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# Introduction and Definitions

This Water Rights Agreement (the "Agreement") is made and entered into as of August 9, 2025, by and between DocuPal Demo, LLC, a company organized under the laws of the United States, with an address at 23 Main St, Anytown, CA 90210 ("DocuPal"), and Acme, Inc ("ACME-1"), a business entity organized under the laws of the United States, with an address at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA.

The purpose of this Agreement is to grant ACME-1 certain rights to use water from DocuPal's water source for agricultural purposes, subject to the terms and conditions set forth herein. This agreement defines the water rights granted to ACME-1 for agricultural use, including the quantity, source, and seasonal restrictions.

## Definitions

For the purposes of this Agreement, the following terms shall have the meanings set forth below:

- **Water Rights:** The legal entitlement to use water from a specified source, as defined by applicable laws and regulations.
- **Allocation:** The specific quantity of water, measured in [Specify Units, e.g., acre-feet per year], allocated to ACME-1 for use under this Agreement.
- **Permitted Use:** The use of water solely for agricultural irrigation purposes, as further described in this Agreement.
- **Source:** Identifies the specific water source from which water will be drawn under this agreement.
- **Force Majeure:** An event or circumstance beyond the reasonable control of a party.

## Grant and Scope of Water Rights

DocuPal Demo, LLC grants to ACME-1 a limited, non-exclusive right to divert and use water. This right is solely for agricultural purposes. The water must be used on land owned or controlled by ACME-1.



## Water Source and Location

ACME-1 may only divert water from the main well. This well is located on DocuPal Demo, LLC's property. The permitted diversion point is strictly within the boundaries of Parcel A. No other water source is authorized under this agreement.

## Volume and Flow Rate

The total amount of water ACME-1 can divert is capped. The maximum diversion is 50 acre-feet per year. The flow rate is also restricted. ACME-1 cannot exceed a flow rate of 100 gallons per minute when diverting water.

## Seasonal Restrictions

Water use is subject to seasonal limitations. ACME-1 can only divert water during the irrigation season. This season runs from April 1st to October 31st of each year. Diversion outside this period is prohibited, unless explicitly agreed upon in writing by both parties. This condition is crucial for maintaining sustainable water resource management.

## Permitted Use

The water diverted under this agreement must be used exclusively for agricultural activities. These activities include crop irrigation. It excludes industrial, commercial, or residential uses. Any other usage requires prior written consent from DocuPal Demo, LLC. This ensures the water is used responsibly and in accordance with the agreement's intent.

# Term, Renewal, and Termination

## Term

This Water Rights Agreement will begin on 2025-08-09. The agreement will last for an initial term of ten (10) years.



## Renewal

This agreement will automatically renew for an additional term of ten (10) years. This automatic renewal will occur unless either Docupal Demo, LLC or ACME-1 provides written notice. The written notice must state that the party does not intend to renew the agreement. The notice must be provided at least one (1) year before the expiration date of the initial term, or any subsequent renewal term.

## Termination

This Water Rights Agreement may be terminated under the following conditions:

- **Material Breach:** Either party may terminate this agreement if the other party materially breaches any of its obligations.
- **Failure to Pay Fees:** Docupal Demo, LLC may terminate this agreement if ACME-1 fails to pay the agreed-upon fees.
- **Violation of Environmental Regulations:** Either party may terminate this agreement if the other party violates any applicable environmental regulations.

To terminate this agreement, the terminating party must provide written notice to the other party. The written notice must be provided ninety (90) days before the effective date of termination.

# Water Use Charges and Payment Terms

## Water Use Charges

ACME-1 will pay DocuPal Demo, LLC for water used under this Water Rights Agreement. The charge for water is \$50 per acre-foot. This fee covers the right to use the specified amount of water as detailed in this agreement.

## Payment Schedule and Method

ACME-1 will make payments on a quarterly basis. Payments will be processed via electronic funds transfer (EFT). ACME-1 is responsible for ensuring that funds are available for transfer on the due date each quarter.



## Variable Fees

The total quarterly fee will vary depending on the quantity of water used by ACME-1 during that quarter. ACME-1 will only be charged for the actual amount of water used.

## Late Payment Penalties

A late payment penalty of 10% interest per month will be applied to any overdue amount. This interest will be calculated from the original due date until the date the payment is received. Docupal Demo, LLC reserves the right to suspend water delivery if payments are not received in a timely manner.

