursuant to Section 409A of the Code.

F. Release Agreement. Notwithstanding anything to the contrary herein, no payment shall be made under this Section 7 or Section 8(B) unless the Executive executes (and does not revoke) a legal release (“Release Agreement”), in the form and substance reasonably requested by the Company, in which the Executive releases the Company and its affiliates, directors, officers, employees, agents, and others affiliated with the Company, from any and all claims, including claims relating to the Executive’s employment with the Company and the termination of the Executive’s employment. The Release Agreement shall be provided to the Executive within five (5) days following the Executive’s Separation from Service. The Release Agreement must be executed and returned to the Company within the 21- or 45-day (as applicable) period described in the Release Agreement and it must not be revoked by the Executive within the seven (7)-day revocation period described in the
Release Agreement. Notwithstanding anything in this Section 7 or Section 8(B) to the contrary, if the 21-or 45-day consideration period, plus the seven-day revocation period, spans two calendar years, the first payment to which Executive is entitled shall be made to the Executive in the second calendar year.

G. **Compliance with Section 409A of the Code.** The Company believes that the payments due pursuant to this Agreement qualify for the short-term deferral exception or the separation pay exception to Section 409A as set forth in Treasury Regulation Section 1.409A-1(b)(4). Notwithstanding anything to the contrary in this Agreement, if the Company determines that neither the short-term deferral exception, separation pay exception nor any other exception to Section 409A applies to the payments due pursuant to this Agreement, to the extent any payments are due on the Executive’s Separation from Service and if Executive is a “specified employee” (as defined in Treasury Regulation Section 1.409A-1(i)) at the time of Executive’s Separation from Service, then such payments shall be paid on the first business day following the expiration of the six month period following the Executive’s Separation from Service along with accrued interest at the Bank of America, Arizona prime rate determined as of the date of the payment. This Agreement shall be operated in compliance with Section 409A or an exception thereto and each provision of this Agreement shall be interpreted, to the extent possible, to comply with Section 409A or to qualify for an applicable exception. Under no circumstances may the time or schedule of any payment made or benefit provided pursuant to this Agreement be accelerated or subject to a further deferral except as otherwise permitted or required pursuant to regulations and other guidance issued pursuant to Section 409A of the Code. Executive does not have any right to make any election regarding the time or form of any payment due under this Agreement. The reimbursement of the COBRA premiums provided for in the Agreement shall be paid to Executive on the fifth day of the month immediately following the month in which Executive timely remits the premium payment. Executive may not elect to receive cash or any other benefit in lieu of the benefits provided by this Agreement.

8. **Change of Control Fee.**

A. Notwithstanding the provisions in any equity, phantom stock or stock appreciation rights plan or award agreement to the contrary, any equity or stock price based awards (including phantom stock units and stock appreciation rights) previously granted to the Executive will become fully vested and exercisable and all restrictions on restricted awards will lapse upon any Change of Control (as defined below), regardless of whether Executive remains employed by the Company or its successor following the Change of Control.

B. If the Executive terminates his employment with the Company with Good Reason, or if the Company terminates the Executive’s employment without Cause within 24 months following a Change of Control of the Company, the Executive will be entitled to a lump-sum cash payment equal to the sum of (i) three (3) times the Executive’s current Base Salary as of the date of the Change of Control, and (ii) three (3) times the sum of the maximum cash bonus and equity awards (i.e., six (6) times the cash bonus) that the Executive could have earned in the year of the Change of Control. Such payment shall be made in a single lump sum within 60 days of the date of the Executive’s Separation from Service, provided the Executive complies with the release requirement of Section 7(F). To the extent that any disputes arise involving the terms and conditions of this Agreement (or the termination of the Executive’s employment) following a Change of Control, the Executive shall be entitled to reimbursement by the Company for his reasonable attorneys’ fees and other legal fees and expenses incurred in connection with contesting or disputing any such termination or seeking to obtain or enforce any right or benefit provided for under this Agreement. Any such fees and expenses shall be reimbursed by the Company as they are incurred. All reimbursements will be made no later
than December 31 of the calendar year following the calendar year in which the expense was incurred. The amounts reimbursed in one taxable year will not affect the amounts eligible for reimbursement by Company in a different taxable year. Executive may not elect to receive cash or any other benefit in lieu of the reimbursement of legal fees and expenses provided by this Section. If Executive is entitled to a payment pursuant to this Section 8, the Executive shall be ineligible for any payment due pursuant to Section 7.

C. For purposes of this Agreement, “Change of Control” shall mean a “change in the ownership or effective control of a corporation,” or a “change in the ownership of a substantial portion of the assets of a corporation” within the meaning of Code Section 409A (treating the Company as the relevant corporation) provided, however, that for purposes of determining a “change in the effective control,” “50 percent” shall be used instead of “30 percent” and for purposes of determining a “substantial portion of the assets of the corporation,” “85 percent” shall be used instead of “40 percent.”

D. The following limitations apply to payments pursuant to this Section 8.

1. Section 4999 of the Code imposes an excise tax (currently 20%) on an employee if the total payments and certain other benefits received by the employee due to a “change in control”) (which for this purpose, has the meaning ascribed to it in Section 280G of the Code and the related regulations) exceed prescribed limits. In order to avoid this excise tax and the related adverse tax consequences for Company) the payments and benefits to which Executive will be entitled pursuant to Section 8 will be limited so that the sum of such payments and benefits, when combined with all other “payments in the nature of compensation” (as that term is defined in Section 280G of the Code and related regulations), the receipt of which is contingent on a change in control, will not exceed an amount equal to the maximum amount that can be payable without the imposition of the Section 4999 excise tax (which maximum amount is referred to below as the “Capped Benefit”).

2. The limitation described in Section 8(D)(1) will not apply if the Executive’s “Uncapped Benefit” minus the Section 4999 excise taxes exceeds the Executive’s Capped Benefit. For this purpose, an Executive’s “Uncapped Benefit” is equal to the total payments to which the Executive will be entitled pursuant to this Agreement, or otherwise, without regard to the limitation described in Section 8(D)(1).

3. If the Company believes that Section 8(D)(1) may result in a reduction of the payments to which Executive is entitled under this Agreement, it will so notify Executive as soon as possible. The Company will then, at its expense, retain a “Consultant” (which shall be a certified public accounting firm and/or a firm of recognized executive compensation consultants working with a law firm or certified public accounting firm) to provide a determination concerning whether the Executive’s total payments and benefits under this Agreement or otherwise will result in the imposition of the Section 4999 excise tax and, if so, whether the Executive is subject to the limitations of Section 8(D)(1) or, alternatively, whether the exception described in Section 8(D)(2) applies.

If the Company believes that the limitations of Section 8(D)(1) are applicable, it will nonetheless make payments to the Executive, at the times described in Section 8, in the maximum amount that it believes may be paid without exceeding such limitations. The balance, if any, will then be paid if due after the opinions called for above have been received.
If the amount paid to the Executive by the Company is ultimately determined by the Internal Revenue Service to have exceeded the limitations of this Section 8(D), the Executive must repay the excess promptly on demand of the Company. If it is ultimately determined by the Consultant or the Internal Revenue Service that a greater payment should have been made to the Executive, the Company shall pay the Executive the amount of the deficiency, together with interest thereon from the date such amount should have been paid to the date of such payment so that the Executive will have received or be entitled to receive the maximum amount to which the Executive is entitled under the Agreement. For purposes of this Section 8, the applicable interest rate shall be the Bank of America, Arizona prime rate from the date the amounts described in the preceding sentence should have been paid to the Executive.

As a general rule, the Consultant’s determination shall be binding on the Executive and the Company. Section 280G and the excise tax rules of Section 4999, however, are complex and uncertain and, as a result, the Internal Revenue Service may disagree with the Consultant’s conclusions. If the Internal Revenue Service determines that the Capped Benefit is actually lower than calculated by the Consultant, the Capped Benefit will be recalculated by the Consultant. Any payment over that revised Capped Benefit will then be repaid by the Executive to Company. If the Internal Revenue Service determines that the actual Capped Benefit exceeds the amount calculated by the Consultant, the Company shall pay the Executive any shortage.

