

## FIRST AMENDMENT TO SETTLEMENT AGREEMENT

### (Borrego Springs Groundwater Sub-basin)

This First Amendment to Settlement Agreement (“*First Amendment*”) is entered into as of February 23, 2021, by and among the parties (“*Parties*”) to that certain Settlement Agreement dated January 29, 2020, for the Borrego Springs Sub-basin (“*Settlement Agreement*”).

### RECITALS

A. WHEREAS, the Parties entered into the Settlement Agreement to “establish the terms and process for their stipulation to a judgment that comprehensively determines and adjudicates all rights to extract and store groundwater in the Borrego Springs Groundwater Subbasin of the Borrego Valley Groundwater Basin and that establishes a physical solution for the Sustainable Groundwater Management for the Basin and complies with Article X, section 2 of the California Constitution”. The Settlement Agreement, including Exhibits A through E thereto, is posted at the following link: [www.BorregoWD.org/Judgment/](http://www.BorregoWD.org/Judgment/).

B. WHEREAS, the Settlement Agreement includes a proposed stipulated judgment attached as Exhibit “C” to the Settlement Agreement (“*Stipulated Judgment*”).

C. The Parties will seek to have the Stipulated Judgment entered by the court as the final judgment in the pending action entitled *Borrego Water District v. All Persons Who Claim a Right to Extract Groundwater in the Borrego Valley Groundwater Subbasin, etc.*, Orange County Superior Court Case No. 37-2020-00005776 (“*Adjudication Action*”). The Stipulated Judgment, including Exhibits 1 through 9 thereto, is posted at the following link: [www.BorregoWD.org/Judgment/](http://www.BorregoWD.org/Judgment/).

D. WHEREAS, the Settlement Agreement and Stipulated Judgment are intended to serve as an alternative to a Groundwater Sustainability Plan under the Sustainable Groundwater Management Act following approval by the California Department of Water Resources (“*DWR*”), and they were submitted to DWR on January 31, 2020.

E. WHEREAS, the Parties desire to clarify and correct certain provisions of the Settlement Agreement and Stipulated Judgment.

NOW, in consideration of the covenants, conditions and representations hereinafter set forth, the Parties agree as follows:

### TERMS

1. Capitalized but undefined terms used in this First Amendment shall have the meaning assigned to such terms in the Settlement Agreement.

2. The Parties agree that the Settlement Agreement is revised as follows:

2.1 Section 2.2 is hereby revised to add the following sentence as the last sentence: “Notwithstanding any provision of this Section 2.2, should the Parties determine that an objection to the Judgment is unlikely to be made by any party to the Adjudication Action, the

Parties may, in lieu of filing a motion for preliminary injunction pursuant to this Section 2.2, move the Superior Court to enter the Judgment as the final judgment in the Adjudication Action, and thereafter the Parties will only be required to file a motion for preliminary injunction pursuant to this Section 2.2 if an objection to the entry of Judgment is made by any party to the Adjudication Action.”

2.2 References to “preliminary injunction” and “preliminary injunction documents” in Sections 2.4 and 2.5 are revised to insert: “(if required under Section 2.2)”

2.3 Section 3 is hereby deleted and replaced with:

**“Entry of Judgment and Submittal to DWR for Approval.** The Parties agree to entry of Judgment in the form attached hereto as Exhibit C and incorporated herein by reference. At the time appropriate to filing a motion for entry of Judgment, the Parties shall sign the Stipulation attached hereto as Exhibit D and submit a request to the Court for entry of the Judgment pursuant to the procedures set forth in Code of Civil Procedure sections 830 et seq. The Parties agree to submit the Judgment to the Department for review and approval to serve as an alternative to a Groundwater Sustainability Plan pursuant to SGMA (Alternative Plan). (Water Code, §§10733.6; 10737.4(a)(1), (c).)”

2.4 The third sentence of Section 4.1 is hereby deleted and replaced with:

“The Parties agree to fund the interim Watermaster budget attached hereto as Exhibit E in accordance with Section 4.4, below in two equal payments; the first half to be paid in November 2020 within ten (10) days after of receipt of an invoice from the interim Watermaster, and the second half to be paid within 30 days after Court issuance of the preliminary injunction discussed in Section 2.2 above or March 1, 2021, whichever date occurs first.”

