

CONFIDENTIALITY AGREEMENT

EXXONMOBIL PIPELINE COMPANY (“EMPCo”) and CENTRAL ARKANSAS WATER, (“CAW”) (collectively, the “Parties”) enter into this Confidentiality Agreement (“Agreement”). The Parties acknowledge and agree as follows:

The Parties acknowledge that, in connection with the incident occurring on or about March 29, 2013 near Mayflower, Arkansas involving the Pegasus Pipeline (“**March 2013 Incident**”), CAW has requested certain Confidential Information from EMPCo for the purpose of investigating and evaluating the potential threats to the Lake Maumelle watershed, specifically as it relates to the watershed’s proximity to the Pegasus Pipeline. EMPCo has agreed to provide certain Confidential Information subject to this Agreement.

1. Definition of Confidential Information. The term “Confidential Information” shall mean any so designated and marked data, reports, investigative findings or other analyses (whether preliminary or final and whether prepared by EMPCo or third parties at the request of EMPCo) concerning and/or associated with the Pegasus Pipeline and/or the cause(s) of the March 2013 Incident, made available by EMPCo to CAW pursuant to this Agreement in hard-copy and/or in a virtual data room hosted by a third party, established with respect to this Agreement, which contains or otherwise reflects information concerning EMPCo and its affiliates. .
2. Obligations. Except as expressly provided herein or required by law, CAW shall not disclose the Confidential Information and shall take reasonable steps to prevent disclosure to any third party without EMPCo’s consent. CAW is authorized to disclose the Confidential Information to its attorneys and pipeline integrity consultants/experts (“Recipient(s)”) so long as those Recipient(s) agree to abide by the terms and conditions of this Agreement as indicated by execution of the form attached as Exhibit A. CAW and authorized Recipient(s) agree to use the Confidential Information solely for the purpose of investigating, evaluating, and addressing the potential threats to the Lake Maumelle watershed, specifically as it relates to the watershed’s proximity to the Pegasus Pipeline. In the event any Recipient is required by judicial or administrative process or by any applicable freedom of information law (“FOIA”) to disclose any Confidential Information, then such Recipient will notify the Parties as soon as possible to provide a reasonable time to contest such process or FOIA request. In the event CAW or any authorized Recipient receives a FOIA request for documents containing Confidential Information, CAW shall notify EMPCo of the request. Upon receipt of such notice by email, EMPCo shall notify CAW within two business days whether, and if so why, it believes the requested documents are exempt from disclosure under the applicable FOIA law (for example, documents that if disclosed would give advantage to competitors or documents containing information relating to security of a public water system. Ark. Code Ann. §25-19-105 (b) (9) and (18)).

3. Exceptions to Confidentiality, Use and Non-Disclosure Obligations. The obligations imposed by Sections 2 and 11 hereof shall not apply, or shall cease to apply, to any Confidential Information if or when such Confidential Information: (a) was known to CAW or any authorized Recipient prior to the receipt of the Confidential Information as demonstrated by adequate evidence in the possession of CAW or the authorized Recipient on or before the date of disclosure by EMPCo (and was not previously agreed to by the Parties as being confidential); or (b) was, or becomes, through no breach of CAW's or an authorized Recipient's obligations hereunder, known to the public; or (c) becomes known to CAW or any authorized recipient from sources other than EMPCo; or (d) is independently developed by CAW, as demonstrated by adequate evidence in the possession of CAW or the authorized Recipient on or before the date of disclosure by EMPCo, without violating any of its obligations under this Agreement; or (e) is approved for release by EMPCo in writing.
4. Designation of Confidential Information. For any document produced to CAW that EMPCo regards as containing Confidential Information, EMPCo shall place the notation "Confidential Information" on the document containing Confidential Information. Where Confidential Information is produced in a non-paper medium, the Confidential Information notation described above shall be placed on the medium and its container. All documents made available in a secure virtual data room are designated as Confidential Information regardless of any labeling.
5. Unauthorized Disclosure. A Recipient shall promptly notify EMPCo through CAW of any unauthorized use or disclosure of Confidential Information supplied to Recipient, and shall provide all reasonable cooperation and assistance in recovering the Confidential Information and preventing its further unauthorized use or disclosure.
6. Choice of Law; Severability. This Agreement shall be governed by Arkansas law, without regard to its choice of law principles. If any term or condition of this Agreement is held to be invalid, illegal, or unenforceable in whole or in part, then the rest of this Agreement shall remain operative and in full force and effect and shall be construed as if such provision never existed, provided, however, that the Parties shall make a reasonable effort to revise the problematic term or condition to render it enforceable and consistent with their original intent.
7. Amendment; Counterparts. This Agreement may be amended or modified only by a written instrument executed by the Parties. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.
9. No Representations or Warranties. The Parties make no representations as to the accuracy or completeness of any Confidential Information provided under this Agreement.

10. Term. The term of this Agreement, including all confidentiality obligations hereunder, shall begin on August 1, 2013 (the “Effective Date”), and shall extend indefinitely, but either party may withdraw from this Agreement thirty days after providing written notice to the other party at which point all Confidential Information in CAW’s and authorized Recipient(s)’ possession shall be returned, held or destroyed subject to and in accordance with the provisions of Paragraph 11 below.
11. Retention or Return of Confidential Information. Upon request at any time by EMPCo, CAW and authorized Recipient(s) shall promptly: (a) return to EMPCo all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on electronic media) furnished, together with any copies and (b) certify in writing to EMPCo that all Confidential Information in its possession has been returned. CAW may retain any Confidential Information to the extent that it is required under any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or the extent that such Confidential Information is incorporated into organizational records, which CAW is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case, CAW will take the appropriate measures to preserve its continuing confidentiality.
12. Specific Performance; No Waiver. EMPCo acknowledges and agrees that CAW is an Arkansas public entity. By entering into this Agreement, CAW does not waive any sovereign immunity rights it may have. CAW acknowledges and agrees that EMPCo shall be entitled to the remedies of injunction, specific performance or other equitable relief against CAW or any authorized Recipient(s), as the case may be, for any breach of this Agreement. Such remedy shall be in addition to and not in lieu or limitation of other remedies available to EMPCo at law or in equity. Except as otherwise provided herein, failure by EMPCo in exercising any right, power or privilege permitted hereunder shall not act as a waiver, nor shall any single or partial exercise thereof preclude any further exercise of any right, power or privilege permitted hereunder.

IN WITNESS WHEREOF, the parties hereto have hereby executed this Agreement as of the Effective Date.

CENTRAL ARKANSAS WATER

By: *Graham W. Rilh*
Name: GRAHAM W. RILH
Title: CEO

8/23/13

EXXONMOBIL PIPELINE COMPANY

By: *Gary W. Pruessing*
Name: GARY W. PUESSING
Title: PRESIDENT
09/20/2013

Exhibit A

Acknowledgement of Confidentiality Agreement

I, _____, on behalf of _____, have read the foregoing
Confidentiality Agreement and agree to comply with its terms.

By: _____

Name: _____

Title: _____

Date: _____