The Company has the right to challenge any determinations made by the Internal Revenue Service. If the Company agrees to indemnify an Executive from any taxes, interest and penalties that may be imposed upon the Executive (including any taxes, interest and penalties on the amounts paid pursuant to the Company’s indemnification agreement), the Executive must cooperate fully with the Company in connection with any such challenge. The Company shall bear all costs associated with the challenge of any determination made by the Internal Revenue Service and the Company shall control all such challenges.

Executive must notify the Company in writing of any claim or determination by the Internal Revenue Service that, if upheld, would result in the payment of excise taxes. Such notice shall be given as soon as possible but in no event later than 15 days following the Executive’s receipt of notice of the Internal Revenue Service’s position.

In the event that the provisions of Sections 280G and 4999 of the Code are repealed without succession, this Section 8(D) shall be of no further force or effect. Moreover, if the provisions of Sections 280G and 4999 of the Code do not apply to impose the excise tax on payments under this Agreement, then the provisions of this Section 8(D) shall not apply.

9. **Non-Solicitation.** The Executive hereby covenants and agrees that for a period of one (1) year from the Date of Termination, Executive will not directly or indirectly solicit for employment for any other business entity other than the Company (whether as an employee, consultant, independent contractor, or otherwise) any person who is, or within the six (6)-month period preceding the date of such activity was, an employee, independent contractor or the like of the Company or any of its subsidiaries, unless Company gives its written consent to such offer of employment. The covenants set forth in this Section 9 will survive the Executive’s termination of employment under Section 7.
10. **Non-Disclosure of Confidential Information.**

A. It is understood that in the course of the Executive’s employment with the Company, the Executive will become acquainted with Company Confidential Information (as defined below). The Executive recognizes that Company Confidential Information has been developed or acquired at great expense, is proprietary to the Company, and is and shall remain the exclusive property of the Company. Accordingly, the Executive agrees that he will not disclose to others, copy, make any use of, or remove from the Company’s premises any Company Confidential Information, except as the Executive’s duties may specifically require, without the express written consent of the Company, during the Executive’s employment with the Company and thereafter until such time as Company Confidential Information becomes generally known, or readily ascertainable by proper means by persons unrelated to the Company.

B. Upon any termination of employment, the Executive shall promptly deliver to the Company the originals and all copies of any and all materials, documents, notes, manuals, or lists containing or embodying Company Confidential Information, or relating directly or indirectly to the business of the Company, in the possession or control of the Executive.

C. The Executive hereby agrees that the period of time provided for in the restrictions set forth herein are reasonable and necessary to protect the Company and its successors and assigns in the use and employment of the goodwill of the business conducted by the Company. The Executive further agrees that damages cannot compensate the Company in the event of a violation of this Section 10 and that, if such violation should occur, injunctive relief shall be essential for the protection of the Company and its successors and assigns. Accordingly, the Executive hereby covenants and agrees that, in the event any of the provisions of this Section 10 shall be violated or breached, the Company shall be entitled to obtain injunctive relief against the party or parties violating such covenants, without bond but upon due notice, in addition to such further or other relief as may be available at equity or law. Obtaining of such an injunction by the Company shall not be considered an election of remedies or a waiver of any right to assert any other remedies which the Company has at law or in equity. No waiver of any breach or violation hereof shall be implied from forbearance or failure by the Company to take action thereof. The prevailing party in any litigation, arbitration or similar dispute resolution proceeding to enforce this provision will recover any and all reasonable costs and expenses, including attorneys’ fees.

D. “Company Confidential Information” shall mean confidential, proprietary information or trade secrets of the Company and its subsidiaries and affiliates including without limitation the following: (i) customer lists and customer information as compiled by the Company; (ii) the Company’s internal practices and procedures; (iii) the Company’s financial condition and financial results of operation; (iv) supply of materials information, including sources and costs, and current and prospective projects; (v) strategic planning, manufacturing, engineering, purchasing, finance, marketing, promotion, distribution, and selling activities; (vi) all other information which the Executive has a reasonable basis to consider confidential or which is treated by the Company as confidential; and (vii) all information having independent economic value to the Company that is not generally known to, and not readily ascertainable by proper means by, persons who can obtain economic value from its disclosure or use. Notwithstanding the foregoing provisions, the following shall not be considered “Company Confidential Information”: (1) the general skills of the Executive; (2) information generally known by senior management executives within the Company’s industry; (3) persons, entities, contacts or relationships of the Executive that are also generally known in the industry; and (4) information which becomes available on a non-confidential basis from a source
other than the Executive which source is not prohibited from disclosing such confidential information by legal, contractual or other obligation.

11. **Waiver of Intellectual Property and Moral Rights.** The Executive agrees that any and all ideas, concepts, processes, discoveries, improvements and inventions conceived, discovered, made, designed, researched or developed by the Executive either solely or jointly with others, during the Executive’s employment with the Company and for the six (6) months thereafter, which relate to the Company’s business or resulting from any work the Executive does for the Company (collectively the “Intellectual Property”), are the Intellectual Property of the Company. The Executive hereby irrevocably assigns and grants to the Company all his right, title and interest in and to such Intellectual Property (including any moral rights thereto). The Executive agrees to deliver to the Company all papers, documents, files, electronic data or media, reasonably requested by the Company in connection therewith. Without limiting the foregoing, the Executive acknowledges that any and all Intellectual Property, and any and all other property of the Company protectable by patent, copyright or trade secret law, developed in whole or in part by the Executive in connection with the performance of services to the Company as an employee, are the sole property of the Company.

12. **Return of Company Property Following Termination.** The Executive agrees that following the termination of his employment for any reason, he will promptly return all property of the Company, its affiliates and any divisions thereof he may have managed that is then in or thereafter comes into his possession, including, but not limited to, documents, contracts, agreements, plans, photographs, books, notes, electronically stored data and all copies of the foregoing, as well as any materials or equipment supplied by the Company to the Executive.

13. **Cooperation; No Disparagement.** During the one (1)-year period following the Executive’s Date of Termination, the Executive agrees to provide reasonable assistance to the Company (including assistance with litigation matters), upon the Company’s request, concerning the Executive’s previous employment responsibilities and functions with the Company. Additionally, at all times after the Executive’s employment with the Company has terminated, the Company and the Executive agree to refrain from making any disparaging or derogatory remarks, statements and/or publications regarding the other, its employees or its services. In consideration for such cooperation, the Company shall compensate the Executive for the time the Executive spends on such cooperative efforts (at an hourly rate based on the Executive’s total compensation during the year preceding the Date of Termination) and the Company shall reimburse the Executive for his reasonable out-of-pocket expenses the Executive incurs in connection with such cooperative efforts.

14. **Non-Competition.** The Executive agrees that during his employment by the Company hereunder and for a period of one (1) year thereafter, he will not (except on behalf of or with the prior written consent of the Company), within the State of Arizona either engage in or carry on, directly or indirectly, on his own behalf or in the service or on behalf of others, as a member of a limited liability company, partner of a partnership, or as a stockholder, investor, officer, director, trustee, or as an employee, agent, associate, consultant or in any other capacity engage in the water and wastewater utility business. This restriction shall not apply to the Executive working for a non-competitive state agency or municipal provider, or for a general contractor whose company solely constructs utility infrastructure on behalf of municipalities and utilities. The parties intend that the covenants contained in this Section 14 shall be deemed to be a series of separate covenants one for each county in the State of Arizona and except for geographic coverage, each such separate covenant shall be identical to the covenants contained in this Section 14. This restriction shall not apply if the Executive resigns with Good Reason or is terminated without Cause.
15. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any applicable law, then such provision will be deemed to be modified to the extent necessary to render it legal, valid and enforceable, and if no such modification will make the provision legal, valid and enforceable, then this Agreement will be construed as if not containing the provision held to be invalid, and the rights and obligations of the parties will be construed and enforced accordingly.

16. **Assignment by Company.** Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation or entity that assumes this Agreement and all obligations and undertakings hereunder. Upon such consolidation, merger or transfer of assets and assumption, the term “Company” as used herein shall mean such other corporation or entity, as appropriate, and this Agreement shall continue in full force and effect.