## Monitoring, Reporting and Compliance

ACME-1 must monitor its water usage to ensure compliance with this agreement and all applicable regulations. Docupal Demo, LLC requires ACME-1 to adhere to the following monitoring, reporting, and compliance protocols.

### Monitoring Requirements

ACME-1 will install and maintain flow meters to accurately measure water extraction from the designated source. These flow meters must be calibrated regularly to ensure data accuracy. ACME-1 is responsible for all costs associated with the purchase, installation, maintenance, and calibration of the flow meters. Well production records must also be maintained to verify water use.

### Reporting Obligations

ACME-1 will provide monthly reports to Docupal Demo, LLC detailing its water usage. These reports must include the following information:

- Dates covered by the report
- Total water extracted during the reporting period (in gallons)
- Flow meter readings
- Well production records
- Any instances of exceeding the agreed-upon water usage limits
- Any maintenance or repairs performed on the flow meters





Reports are due to Docupal Demo, LLC within 10 days following the end of each month. Reports should be submitted electronically to the designated email address provided by Docupal Demo, LLC.

*Area chart showing monthly water usage against the agreed limit.*

## Compliance and Enforcement

ACME-1 must comply with all applicable state and federal water regulations. Failure to comply with these regulations or the terms of this agreement may result in enforcement measures. Docupal Demo, LLC reserves the right to conduct audits of ACME-1's water usage records and flow meter readings to ensure compliance.

Enforcement measures for non-compliance may include:

- Fines for exceeding water usage limits
- Suspension of water rights
- Termination of this agreement

Docupal Demo, LLC will provide written notice to ACME-1 of any alleged non-compliance. ACME-1 will have a 30-day period to remedy the non-compliance or provide evidence demonstrating compliance. If ACME-1 fails to remedy the non-compliance or provide satisfactory evidence, Docupal Demo, LLC may proceed with the enforcement measures outlined above.

## Maintenance and Infrastructure Responsibilities

ACME-1 assumes responsibility for maintaining the water delivery infrastructure. This includes all components from the designated source to ACME-1's property. DocuPal Demo, LLC will maintain the well itself.

## Maintenance Standards and Inspections

All maintenance work must adhere to prevailing industry standards. ACME-1 will ensure the delivery infrastructure is properly maintained. DocuPal Demo, LLC will ensure the well itself is properly maintained. Annual inspections of all



infrastructure components are required. These inspections will verify the integrity and operational efficiency.

## Shared Responsibilities

DocuPal Demo, LLC and ACME-1 share responsibility for water quality monitoring. Both parties will collaborate on implementing a monitoring plan. This plan ensures the water meets required standards. The specifics of the monitoring plan will be outlined in *Appendix B*.

## Access for Maintenance

ACME-1 grants DocuPal Demo, LLC access to ACME-1's property. This access is solely for the purpose of maintaining the well. DocuPal Demo, LLC will provide reasonable notice prior to accessing the property. DocuPal Demo, LLC will take care not to disrupt ACME-1's operations.

# Water Rights Transfer and Assignment

The water rights granted to ACME-1 under this Agreement may be assigned or transferred to a third party. Such assignment or transfer is not effective unless completed according to this section.

## Conditions for Transfer

ACME-1 must obtain prior written consent from Docupal Demo, LLC before any assignment or transfer of these water rights. Docupal Demo, LLC will not unreasonably withhold consent, but may consider factors such as the transferee's intended use of the water, its financial stability, and its history of compliance with environmental regulations.

## Transfer Procedure

To initiate a transfer or assignment, ACME-1 must submit a written request to Docupal Demo, LLC. This request must identify the proposed transferee and detail the terms of the intended transfer. ACME-1 needs to provide information confirming the transferee's ability to meet all obligations outlined in this Agreement.





## Transfer Fee

A transfer fee of \$1,000.00 USD will be applied to each approved transfer. This fee covers administrative costs associated with processing the transfer. The fee is due prior to the effective date of the transfer.

## Liabilities

ACME-1 remains liable for all obligations under this Agreement until the transfer is complete and the transferee has assumed all responsibilities in writing, with the written consent of Docupal Demo, LLC. The transferee must agree to be bound by all terms and conditions of this Water Rights Agreement.

# Dispute Resolution and Governing Law

## Dispute Resolution

Docupal Demo, LLC and ACME-1 will attempt to resolve any disputes arising from this Water Rights Agreement through good-faith negotiations. If these negotiations fail, the parties will submit to mediation.

