

**CASTLE ROCK WATER DEVICE TESTING AGREEMENT
(Beta Version)**

This Device Testing Agreement (“Agreement”) is between **Castle Rock Water** (“CRW”)¹, and the CRW customer identified below (“Customer”). CRW and Customer desire to evaluate the beta test version of certain hardware and software which will produce real time data on water use and allow remote shutoff of water using a cell phone application at the Customer’s service address (“Device”). CRW and Customer acknowledge and agree to the following terms and conditions for the testing program and use of the Device.

CUSTOMER (CRW ACCOUNT HOLDER) _____

CUSTOMER SERVICE ADDRESS _____

DEVICE ID _____

EFFECTIVE DATE/TERMINATION DATE _____ / _____

1. Evaluation of Device. After installation the Device measures water flow and temperature and has the ability to shutoff water flow to an entire structure. The Device will be installed inside your residence or business, just after a manual shutoff. The primary function of the Device is to detect leaks or unintended continuous water flow and either alert the owner or automatically shut-off the water supply in the case of potential catastrophic damage. The Device also has the ability to measure water usage (not for billing purposes) with no set guarantee of accuracy, for the purpose of the Customer budgeting water use. Customer acknowledges that CRW will share Customer’s past, current and future usage and billing information with the Device supplier for analysis purposes. The Device will be operated by a proprietary mobile application, which the Customer must utilize to access the Device.

2. Installation. CRW, at its cost, will supply and cause to be installed by a licensed plumber the Device at the Customer’s service address. The address of the Customer’s facility at which the Device will be installed and maintained during the term of this Agreement is specified below. CRW will make prior arrangements for a suitable time for the installation of the Device to take place. An adult member of the household or business must be home to authorize entry by the plumber and CRW employees and to provide access to the Customer’s Wi-Fi network solely for the purpose of linking the Device to the Internet. The Customer will not be required to disclose the Wi-Fi password.

3. Non-Exclusive License. The Device is the property of and proprietary to the third-party supplier of the Device. Customer is granted a non-exclusive license to evaluate the functionality and usefulness of the Device during the term of this Agreement. Customer acknowledges that the Device (including any images, icons, graphics, animations, video, audio, music, and text incorporated into the Device) are protected by United States and foreign country copyright laws.

4. Confidentiality. Customer acknowledges that the Device and the attributes of the Device, (including but not limited to their design, functionalities, performance characteristics and Customer’s evaluation of the Device) and any other verbal or written information that may be supplied by CRW or the supplier of the Device to Customer during the term of this Agreement, or obtained through Customer’s evaluation of the Device (collectively, “Device Information”) is the confidential and proprietary property of the Device supplier. Customer shall maintain the confidentiality of Device and Device Information during the term of this Agreement and thereafter, and specifically shall:

(a) Not disclose Device or Device Information or the existence or terms of this Agreement to any third party without the prior written consent of CRW;

¹ Castle Rock Water is the Town of Castle Rock Water Enterprise.

(b) Limit internal access to Device or Device Information only to Customer's family with a need to have access to the Device or the Device Information;

(c) Not use Device or Device Information for any purpose other than for evaluating the performance of the Device in Customer's residential or business environment; and

(d) Not copy, modify, adapt, merge, reverse engineer, reverse compile, disassemble, sell, rent or lease, loan or sublicense the Device or Device Information in whole or in part.

5. Device Testing and Reporting. In consideration for CRW making the Device available to Customer for evaluation, Customer agrees to use the Device at Customer's service address and to provide CRW with reports during the term of this Agreement no less than _____ [e.g., weekly], as well as promptly upon the identification of any leaks, bugs, defects or other operability problems. Among other things, each report shall include, as applicable, evaluation of the performance of the Device during the reporting period, information concerning any defects or deficiencies identified therein since the last report, any workarounds or "fixes" identified for any previously identified defects, deficiencies or bugs, and any suggested changes or modifications for the purpose of improving or enhancing the ease of use or performance of the Device. Reports will be required up to once per week. CRW will send Customer a questionnaire or template for such reporting. CRW will share reports and other Device Information with the Device supplier.

6. Maintenance. Customer shall follow instructions from the CRW regarding any maintenance of the Device. Customer shall check the Device for leaks at least once per week and promptly report any such leaks to CRW.

7. Ownership of Device. Ownership of the Device and Device Information are and shall remain with CRW on behalf of the third party supplier and shall be returned to CRW upon expiration of the term of this Agreement. In the event CRW makes the Device available for use by Customer for permanent use, the Device may be purchased at then-prevailing prices under CRW's standard terms and conditions. The agreement for any such Device shall supersede the corresponding provisions of this Agreement.

8. Cost of Installation and Return. CRW shall bear all expenses of installation of the Device at Customer's location, and of returning of the Device to CRW upon the expiration or termination of this Agreement. Similarly to installation, Customer will provide access to the Device for removal at a mutually convenient time.