17. **Entire Agreement; Amendment; Waivers.** This Agreement embodies the complete agreement of the parties hereto with respect to the subject matter hereof and supersedes any prior written, or prior or contemporaneous oral, understandings or agreements between the parties that may have related in any way to the subject matter hereof. This Agreement may be amended only in writing executed by the Company and the Executive. The failure of either party to this Agreement to enforce any of its terms, provisions or covenants will not be construed as a waiver of the same or of the right of such party to enforce the same. Waiver by either party hereto of any breach or default by the other party of any term or provision of this Agreement will not operate as a waiver of any other breach or default.

18. **Governing Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the internal laws, and not the law of conflicts, of the State of Arizona.

19. **Notices.** Any notice required or permitted under this Agreement must be in writing and will be deemed to have been given when delivered personally or by overnight courier service or three days after being sent by mail, postage prepaid, at the address indicated below or to such changed address as such person may subsequently give such notice of:

   if to the Company:  
   Global Water Resources, Inc.  
   21410 North 19th Avenue, Suite 220  
   Phoenix, Arizona 85027  
   Attention: Board of Directors

   if to the Executive:  
   Ron Fleming  
   1537 W. Bent Tree Dr.  
   Phoenix, AZ 85085

20. **Dispute Resolution.** Except as otherwise provided in Section 10(C), any dispute, controversy, or claim, whether contractual or non-contractual, between the parties hereto arising directly or indirectly out of or connected with this Agreement, relating to the breach or alleged breach of any representation, warranty, agreement, or covenant under this Agreement, unless mutually settled by the parties hereto, shall be resolved by binding arbitration in accordance with the Employment Arbitration Rules of the American Arbitration Association (the “AAA”). The parties agree that before the proceeding to arbitration that they will mediate their disputes before the AAA by a mediator
approved by the AAA. Any arbitration shall be conducted by arbitrators approved by the AAA and mutually acceptable to the Company and the Executive. All such disputes, controversies, or claims shall be conducted by a single arbitrator, unless the dispute involves more than $50,000 in the aggregate in which case the arbitration shall be conducted by a panel of three arbitrators. If the parties hereto are unable to agree on the mediator or the arbitrator(s), then the AAA shall select the arbitrator(s). The resolution of the dispute by the arbitrator(s) shall be final, binding, nonappealable, and fully enforceable by a court of competent jurisdiction under the Federal Arbitration Act. The arbitrator(s) shall award damages to the prevailing party. The arbitration award shall be in writing and shall include a statement of the reasons for the award. The arbitration shall be held in the Phoenix/Scottsdale metropolitan area. The Company shall pay all AAA, mediation, and arbitrator’s fees and costs. Except as otherwise provided in Section 8(B), the arbitrator(s) shall award reasonable attorneys’ fees and costs to the prevailing party.

21. **Withholding; Release; No Duplication of Benefits.** All of the Executive’s compensation under this Agreement will be subject to deduction and withholding authorized or required by applicable law. The Company’s obligation to make any post-termination payments hereunder (other than salary payments and expense reimbursements through a date of termination), shall be subject to receipt by the Company from the Executive of a mutually agreeable release, and compliance by the Executive with the covenants set forth in Sections 9, 10, 13 and, if applicable, 14 hereof.

22. **Successors and Assigns.** This Agreement is solely for the benefit of the parties and their respective successors, assigns, heirs and legatees. Nothing herein shall be construed to provide any right to any other entity or individual.

23. **Each Party the Drafter.** This Agreement and the provisions contained in it will not be construed or interpreted for or against any party to this Agreement because that party drafted or caused that party’s legal representative to draft any of its provisions.

24. **Headings.** All descriptive headings of sections and paragraphs in this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the heading of any section or paragraph.

25. **Execution of Agreement.** This Agreement may be executed via facsimile, .pdf or similar electronic transmission and in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[Signature Page Follows]
IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

COMPANY:

GLOBAL WATER RESOURCES, INC.,
a Delaware corporation

By: /s/ Trevor T. Hill

Name: Trevor T. Hill 12/18/2017
Title: Chairman of the Board

EXECUTIVE:

/s/ Ron L. Fleming

Ron L. Fleming 12/18/2017

[SIGNATURE PAGE TO EMPLOYMENT AGREEMENT - RON FLEMING]
EXHIBIT A

Executive Job Description

Mr. Fleming shall continue to perform his current duties as Chief Executive Officer and other duties necessary to his position and those assigned by the Board of Directors for the Company.


**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is made as of the 18th day of December, 2017, by and between Global Water Resources, Inc., a Delaware corporation (the “Company”), and Michael J. Liebman, a resident of the State of Arizona (the “Executive”) and shall be effective on January 1, 2018.

**RECITALS**

WHEREAS, the Company desires to continue to employ the Executive as its Senior Vice President, Secretary, and Chief Financial Officer, as well as Senior Vice President, Secretary, and Chief Financial Officer of Global Water, LLC and all utility subsidiaries, and the Executive desires to continue such employment; and

WHEREAS, the parties desire to enter into this Agreement to replace that certain Employment Agreement dated May 13, 2015 and to set forth the terms and conditions of the Executive’s employment with the Company.

**AGREEMENT**

NOW, THEREFORE, in consideration of the covenants and mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance upon the representations, covenants and mutual agreements contained herein, the Company and the Executive agree as follows:

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ the Executive as its Senior Vice President, Secretary, and Chief Financial Officer, and as Senior Vice President, Secretary, and Chief Financial Officer of Global Water, LLC and all regulated utility subsidiaries, and the Executive agrees to diligently perform the duties associated with such positions, including (without limitation) those duties listed on Exhibit A attached hereto. The Executive shall perform his duties primarily at the Company’s headquarters located in Phoenix, Arizona. The Executive will report directly to the Company’s Chief Executive Officer, and shall perform such other duties as the Chief Executive Officer may assign from time to time, provided that such additional duties are reasonable and consistent with the scope of the positions held by the Executive. The Executive will devote substantially all of his business time, attention and energies to the business of the Company and will comply with the policies and guidelines established by the Company from time to time applicable to its senior management executives. During the term of this Agreement, the Executive shall not, without the Company’s prior written consent, be a director, officer, employee, consultant or advisor of or to any person, firm, association, syndicate, partnership, trust or corporation engaged in, concerned with or interested in a business substantially similar to the business of the Company. Notwithstanding the foregoing, the Executive may (a) serve on civic or charitable or not-for-profit industry-related organizations, (b) engage in charitable, civic, educational, professional, community and/or industry activities without remuneration therefore, (c) manage personal and family investments, and (d) purchase securities in any corporation whose securities are regularly traded, provided that such purchase shall not result in the Executive beneficially owning 5% or more of the equity securities of any business in competition with the Company at any time.

2. **Term.** The Executive will be employed under this Agreement from January 1, 2018 until December 31, 2021, unless the Executive’s employment is terminated earlier pursuant to Section

---

Exhibit 10.3
7. Thereafter, the Agreement will automatically renew for one or more additional 12-month periods (each a “Renewal Term”), unless on or before December 31, 2021 (or December 31st during the year of the then current Renewal Term, as applicable), either the Executive or the Company notifies the other party in writing that it wishes to terminate employment under this Agreement at the end of the term then in effect.

3. **Base Salary.** The Company will pay the Executive an annual base salary (“Base Salary”) of $265,000 beginning January 1, 2018. As of January 1, 2019, the annual Base Salary will increase to $280,000. Thereafter, the Board of Directors of the Company (the “Board”) (or its compensation committee) shall review the Base Salary on an annual basis to determine whether any increases are appropriate based on a combination of factors, which shall include (without limitation) the Executive’s achievement of specified performance objectives and/or the amount of compensation paid to the Executive’s peers at other, similarly situated public companies. The Base Salary may not be reduced without the Executive’s consent. The Base Salary will be payable in accordance with the payroll practices of the Company in effect from time to time and will be subject to customary withholding for applicable taxes and other deductions.