2.5 Section 4.4 is hereby deleted and replaced with:

**“Funding of Actions.** The Parties agree that all Persons proposed to receive BPA pursuant to the Judgment will benefit from the actions set forth in this Section 4 of this Agreement. The Parties therefore shall collectively request, as part of the request for a preliminary injunction made pursuant to Section 2.2 of this Agreement (or if no such preliminary injunction is sought, as part of a motion for entry of the Judgment as the final judgment in the Adjudication Action), that the Court order Persons that are not a Party to this Agreement, but which are proposed to receive BPA pursuant to the Judgment, to participate in the funding of such actions under this Section 4. If the Court so orders, each Person proposed to receive BPA pursuant to the Judgment will be assessed by Watermaster an assessment to fund such actions in proportion to the percentage that each Person’s proposed BPA (pursuant to Exhibit 4 to the Judgment) bears to the total BPA proposed to be granted to all Persons pursuant to the Judgment. Until the court so orders, each Party proposed to receive BPA pursuant to the Judgment will be assessed by Watermaster an assessment to fund such actions in proportion to the percentage that each Party’s proposed BPA (pursuant to Exhibit 4 to the Judgment) bears to the total BPA proposed to be granted to all Parties pursuant to the Judgment. Upon Court order assessing Persons that are not a Party to this Agreement for payments under this Section 4, each Party will be reimbursed so that each Person’s assessment to fund actions under this Section 4 is in proportion to the

percentage that each Person's proposed BPA bears to the total BPA proposed to be granted to all Persons pursuant to Exhibit 4 of the Judgment."

2.6 Section 6.1 is hereby deleted and replaced with:

**Reimbursement of BWD for GSP Preparation Cost.** The Parties agree to reimburse BWD a total of \$340,000.00 for its GSP preparation costs. Such costs will be imposed on each Person, including BWD, in proportion to the percentage that each Person's BPA (proposed to be granted pursuant to Exhibit 4 to the Judgment) or Pumping authorization (proposed to be granted pursuant to Section III.D of the Judgment to the Anza-Borrego Desert State Park and Borrego Elementary School, Borrego Springs Unified School District) bears to the total BPA and Pumping authorization proposed to be granted to all Persons pursuant to the Judgment. The Parties shall collectively request, as part of the request for a preliminary injunction made pursuant to Section 2.2 of this Agreement (or if no such preliminary injunction is sought, as part of a motion for entry of the Judgment as the final judgment in the Adjudication Action), that the Court order Persons that are not a Party to this Agreement that are receiving a proposed grant of BPA or Pumping authorization pursuant to the Judgment, to pay their proportion of the BWD reimbursement pursuant to the terms of this Section 6.1. Watermaster will: (i) collect the proportionate BWD reimbursement owed by all Parties other than BWD for reimbursement to BWD through three annual and equal installments assessed in June of 2020, June of 2021, and June of 2022; (ii) collect the proportionate BWD reimbursement owed by all other Persons that are not a Party to this Agreement for reimbursement to BWD upon such schedule as ordered by the Court; and (iii) arrange for any necessary reimbursement to any Parties that have paid a disproportionate share of the BWD reimbursement so that each Person's payment of the BWD reimbursement under this Section 6.1 is in proportion to the percentage that each Person's proposed BPA or Pumping authorization bears to the total combined BPA and Pumping authorization proposed to be granted to all Persons. The Watermaster shall remit all funds collected to BWD without charge for any Watermaster administrative or overhead time. Any such assessments not timely paid by Pumpers will be subject to collection by the Watermaster pursuant to Section V of the Judgment or on court motion by BWD, and be subject to the maximum legal interest and be collectable through any and all procedures legally available to the Watermaster."

2.7 The last sentence of Section 6.20 is hereby deleted and replaced with:

"Prior to entry of Judgment, Exhibit "4" will be revised as necessary to correct any errors, to complete missing information, and to reflect Permanent Transfers completed consistent with the proposed Stipulated Judgment."

2.8 For clarity, attached hereto as **Exhibit 1** is a copy of the Settlement Agreement as amended by this First Amendment with changes shown in redline format. The changes also make corrections to the Form Answer to Adjudication Complaint attached as **Exhibit B** to the Settlement Agreement to reflect the court assigned to oversee the adjudication.