## Mediation

The parties will select a mutually acceptable mediator. They will share the costs of the mediation equally. Mediation will occur in Anytown, California, unless both parties agree to an alternative location.

## Arbitration

If mediation does not resolve the dispute, the parties agree to binding arbitration. Arbitration will be conducted under the rules of the American Arbitration Association. A single arbitrator will be selected by mutual agreement. The arbitrator's decision will be final and binding. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.



## Governing Law

The laws of the State of California govern this Water Rights Agreement. This includes its interpretation and enforcement, without regard to conflict of laws principles. The parties agree that any legal action or proceeding relating to this agreement will be brought in the state or federal courts located in California. Both parties consent to the jurisdiction and venue of such courts.

## Force Majeure

DocuPal Demo, LLC and ACME-1 will not be liable for failing to perform their obligations. This applies when such failure results from force majeure.

### Definition

Force majeure events include natural disasters, drought, and regulatory changes. These events must be unforeseeable and beyond the reasonable control of the affected party.

### Impact on Obligations

If a force majeure event occurs, the obligations of the affected party will be suspended. This suspension will last until the force majeure event ceases. DocuPal Demo, LLC and ACME-1 will make reasonable efforts to mitigate the impact of any force majeure event.

## Environmental and Regulatory Compliance

DocuPal Demo, LLC and ACME-1 are committed to complying with all applicable state and federal environmental regulations related to the water rights granted under this Agreement.

### Regulatory Compliance Measures

To ensure compliance, both parties will undertake the following measures:

- **Regular Monitoring:** ACME-1 will conduct regular monitoring of water usage and discharge, adhering to the standards set by the State Water Resources Control Board and other relevant regulatory bodies.
- **Annual Reporting:** ACME-1 will submit annual reports to the State Water Resources Control Board, detailing water usage, discharge levels, and any instances of non-compliance. These reports will be submitted by [Date - 30 days after agreement date in the next year, e.g., 2026-09-08].
- **Permitting:** ACME-1 is responsible for obtaining and maintaining all necessary permits required for the exercise of these water rights. This includes permits related to water diversion, storage, and discharge.
- **Best Practices:** ACME-1 will implement and maintain best management practices to minimize environmental impact. These practices will address issues such as erosion control, water conservation, and protection of water quality.
- **Inspections:** Both parties agree to allow regulatory agencies to conduct inspections to verify compliance with environmental regulations.
- **Record Keeping:** ACME-1 will maintain accurate and complete records of all monitoring data, reports, and permits related to these water rights. These records will be made available to DocuPal Demo, LLC upon request.

## Compliance Responsibility

ACME-1 bears the primary responsibility for ensuring compliance with all environmental and regulatory requirements. Any costs associated with compliance, including monitoring, reporting, and permitting, are the sole responsibility of ACME-1. DocuPal Demo, LLC will cooperate with ACME-1 to facilitate compliance efforts, including providing access to relevant information and documentation.

## Amendments and Notices

### Amendments

This Agreement may be amended or modified at any time by mutual written consent of both parties. Any such amendment must be in writing and signed by authorized representatives of Docupal Demo, LLC and ACME-1. The amendment will become effective on the date specified in the amendment or, if no date is specified, upon the date of its execution by both parties. No modification of this Agreement will be binding unless it is in writing and duly executed by both parties.



## Notices

### Methods

All notices relating to this Agreement must be delivered by certified mail.

### Addresses

Notices to Docupal Demo, LLC must be sent to:

Docupal Demo, LLC 23 Main St, Anytown, CA 90210 United States

Notices to ACME-1 must be sent to:

Acme, Inc 3751 Illinois Avenue, Wilsonville, Oregon - 97070 United States

Either party may change its address for notification purposes by giving the other party written notice of the new address, and the date upon which it will become effective, which will be no less than ten (10) days after the date such notice is deemed to have been given.

## Signatures and Execution

This Water Rights Agreement becomes effective as of the date of the last signature below.

### Execution by DocuPal Demo, LLC

In witness whereof, the parties have executed this Water Rights Agreement as of the date first written above.

**DocuPal Demo, LLC**

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

Name:

Title:

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



## Execution by Acme, Inc

In witness whereof, the parties have executed this Water Rights Agreement as of the date first written above.

**Acme, Inc**

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

Name:

Title:

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

## Notarization

This Water Rights Agreement must be notarized to be considered fully executed.