4. **Incentive Compensation.** The Executive may be entitled to annual incentive compensation as determined (a) in the discretion of the Board (or its compensation committee) or (b) pursuant to any incentive compensation program adopted by the Company from time to time. For each calendar year, the Executive will be eligible to receive up to 40% of his Base Salary as incentive compensation in the form of a cash bonus and up to 40% of his Base Salary as incentive compensation in the form of phantom stock units or other equity awards, with the value of the phantom stock units or other equity awards to be determined in accordance with Global Water Resources, Inc. Phantom Stock Unit Plan (the “PSU Plan”) or such other equity plan as may be adopted by the Company. The actual percent of incentive compensation paid to Executive in the form of cash and phantom stock units or other equity awards will be based on satisfying the performance goals for each calendar year as determined by the Board (or its compensation committee) and calculated in accordance with the bonus payments for all employees. If Executive is entitled to an award of phantom stock units pursuant to the PSU Plan, such phantom stock units shall be subject to the terms and conditions of the PSU Plan and any award agreement issued pursuant to the PSU Plan. If Executive is entitled to receive a cash bonus, such bonus shall be paid at such time as cash bonuses are otherwise payable to all employees under the incentive compensation program.

5. **Reimbursement of Business Expenses.** The Executive shall be entitled to reimbursement of reasonable and customary business expenses, including for all authorized travel and all out of pocket expenses incurred by the Executive as authorized by the Company in the performance of his duties. The Executive shall furnish any statements, receipts, invoices and other documentation that the Company may reasonably require in connection with processing such reimbursements.

6. **Other Benefits.** The Company will provide to the Executive such fringe and other benefits as are regularly provided by the Company to members of its senior management team, including participation in the Company’s welfare plans (e.g., health, medical, dental, vision, etc.) and other benefit programs (e.g., profit-sharing, long-term incentive compensation, retirement, investment, life and disability insurance, etc.) in effect from time to time, in case to the extent that the Executive is eligible for participation under the terms of such plans or programs. The Executive shall be entitled to five (5) weeks of paid vacation per year, which vacation shall be paid at a rate equal to the Executive’s then current Base Salary. The Executive may take such vacation at such time(s) as the Executive and the Company shall mutually agree to, acting reasonably.
7. Termination of Employment.

A. Voluntary Resignation by Executive without Good Reason. The Executive may voluntarily terminate his employment with the Company at any time by giving two (2) weeks advance written notice to the Company (which notice period the Company may waive in whole or in part in its sole discretion). If such voluntary termination is without Good Reason (as defined below), then (i) the Company will be obligated to pay the Executive’s then current Base Salary through the Date of Termination (as defined below) and any incentive compensation earned in previous years but not yet paid; (ii) no incentive compensation shall be payable for the year in which the termination occurs; and (iii) the Company shall not pay or reimburse the Executive for COBRA (as defined below) premiums for the period that the Company is required to offer COBRA coverage as a matter of law. For the avoidance of doubt, any unvested phantom stock units, stock appreciation rights or other equity-based awards shall be forfeited.

B. Voluntary Resignation by Executive with Good Reason; Termination without Cause by the Company. If the Executive terminates his employment with the Company with Good Reason, or if the Company terminates the Executive’s employment without Cause (as defined below), including by providing the notice of non-renewal referenced in Section 2, then (i) the Company will be obligated to pay the Executive’s then current Base Salary through the Date of Termination and any incentive compensation earned in previous years but not yet paid; (ii) no incentive compensation shall be payable for the year in which the termination occurs, except if during the last six (6) months of the Company’s fiscal year, (a) the Company terminates the Executive’s employment without Cause or (b) the Executive terminates his employment with Good Reason, in which case the Executive will be paid a pro rata bonus based upon the Company’s performance for the fiscal year payable at such time as incentive compensation is otherwise payable to employees under the incentive compensation program; (iii) if Executive timely and properly elects continuation coverage under COBRA, the Company shall reimburse Executive for the COBRA premiums for the level of coverage that the Executive had elected prior to the Executive’s Separation from Service until the earliest of (A) 18 months following the date of Executive’s Separation from Service, (B) the date on which the Executive becomes employed by any other employer that provides health insurance coverage, regardless of whether such coverage is comparable to the coverage provided by the Company or (C) the date the Executive is no longer eligible to receive COBRA continuation coverage; (iv) notwithstanding the provisions in any equity, phantom stock, or stock appreciation right plan or award agreement to the contrary, any equity or stock price-based awards previously granted will become fully vested and exercisable and all restrictions on restricted awards will lapse; and (v) the Company will pay the Executive an amount equal to the sum of (A) three (3) times the Executive’s current Base Salary as of the Date of Termination, and (B) three (3) times the sum of the maximum cash bonus and equity awards (i.e., six (6) times the cash bonus) that the Executive could have earned in the year of the Date of Termination. Unless otherwise provided in this Agreement, this amount shall be paid in a lump-sum payment within 60 days following the Executive’s Separation from Service.

C. Termination for Cause by the Company. If the Company terminates the Executive’s employment for Cause, then, (i) the Company will be obligated to pay the Executive’s then current Base Salary through the Date of Termination and any incentive compensation earned in previous years but not yet paid; and (ii) no incentive compensation shall be payable for the year in which the termination occurs. For the avoidance of doubt, any unvested phantom stock units, stock appreciation rights or other equity-based awards shall be forfeited.
D. **Death or Disability.** If Executive dies or becomes Disabled, then the Company will be obligated to pay (i) the Executive’s then current Base Salary through the effective date of Disability and any incentive compensation earned in previous years but not yet paid, (ii) a pro-rated amount of the Executive’s actual incentive compensation for the year, payable at such time as incentive compensation is otherwise payable to employees under the incentive compensation program, (iii) if Executive or Executive’s qualified beneficiary timely and properly elects continuation coverage under COBRA, the Company shall reimburse Executive or Executive’s qualified beneficiary for the COBRA premiums for the level of coverage that the Executive had elected prior to the Executive’s death or Disability until the earliest of (A) 18 months following the date of Executive’s death or Disability, (B) the date on which the Executive or Executive’s qualified beneficiary becomes employed by any other employer that provides health insurance coverage, regardless of whether such coverage is comparable to the coverage provided by the Company or (C) the date the Executive or his qualified beneficiary is no longer eligible to receive COBRA continuation coverage; and (iv) notwithstanding the provisions in any equity, phantom stock, or stock appreciation right plan or award agreement to the contrary, any equity or stock price-based awards previously granted will become fully vested and exercisable and all restrictions on restricted awards will lapse and, to the extent permitted under the applicable plan’s governing documents, the Executive (or the Executive’s beneficiary(ies)) shall have a period of one (1) year from the effective date of Disability to exercise any such options (or if shorter, the expiration date of the option).

E. **Definitions.** For purposes of this Agreement:

1. “Cause” shall occur if the Executive (a) has engaged in malfeasance, willful or gross misconduct, or willful dishonesty that materially harms the Company or its stockholders, (b) is convicted of a felony that is materially detrimental to the Company or its stockholders, (c) is convicted of or enters a plea of nolo contendere to a felony that materially damages the Company’s financial condition or reputation or to a crime involving fraud; (d) is in material violation of the Company’s ethics/policy code, including breach of duty of loyalty in connection with the Company’s business; (e) willfully fails to perform his duties under this Agreement after notice by the Company and a reasonable opportunity to cure; or (f) impedes, interferes or fails to reasonably cooperate with an investigation authorized by the Company or fails to follow a legal and proper Company directive.


4. “Date of Termination” shall mean (a) if this Agreement is terminated as a result of the Executive’s death, the date of the Executive’s death, (b) if this Agreement is terminated by the Executive, the last day of his employment with the Company, (c) if this Agreement is terminated as a result of the Executive’s Disability, the effective date of the Disability, (d) if this Agreement is terminated by the Company for Cause, the date a final determination is provided to the Executive by the Company, or (e) if this Agreement is terminated by the Company without Cause, the date notice of termination is given to the Executive by the Company.

5. “Disability” or “Disabled” shall mean if, by reason of any medically determinable physical or mental impairment which actually hinders the Executive’s ability to perform his job and which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, the Executive is receiving income replacement
benefits for a period of not less than six (6) months under an accident and health plan established by the Company for its employees. The effective date of Executive’s Disability is the last day of the sixth month on which the Executive receives the income replacement benefits.