9. Taxes. CRW will be responsible for any and all taxes or licensing fees pertaining to the Device or the use of the Device during the term of this Agreement, including but not limited to property and/or use taxes.

10. Term of Agreement. The term of this Agreement will commence on the effective date specified below, and will end upon the earlier of: (i) the expiration date specified below; (ii) three days after CRW notifies Customer of termination for the convenience of CRW; (iii) Customer violates the terms and conditions of this Agreement; or (iv) the effective date of a superseding agreement by which the Device is made available to the Customer on a permanent basis. In all instances of termination except (iv), Customer agrees to return promptly any and all Device and Device Information to CRW. In addition, Customer may terminate this Agreement upon written notification to Castle Rock Water. Upon termination of this Agreement, CRW shall remotely deactivate the Device and leave it in place or have a licensed plumber, under the oversight of a CRW employee, remove the Device from the Customer's location at a time reasonably acceptable to both parties. Customers (excluding Town of Castle Rock, CRW employees and any contractors of Town and/or CRW) who complete the full beta test of the Device shall receive a \$50 utility bill credit and free usage of service for one year upon solution becoming commercially available.

11. Evaluation and Testing Use Only. CRW makes no representation regarding if or when CRW may announce the availability of the Device for sale. Customer also understands that testing of the Device may not be complete and that the

Device provided under this Agreement may not meet applicable qualifications or standards for permanent installation and use, or conform to the Device specifications. Accordingly, Customer shall use the Device furnished under this Agreement only for purposes of evaluation testing.

12. No License. Nothing in this Agreement shall be construed as granting a license or conferring any right, expressly, implicitly or otherwise, in any of the Device, Device Information, or intellectual property rights related thereto, other than as expressly provided in this Agreement.

13. No Export. The Device and certain Device Information may be subject to export restrictions under United States export laws and regulations. Therefore, notwithstanding any other provision of this Agreement, Customer agrees not to export, directly or indirectly, any U.S. source technical data acquired from CRW, or any Devices utilizing such data, to any foreign country. Nothing in this Paragraph releases Customer from its obligations of confidentiality stated elsewhere in this Agreement.

14. Disclaimer of Warranties.

CRW (IN ITS CAPACITY AS A WATER PROVIDER AND ON BEHALF OF THE DEVICE SUPPLIER) MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE DEVICE OR THE DEVICE INFORMATION EXCEPT THAT THE DEVICE WILL NOT DAMAGE THE WATER SYSTEM IF THE PLUMBING INSTALLATION OF THE DEVICE IS DONE IN A COMMERCIALY REASONABLE MANNER. THE DEVICE AND DEVICE INFORMATION FURNISHED HEREUNDER ARE FURNISHED "AS IS." CRW SPECIFICALLY DISCLAIMS ALL WARRANTIES WITH RESPECT TO DEVICE FURNISHED HEREUNDER INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, QUIET ENJOYMENT AND IMPLIED WARRANTIES ARISING FROM A COURSE OF DEALING OR COURSE OF PERFORMANCE.

15. Limitation of Liability.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, IN NO EVENT WILL CRW OR ITS SUPPLIERS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY LOSS OR DAMAGES OTHER THAN DIRECT DAMAGES, THEREBY EXCLUDING, WITHOUT LIMITATION, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES AND DAMAGES RESULTING FROM LOSS OF TIME, DATA, PROFITS, REVENUE, USE OR ANY OTHER LOSS, EVEN IF CRW HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE USE OF PERFORMANCE OF CRW'S DEVICE, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), DEVICE LIABILITY, OR UNDER ANY OTHER THEORY OF LIABILITY, EVEN IF A REMEDY SET FORTH HEREIN IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

16. Customer Records. Customer acknowledges that in order to properly evaluate the Device, CRW will share records of Customer's water usage with the Device supplier.

17. Rights and Remedies. All rights and remedies conferred by this Agreement or by law are cumulative and may be exercised singularly or concurrently. Customer acknowledges that any unauthorized use, copying, disclosure, distribution of the Device or any related methods, algorithms, techniques, processes or other information, will cause CRW irreparable harm for which there is no adequate remedy at law, entitling CRW to promptly secure injunctive relief in addition to any other legal or equitable remedies.

18. Severability. If any provision of this Agreement is held invalid by any law or regulation, that invalidity shall not effect the enforceability of any other provisions of this Agreement.

19. Governing Law. This Agreement is governed by and shall be construed in accordance with the laws of the State of Colorado, without giving effect to its conflicts of law or choice of law rules or principles.

20. Provisions Surviving Termination of Agreement. Unless otherwise agreed by CRW in writing, the provisions of Sections 4, 11, 12, 13, 14, 15 and 16 shall survive any expiration or earlier termination of this Agreement.

21. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes all prior negotiations and communications, oral or written, between the parties with respect to the subject matter hereof, and no deviation from these terms and conditions shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

CASTLE ROCK WATER:

Mark Marlowe, Director

CUSTOMER:

(signature)

(Printed name)