(6) “Good Reason” shall mean a Separation from Service within two (2) years following the occurrence of one or more of the following circumstances without Executive’s express consent: (a) a material diminution in the Executive’s authority, duties or responsibilities, (b) a material diminution in the authority, duties or responsibilities of the supervisor to whom the Executive is required to report; (c) a material diminution in Executive’s base compensation not consented to as required under Section 3; (d) a material change in the geographic location of Executive’s principal office; or (e) any other action or inaction that constitutes a material breach by the Company of this Agreement. Executive must provide written notice to Company of the existence of the Good Reason condition described in clauses (a) - (e) above within ninety (90) days of the initial existence of the condition. Notwithstanding anything to the contrary, an event described in clauses (a) - (e) above will not constitute Good Reason if, within thirty (30) days after Executive gives Company notice of the occurrence or existence of an event that Executive believes constitutes Good Reason, Company has fully corrected such event.

(7) “Separation from Service” shall mean either (a) termination of the Executive’s employment with Company and all affiliates of the Company, or (b) a permanent reduction in the level of bona fide services the Executive provides to the Company and all affiliates to an amount that is 20% or less of the average level of bona fide services the Executive provided to the Company in the immediately preceding 36 months, with the level of bona fide service calculated in accordance with Treasury Regulations Section 1.409A-1(h) (1)(ii). Solely for purposes of determining whether the Executive has a Separation from Service, the Executive’s employment relationship is treated as continuing while the Executive is on military leave, sick leave, or other bona fide leave of absence (if the period of such leave does not exceed six months, or if longer, so long as the Executive’s right to reemployment with the Company or an affiliate is provided either by statute or contract). If the Executive’s period of leave exceeds six (6) months and the Executive’s right to reemployment is not provided either by statute or by contract, the employment relationship is deemed to terminate on the first day immediately following the expiration of such six (6)-month period. Whether a termination of employment has occurred will be determined based on all of the facts and circumstances and in accordance with regulations issued by the United States Treasury Department pursuant to Section 409A of the Code.

F. Release Agreement. Notwithstanding anything to the contrary herein, no payment shall be made under this Section 7 or Section 8(B) unless the Executive executes (and does not revoke) a legal release (“Release Agreement”), in the form and substance reasonably requested by the Company, in which the Executive releases the Company and its affiliates, directors, officers, employees, agents, and others affiliated with the Company, from any and all claims, including claims relating to the Executive’s employment with the Company and the termination of the Executive’s employment. The Release Agreement shall be provided to the Executive within five (5) days following the Executive’s Separation from Service. The Release Agreement must be executed and returned to the Company within the 21- or 45-day (as applicable) period described in the Release Agreement and it must not be revoked by the Executive within the seven (7)-day revocation period described in the Release Agreement. Notwithstanding anything in this Section 7 or Section 8(B) to the contrary, if the 21-or 45-day consideration period, plus the seven-day revocation period, spans two calendar
years, the first payment to which Executive is entitled shall be made to the Executive in the second calendar year.

G. **Compliance with Section 409A of the Code.** The Company believes that the payments due pursuant to this Agreement qualify for the short-term deferral exception or the separation pay exception to Section 409A as set forth in Treasury Regulation Section 1.409A-1(b) (4). Notwithstanding anything to the contrary in this Agreement, if the Company determines that neither the short-term deferral exception, separation pay exception nor any other exception to Section 409A applies to the payments due pursuant to this Agreement, to the extent any payments are due on the Executive’s Separation from Service and if Executive is a “specified employee” (as defined in Treasury Regulation Section 1.409A-1(i)) at the time of Executive’s Separation from Service, then such payments shall be paid on the first business day following the expiration of the six month period following the Executive’s Separation from Service along with accrued interest at the Bank of America, Arizona prime rate determined as of the date of the payment. This Agreement shall be operated in compliance with Section 409A or an exception thereto and each provision of this Agreement shall be interpreted, to the extent possible, to comply with Section 409A or to qualify for an applicable exception. Under no circumstances may the time or schedule of any payment made or benefit provided pursuant to this Agreement be accelerated or subject to a further deferral except as otherwise permitted or required pursuant to regulations and other guidance issued pursuant to Section 409A of the Code. Executive does not have any right to make any election regarding the time or form of any payment due under this Agreement. The reimbursement of the COBRA premiums provided for in the Agreement shall be paid to Executive on the fifth day of the month immediately following the month in which Executive timely remits the premium payment. Executive may not elect to receive cash or any other benefit in lieu of the benefits provided by this Agreement.

8. **Change of Control Fee.**

A. Notwithstanding the provisions in any equity, phantom stock or stock appreciation rights plan or award agreement to the contrary, any equity or stock price based awards (including phantom stock units and stock appreciation rights) previously granted to the Executive will become fully vested and exercisable and all restrictions on restricted awards will lapse upon any Change of Control (as defined below), regardless of whether Executive remains employed by the Company or its successor following the Change of Control.

B. If the Executive terminates his employment with the Company with Good Reason, or if the Company terminates the Executive’s employment without Cause within 24 months following a Change of Control of the Company, the Executive will be entitled to a lump-sum cash payment equal to the sum of (i) three (3) times the Executive’s current Base Salary as of the date of the Change of Control, and (ii) three (3) times the sum of the maximum cash bonus and equity awards (i.e., six (6) times the cash bonus) that the Executive could have earned in the year of the Change of Control. Such payment shall be made in a single lump sum within 60 days of the date of the Executive’s Separation from Service, provided the Executive complies with the release requirement of Section 7(F). To the extent that any disputes arise involving the terms and conditions of this Agreement (or the termination of the Executive’s employment) following a Change of Control, the Executive shall be entitled to reimbursement by the Company for his reasonable attorneys’ fees and other legal fees and expenses incurred in connection with contesting or disputing any such termination or seeking to obtain or enforce any right or benefit provided for under this Agreement. Any such fees and expenses shall be reimbursed by the Company as they are incurred. All reimbursements will be made no later than December 31 of the calendar year following the calendar year in which the expense was incurred. The amounts reimbursed in one taxable year will not affect the amounts eligible for reimbursement.
by Company in a different taxable year. Executive may not elect to receive cash or any other benefit in lieu of the reimbursement of legal fees and expenses provided by this Section. If Executive is entitled to a payment pursuant to this Section 8, the Executive shall be ineligible for any payment due pursuant to Section 7.

C. For purposes of this Agreement, “Change of Control” shall mean a “change in the ownership or effective control of a corporation,” or a “change in the ownership of a substantial portion of the assets of a corporation” within the meaning of Code Section 409A (treating the Company as the relevant corporation) provided, however, that for purposes of determining a “change in the effective control,” “50 percent” shall be used instead of “30 percent” and for purposes of determining a “substantial portion of the assets of the corporation,” “85 percent” shall be used instead of “40 percent.”

D. The following limitations apply to payments pursuant to this Section 8.

1. Section 4999 of the Code imposes an excise tax (currently 20%) on an employee if the total payments and certain other benefits received by the employee due to a “change in control”) (which for this purpose, has the meaning ascribed to it in Section 280G of the Code and the related regulations) exceed prescribed limits. In order to avoid this excise tax and the related adverse tax consequences for Company the payments and benefits to which Executive will be entitled pursuant to Section 8 will be limited so that the sum of such payments and benefits, when combined with all other “payments in the nature of compensation” (as that term is defined in Section 280G of the Code and related regulations), the receipt of which is contingent on a change in control, will not exceed an amount equal to the maximum amount that can be payable without the imposition of the Section 4999 excise tax (which maximum amount is referred to below as the “Capped Benefit”).

2. The limitation described in Section 8(D)(1) will not apply if the Executive’s “Uncapped Benefit” minus the Section 4999 excise taxes exceeds the Executive’s Capped Benefit. For this purpose, an Executive’s “Uncapped Benefit” is equal to the total payments to which the Executive will be entitled pursuant to this Agreement, or otherwise, without regard to the limitation described in Section 8(D)(1).

3. If the Company believes that Section 8(D)(1) may result in a reduction of the payments to which Executive is entitled under this Agreement, it will so notify Executive as soon as possible. The Company will then, at its expense, retain a “Consultant” (which shall be a certified public accounting firm and/or a firm of recognized executive compensation consultants working with a law firm or certified public accounting firm) to provide a determination concerning whether the Executive’s total payments and benefits under this Agreement or otherwise will result in the imposition of the Section 4999 excise tax and, if so, whether the Executive is subject to the limitations of Section 8(D)(1) or, alternatively, whether the exception described in Section 8(D)(2) applies.

If the Company believes that the limitations of Section 8(D)(1) are applicable, it will nonetheless make payments to the Executive, at the times described in Section 8, in the maximum amount that it believes may be paid without exceeding such limitations. The balance, if any, will then be paid if due after the opinions called for above have been received.

If the amount paid to the Executive by the Company is ultimately determined by the Internal Revenue Service to have exceeded the limitations of this Section 8(D), the Executive must repay the excess promptly on demand of the Company. If it is ultimately determined by the
Consultant or the Internal Revenue Service that a greater payment should have been made to the Executive, the Company shall pay the Executive the amount of the deficiency, together with interest thereon from the date such amount should have been paid to the date of such payment so that the Executive will have received or be entitled to receive the maximum amount to which the Executive is entitled under the Agreement. For purposes of this Section 8, the applicable interest rate shall be the Bank of America, Arizona prime rate from the date the amounts described in the preceding sentence should have been paid to the Executive.

As a general rule, the Consultant’s determination shall be binding on the Executive and the Company. Section 280G and the excise tax rules of Section 4999, however, are complex and uncertain and, as a result, the Internal Revenue Service may disagree with the Consultant’s conclusions. If the Internal Revenue Service determines that the Capped Benefit is actually lower than calculated by the Consultant, the Capped Benefit will be recalculated by the Consultant. Any payment over that revised Capped Benefit will then be repaid by the Executive to Company. If the Internal Revenue Service determines that the actual Capped Benefit exceeds the amount calculated by the Consultant, the Company shall pay the Executive any shortage.

The Company has the right to challenge any determinations made by the Internal Revenue Service. If the Company agrees to indemnify an Executive from any taxes, interest and penalties that may be imposed upon the Executive (including any taxes, interest and penalties on the amounts paid pursuant to the Company’s indemnification agreement), the Executive must cooperate fully with the Company in connection with any such challenge. The Company shall bear all costs associated with the challenge of any determination made by the Internal Revenue Service and the Company shall control all such challenges.

Executive must notify the Company in writing of any claim or determination by the Internal Revenue Service that, if upheld, would result in the payment of excise taxes. Such notice shall be given as soon as possible but in no event later than 15 days following the Executive’s receipt of notice of the Internal Revenue Service’s position.

In the event that the provisions of Sections 280G and 4999 of the Code are repealed without succession, this Section 8(D) shall be of no further force or effect. Moreover, if the provisions of Sections 280G and 4999 of the Code do not apply to impose the excise tax on payments under this Agreement, then the provisions of this Section 8(D) shall not apply.

9. **Non-Solicitation.** The Executive hereby covenants and agrees that for a period of one (1) year from the Date of Termination, Executive will not directly or indirectly solicit for employment for any other business entity other than the Company (whether as an employee, consultant, independent contractor, or otherwise) any person who is, or within the six (6)-month period preceding the date of such activity was, an employee, independent contractor or the like of the Company or any of its subsidiaries, unless Company gives its written consent to such offer of employment. The covenants set forth in this Section 9 will survive the Executive’s termination of employment under Section 7.

10. **Non-Disclosure of Confidential Information.**

A. It is understood that in the course of the Executive’s employment with the Company, the Executive will become acquainted with Company Confidential Information (as defined below). The Executive recognizes that Company Confidential Information has been developed or acquired at great expense, is proprietary to the Company, and is and shall remain the exclusive property
of the Company. Accordingly, the Executive agrees that he will not disclose to others, copy, make any use of, or remove from the Company’s premises any Company Confidential Information, except as the Executive’s duties may specifically require, without the express written consent of the Company, during the Executive’s employment with the Company and thereafter until such time as Company Confidential Information becomes generally known, or readily ascertainable by proper means by persons unrelated to the Company.

B. Upon any termination of employment, the Executive shall promptly deliver to the Company the originals and all copies of any and all materials, documents, notes, manuals, or lists containing or embodying Company Confidential Information, or relating directly or indirectly to the business of the Company, in the possession or control of the Executive.

C. The Executive hereby agrees that the period of time provided for in the restrictions set forth herein are reasonable and necessary to protect the Company and its successors and assigns in the use and employment of the goodwill of the business conducted by the Company. The Executive further agrees that damages cannot compensate the Company in the event of a violation of this Section 10 and that, if such violation should occur, injunctive relief shall be essential for the protection of the Company and its successors and assigns. Accordingly, the Executive hereby covenants and agrees that, in the event any of the provisions of this Section 10 shall be violated or breached, the Company shall be entitled to obtain injunctive relief against the party or parties violating such covenants, without bond but upon due notice, in addition to such further or other relief as may be available at equity or law. Obtaining of such an injunction by the Company shall not be considered an election of remedies or a waiver of any right to assert any other remedies which the Company has at law or in equity. No waiver of any breach or violation hereof shall be implied from forbearance or failure by the Company to take action thereof. The prevailing party in any litigation, arbitration or similar dispute resolution proceeding to enforce this provision will recover any and all reasonable costs and expenses, including attorneys’ fees.

D. “Company Confidential Information” shall mean confidential, proprietary information or trade secrets of the Company and its subsidiaries and affiliates including without limitation the following: (i) customer lists and customer information as compiled by the Company; (ii) the Company’s internal practices and procedures; (iii) the Company’s financial condition and financial results of operation; (iv) supply of materials information, including sources and costs, and current and prospective projects; (v) strategic planning, manufacturing, engineering, purchasing, finance, marketing, promotion, distribution, and selling activities; (vi) all other information which the Executive has a reasonable basis to consider confidential or which is treated by the Company as confidential; and (vii) all information having independent economic value to the Company that is not generally known to, and not readily ascertainable by proper means by, persons who can obtain economic value from its disclosure or use. Notwithstanding the foregoing provisions, the following shall not be considered “Company Confidential Information”: (1) the general skills of the Executive; (2) information generally known by senior management executives within the Company’s industry; (3) persons, entities, contacts or relationships of the Executive that are also generally known in the industry; and (4) information which becomes available on a non-confidential basis from a source other than the Executive which source is not prohibited from disclosing such confidential information by legal, contractual or other obligation.

11. **Waiver of Intellectual Property and Moral Rights.** The Executive agrees that any and all ideas, concepts, processes, discoveries, improvements and inventions conceived, discovered, made, designed, researched or developed by the Executive either solely or jointly with others, during the Executive’s employment with the Company and for the six (6) months thereafter, which relate to the Company’s business
or resulting from any work the Executive does for the Company (collectively the “Intellectual Property”), are the Intellectual Property of the Company. The Executive hereby irrevocably assigns and grants to the Company all his right, title and interest in and to such Intellectual Property (including any moral rights thereto). The Executive agrees to deliver to the Company all papers, documents, files, electronic data or media, reasonably requested by the Company in connection therewith. Without limiting the foregoing, the Executive acknowledges that any and all Intellectual Property, and any and all other property of the Company protectable by patent, copyright or trade secret law, developed in whole or in part by the Executive in connection with the performance of services to the Company as an employee, are the sole property of the Company.

12. **Return of Company Property Following Termination.** The Executive agrees that following the termination of his employment for any reason, he will promptly return all property of the Company, its affiliates and any divisions thereof he may have managed that is then in or thereafter comes into his possession, including, but not limited to, documents, contracts, agreements, plans, photographs, books, notes, electronically stored data and all copies of the foregoing, as well as any materials or equipment supplied by the Company to the Executive.

13. **Cooperation; No Disparagement.** During the one (1)-year period following the Executive’s Date of Termination, the Executive agrees to provide reasonable assistance to the Company (including assistance with litigation matters), upon the Company’s request, concerning the Executive’s previous employment responsibilities and functions with the Company. Additionally, at all times after the Executive’s employment with the Company has terminated, the Company and the Executive agree to refrain from making any disparaging or derogatory remarks, statements and/or publications regarding the other, its employees or its services. In consideration for such cooperation, the Company shall compensate the Executive for the time the Executive spends on such cooperative efforts (at an hourly rate based on the Executive’s total compensation during the year preceding the Date of Termination) and the Company shall reimburse the Executive for his reasonable out-of-pocket expenses the Executive incurs in connection with such cooperative efforts.

14. **Non-Competition.** The Executive agrees that during his employment by the Company hereunder and for a period of one (1) year thereafter, he will not (except on behalf of or with the prior written consent of the Company), within the State of Arizona either engage in or carry on, directly or indirectly, on his own behalf or in the service or on behalf of others, as a member of a limited liability company, partner of a partnership, or as a stockholder, investor, officer, director, trustee, or as an employee, agent, associate, consultant or in any other capacity engage in the water and wastewater utility business. This restriction shall not apply to the Executive working for a non-competitive state agency or municipal provider, or for a general contractor whose company solely constructs utility infrastructure on behalf of municipalities and utilities. The parties intend that the covenants contained in this Section 14 shall be deemed to be a series of separate covenants one for each county in the State of Arizona and except for geographic coverage, each such separate covenant shall be identical to the covenants contained in this Section 14. This restriction shall not apply if the Executive resigns with Good Reason or is terminated without Cause.

15. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any applicable law, then such provision will be deemed to be modified to the extent necessary to render it legal, valid and enforceable, and if no such modification will make the provision legal, valid and enforceable, then this Agreement will be construed as if not containing the provision held to be invalid, and the rights and obligations of the parties will be construed and enforced accordingly.

16. **Assignment by Company.** Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation or entity that assumes this Agreement and all obligations and undertakings hereunder. Upon such
consolidation, merger or transfer of assets and assumption, the term “Company” as used herein shall mean such other corporation or entity, as appropriate, and this Agreement shall continue in full force and effect.

17. **Entire Agreement; Amendment; Waivers.** This Agreement embodies the complete agreement of the parties hereto with respect to the subject matter hereof and supersedes any prior written, or prior or contemporaneous oral, understandings or agreements between the parties that may have related in any way to the subject matter hereof. This Agreement may be amended only in writing executed by the Company and the Executive. The failure of either party to this Agreement to enforce any of its terms, provisions or covenants will not be construed as a waiver of the same or of the right of such party to enforce the same. Waiver by either party hereto of any breach or default by the other party of any term or provision of this Agreement will not operate as a waiver of any other breach or default.

18. **Governing Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the internal laws, and not the law of conflicts, of the State of Arizona.

19. **Notices.** Any notice required or permitted under this Agreement must be in writing and will be deemed to have been given when delivered personally or by overnight courier service or three days after being sent by mail, postage prepaid, at the address indicated below or to such changed address as such person may subsequently give such notice of:

   if to the Company: Global Water Resources, Inc.
   21410 North 19th Avenue, Suite 220
   Phoenix, Arizona 85027
   Attention: Chief Executive Officer

   if to the Executive: Michael Liebman
   1809 W. Parnell Dr.
   Phoenix, AZ 85085

20. **Dispute Resolution.** Except as otherwise provided in Section 10(C), any dispute, controversy, or claim, whether contractual or non-contractual, between the parties hereto arising directly or indirectly out of or connected with this Agreement, relating to the breach or alleged breach of any representation, warranty, agreement, or covenant under this Agreement, unless mutually settled by the parties hereto, shall be resolved by binding arbitration in accordance with the Employment Arbitration Rules of the American Arbitration Association (the “AAA”). The parties agree that before the proceeding to arbitration that they will mediate their disputes before the AAA by a mediator approved by the AAA. Any arbitration shall be conducted by arbitrators approved by the AAA and mutually acceptable to the Company and the Executive. All such disputes, controversies, or claims shall be conducted by a single arbitrator, unless the dispute involves more than $50,000 in the aggregate in which case the arbitration shall be conducted by a panel of three arbitrators. If the parties hereto are unable to agree on the mediator or the arbitrator(s), then the AAA shall select the arbitrator(s). The resolution of the dispute by the arbitrator(s) shall be final, binding, nonappealable, and fully enforceable by a court of competent jurisdiction under the Federal Arbitration Act. The arbitrator(s) shall award damages to the prevailing party. The arbitration award shall be in writing and shall include a statement of the reasons for the award. The arbitration shall be held in the Phoenix/Scottsdale metropolitan area. The Company shall pay all AAA, mediation, and arbitrator’s fees and costs. Except as otherwise provided in Section 8(B), the arbitrator(s) shall award reasonable attorneys’ fees and costs to the prevailing party.
21. **Withholding; Release; No Duplication of Benefits.** All of the Executive’s compensation under this Agreement will be subject to deduction and withholding authorized or required by applicable law. The Company’s obligation to make any post-termination payments hereunder (other than salary payments and expense reimbursements through a date of termination), shall be subject to receipt by the Company from the Executive of a mutually agreeable release, and compliance by the Executive with the covenants set forth in Sections 9, 10, 13 and, if applicable, 14 hereof.

22. **Successors and Assigns.** This Agreement is solely for the benefit of the parties and their respective successors, assigns, heirs and legatees. Nothing herein shall be construed to provide any right to any other entity or individual.

23. **Each Party the Drafter.** This Agreement and the provisions contained in it will not be construed or interpreted for or against any party to this Agreement because that party drafted or caused that party’s legal representative to draft any of its provisions.

24. **Headings.** All descriptive headings of sections and paragraphs in this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the heading of any section or paragraph.

25. **Execution of Agreement.** This Agreement may be executed via facsimile, .pdf or similar electronic transmission and in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE Follows]
IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

COMPANY:

GLOBAL WATER RESOURCES, INC.,
a Delaware corporation

By:  /s/ Trevor T. Hill

Name: Trevor T. Hill  12/18/2017
Title: Chairman of the Board

EXECUTIVE:

/s/ Michael J. Liebman
Michael J. Liebman  12/18/2017
EXHIBIT A

Executive Job Description

Mr. Liebman shall continue to perform his current duties as Senior Vice President and Chief Financial Officer and other duties necessary to his position and those assigned by the Board of Directors for the Company.
STANDSTILL AGREEMENT

This STANDSTILL AGREEMENT (this “Agreement”) is made as of December 21, 2017, by and among Global Water Resources, Inc., a Delaware corporation (the “Company”), Levine Investments Limited Partnership, an Arizona limited partnership (the “Partnership”), William S. Levine and Andrew M. Cohn, together with their Affiliates (as defined below).

RECITALS

WHEREAS, William S. Levine is the chairman of Keim, Inc., an Arizona corporation (“Keim”), which is the general partner of the Partnership; and

WHEREAS, the Partnership intends to consummate a stock purchase transaction to acquire 2,826,615 shares of the Company’s common stock, par value $0.01 per share (“Common Stock”), from certain shareholders of the Company; and

WHEREAS, Andrew M. Cohn intends to consummate a stock purchase transaction to acquire 193,385 shares of the Common Stock from certain shareholders of the Company; and

WHEREAS, the Company is an existing, approved public utility holding company subject to the rules and regulations of the Arizona Corporation Commission (the “ACC”); and

WHEREAS, the ACC rules require that a transaction that results in an organization of a public utility holding company or a reorganization of an existing, approved public utility holding company, in each case be subject to the approval by the ACC; and

WHEREAS, the Company desires to enter into this Agreement in order to (i) satisfy itself that following the consummation of the transactions described above, no Shareholder (as defined below) or Shareholders acting as a group “control” the Company under the ACC rules and (ii) obtain contractual assurances from the Shareholders that they will refrain from future actions that could result in one or more of them acquiring “control” of the Company under the ACC rules; and

WHEREAS, in order to secure the Company’s cooperation with the transactions described above, the Shareholders have agreed to enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms have the following meanings:

   “ACC” shall have the meaning set forth in the recitals.

   “Agreement” shall have the meaning set forth in the preamble.
“Affiliate” means, with respect to any Person, any other Person that is directly or indirectly Controlling, Controlled by, or under common Control with such Person.

“Common Stock” shall have the meaning set forth in the recitals.

“Company” shall have the meaning set forth in the preamble.

“Control” and derivative terms mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or management policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.


“Keim” shall have the meaning set forth in the recitals.

“Parties” mean the parties to this Agreement.

“Partnership” shall have the meaning set forth in the preamble.

“Person” means any individual, corporation, limited or general partnership, limited liability company, limited liability partnership, trust, association, joint venture, governmental entity, or other entity.

“Shareholders” means the Partnership, William S. Levine, Andrew M. Cohn, and their Affiliates, collectively.

“Term” shall have the meaning set forth in Section 6.

2. Standstill Provision. During the Term, the Shareholders agree that neither the Shareholders nor their Affiliates will directly or indirectly, without the prior written consent of Ron Fleming as CEO of the Company or his replacement (i) acquire, agree to acquire, or make any proposal to acquire, equity securities (including convertible debt instruments and preferred stock or any shares of capital stock issuable upon the conversion or exercise thereof) of the Company, or (ii) in any way participate in a “group” (within the meaning of Section 13(d)(3) of the Exchange Act) in connection with the ownership, voting or acquisition of any equity security of the Company. Notwithstanding the foregoing, a Shareholder who is a member of the Board of Directors of the Company may receive equity compensation in payment for his board service provided that after such payment, such Shareholder and his Affiliates beneficially own no more than 49.9%, in the aggregate, of the voting power of all voting securities of the Company. In the event that after such payment the Shareholder or Affiliates would own more than 49.9%, in the aggregate, of the voting power of all voting securities of the Company, such equity compensation shall be replaced with a cash payment of equivalent value to the Shareholder and Affiliates as applicable.

3. Shareholder Representations. Each of the Shareholders represents and warrants as follows as to itself except as otherwise stated:

(a) The Shareholder, if an individual acting in such Shareholder’s individual capacity, has all legal capacity to enter into this Agreement and to perform his obligations hereunder.
(b) The Shareholder, if a limited partnership, has all requisite limited partnership power and authority to enter into this Agreement and to perform its obligations hereunder.

(c) This Agreement has been duly executed and delivered by the Shareholder and is a valid and binding agreement of the Shareholder, enforceable against the Shareholder in accordance with its terms.

(d) The Shareholder beneficially owns such number of shares of Common Stock as set forth on Schedule A hereto.

(e) The Shareholders have not acquired and do not hold any shares of Common Stock as a “group” (within the meaning of Section 13(d)(3) of the Exchange Act).

(f) Neither Andrew M. Cohn nor any of his Affiliates (i) Controls Keim or the Partnership or (ii) has voting or investment power over any of the Common Stock held by the Partnership, William S. Levine or any of his Affiliates.

(g) The Shareholders have not entered into any agreement or understanding of any kind regarding the Company or the voting, acquisition or disposition of Common Stock.

(h) Neither Andrew M. Cohn nor any of his Affiliates (i) is a general partner or limited partner of the Partnership; (ii) is a stockholder, officer or director of Keim; (iii) is a party to the Partnership’s partnership agreement; (iv) is an officer of the Partnership; or (v) exercises any management or Control over the Partnership or Keim as it relates to the Common Stock or the Company.

(i) There is no agreement or other business relationship between Andrew M. Cohn and William S. Levine of any kind (including, but not limited to, trustee, executor, holding of proxies, power of attorney, etc.) that relates or could in the future relate in any way to the Common Stock or the Company.

(j) The Partnership represents that it is managed and controlled by Keim.

(k) To the extent Andrew M. Cohn is or remains an employee or independent contractor of the Partnership or Keim, his duties as an employee or an independent contractor of the Partnership or Keim do not relate to the Company or the Common Stock, and in no respect is Andrew M. Cohn authorized to take any action on behalf of the Partnership or Keim regarding the Company or the Common Stock.

(l) Andrew M. Cohn is not a member of the Board of Directors of the Company.

4. **Company Representations.** The Company represents and warrants as follows:

(a) The Company has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder.
(b) This Agreement has been duly executed and delivered by the Company and is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

5. **Shareholder Covenants.**

(a) During the Term, the Shareholders agree that neither they nor any Affiliate will take any action that could result in Andrew M. Cohn or any of his Affiliates having (i) Control of the Partnership or Keim or (ii) voting or investment power over any of the Common Stock held by the Partnership, William S. Levine or any of his Affiliates, including following the death or incapacity of William S. Levine.

(b) During the Term, the Shareholders shall not cause or permit any event, condition, fact or circumstance to occur, arise or exist that would constitute a breach of any representation or warranty made by the Shareholders in this Agreement (other than the representation in Section 3(d)) as if such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance.

(c) During the Term, the Shareholders agree that Andrew M. Cohn will not make any communication purporting to act on behalf of the Partnership, Keim or William S. Levine with respect to the Company or the Common Stock held by the Partnership, William S. Levine or any of his Affiliates, and to the extent the Company receives any such communication from Andrew M. Cohn on behalf of the Partnership, Keim, or William S. Levine, the Shareholders direct the Company to disregard said communication as unauthorized and void.

6. **Termination.** The term (“Term”) of this Agreement shall commence from the date of this Agreement through the date that the Shareholders (together with their Affiliates) no longer beneficially own Common Stock (including shares underlying options or warrants) representing, on a fully diluted basis, in the aggregate, at least 20% of the Company’s outstanding Common Stock; provided, however, that this Agreement may be terminated or amended at any time by the mutual written consent of the Parties, including the prior written consent of a disinterested majority of the Board of Directors of the Company; provided, further, that this Agreement may be terminated by any Party (a) if the stock purchase transactions referred to in the recitals are not closed on or before January 10, 2018 or (b) following six (6) months written notice to the other Parties delivered at any time after July 1, 2020.
7. **Remedies.**

(a) Each Party acknowledges that monetary damages would not be an adequate remedy in the event that each and every one of the covenants or agreements in this Agreement are not performed in accordance with their terms, and it is therefore agreed that, in addition to and without limiting any other remedy or right it may have, the non-breaching Party shall have the right to an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically each and every one of the terms and provisions hereof. Each Party agrees not to oppose the granting of such relief in the event a court determines that such a breach has occurred, and to waive any requirement for the securing or posting of any bond in connection with such remedy.

(b) All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Party.

8. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Executed counterparts of this Agreement may be delivered by facsimile or by e-mail as PDF attachments with the same force and effect as an original.

9. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

10. **Successors and Assigns.** Neither this Agreement nor any of the rights or obligations of any Party shall be assigned, in whole or in part by any party without the prior written consent of the other Parties.

[**SIGNATURE PAGE FOLLOWS**]
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first specified above.

GLOBAL WATER RESOURCES, INC.

By: /s/ Ron Fleming
Name: Ron L. Fleming
Title: President and CEO

LEVINE INVESTMENTS LIMITED
PARTNERSHIP by its general partner, Keim, Inc.

By: /s/ William S. Levine
Its: Chairman

/s/ William S. Levine
William S. Levine

/s/ Andrew M. Cohn
Andrew M. Cohn

[SIGNATURE PAGE TO STANDSTILL AGREEMENT]
### SCHEDULE A

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares of Common Stock Beneficially Owned (1)</th>
<th>Percentage of Common Stock (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levine Investments Limited Partnership</td>
<td>6,851,305</td>
<td>34.9%</td>
</tr>
<tr>
<td>William S. Levine</td>
<td>6,901,305 (3)</td>
<td>35.2%</td>
</tr>
<tr>
<td>Andrew M. Cohn</td>
<td>1,559,850</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

(1) The number of shares beneficially owned by each stockholder is determined under rules issued by the Securities and Exchange Commission and includes voting or investment power with respect to securities.

(2) Based on 19,631,266 shares of Common Stock outstanding as of December 15, 2017.

(3) Includes (i) 6,851,305 shares of Common Stock held by Levine Investments Limited Partnership, (ii) 25,000 shares of Common Stock held by Levine Family Trust “A”, which William S. Levine serves as Trustee, and (iii) options to acquire 25,000 shares of Common Stock upon exercise of options that vest on May 20, 2018.