2.9 The changes shown in **Exhibit 2** attached hereto, which are shown in redline format, are hereby made to the Stipulated Judgment attached as **Exhibit C** to the Settlement Agreement. The changes make corrections and clarifications to the Stipulated Judgment and the following Exhibits to the Stipulated Judgment:

Exhibit 4 (Baseline Pumping Allocations) revised as shown in redline format to correct errors, to complete missing information, and to reflect Permanent Transfers completed consistent with the proposed Stipulated Judgment, in accordance with Section 6.20 of the Settlement Agreement as amended by Section 2.7 of this First Amendment;

Exhibit 5 (Watermaster Rules and Regulations) revised as shown in redline format;

Exhibit 6.1 (Water Rights Restrictive Covenant for Water Allocation Resulting from Conveyance of BPA Parcel and Grantor's Reservation of All or a Portion of BPA for Use on Other Land) revised as shown in redline format;

Exhibit 6.2 renumbered to Exhibit 6.3 (Water Rights Restrictive Covenant for Water Allocation Resulting from Transfer of All or a Portion of BPA for Use on Other Land) and revised as shown in redline format;

New Exhibit 6.2 (Water Rights Restrictive Covenant for Water Allocation Resulting from Conveyance of Portion of BPA Parcel and Assignment of BPA between Parcels) added;

Exhibit 8 (Entry Agreement Form) revised as shown in redline format; and

New Exhibit 9 (Facility Standards for Mutual Water Companies Formed After Entry of Judgment) added.

3. The Parties agree that the following exhibits to the Settlement Agreement, and all other provisions of the Settlement Agreement not amended by this First Amendment, remain unchanged: Exhibit A (List of Pumpers and 2014-2018 Pumping), Exhibit D (Stipulation) and Exhibit E (Interim Watermaster Budget).

4. The Parties agree that the following exhibits to the Stipulated Judgment attached as Exhibit C to the Settlement Agreement, and all other provisions of the Stipulated Judgment that are not redlined in the attached Exhibit 2, remain unchanged: Exhibit 1 (Groundwater Management Plan), Exhibit 2 (Stipulation), Exhibit 3 (Minimum Flowing Standards) and Exhibit 7 (Process for Selecting Watermaster Public/Community Representative, Process for Selecting Watermaster Recreational Sector Representative, and Process for Selecting Watermaster Agricultural Sector Representative).

5. Prior to entry of judgment in the Adjudication Action, the Parties will submit to the Department of Water Resources and to the Court an amended and restated Settlement Agreement and Stipulated Judgment consistent with this First Amendment.

6. If any one or more terms or provisions of this First Amendment are held to be unenforceable, the remaining terms and provisions shall remain in full force and effect and shall be construed as if the unenforceable provisions had never been contained in this First Amendment.

7. Time is of the essence in this First Amendment.

8. This First Amendment and all rights and obligations arising out of it shall be construed under the laws of the State of California. Venue for any action, lawsuit, or proceeding arising out of the enforcement or interpretation of this First Amendment is the Court in the

Adjudication Action, currently Department CX102 of the Orange County Superior Court, Civil Complex Center, located at 751 West Santa Ana Boulevard, Santa Ana, California, 92701.

9. The Settlement Agreement as amended by this First Amendment shall remain in full force and effect in accordance with its terms and provisions. The Parties to this First Amendment hereby confirm and ratify each of the provisions of the Settlement Agreement as amended by this First Amendment.

10. THE PARTIES CERTIFY THAT EACH HAS READ ALL OF THIS FIRST AMENDMENT AND FULLY UNDERSTANDS ITS TERMS. IN WITNESS WHEREOF, THE UNDERSIGNED PARTIES AND REPRESENTATIVES HAVE EXECUTED THIS AGREEMENT AS OF THE DATE SET FORTH NEXT TO THEIR RESPECTIVE SIGNATURES.

11. No amendment, change or modification of this First Amendment shall be valid unless in writing and signed by all of the Parties hereto.

12. This First Amendment may be executed in separate counterpart, and all such counterparts shall constitute one agreement which shall be binding upon all Parties hereto, notwithstanding that the signatures of all Parties and their designated representatives do not appear on the same page. In addition, facsimile signatures and email/PDF signatures, when received, shall have the same force and effect as original signatures.

13. The Parties agree to execute and deliver any and all additional papers, documents, instruments and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder.

*[Counterpart signatures on following pages]*

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
 (Borrego Springs Sub-basin)

IT IS SO AGREED:

<p>Date: _____, 2021</p> <p>_____ <b>David Bauer</b> _____, Trustee of the  <i>[Name of Trustee]</i></p> <p>_____ <b>D &amp; J Bauer Family Trust</b> dated _____  <i>[Name of Trust]</i></p> <p><b>11-18-2004.</b>  <i>[date of trust instrument]</i></p>	<p>Email address(es):</p> <p><b><u>Borregofarms@gmail.com</u></b></p> <p>_____</p>
<p>Date: _____, 2021</p> <p>_____ <b>Juli Bauer</b> _____, Trustee of the  <i>[Name of Trustee]</i></p> <p>_____ <b>D &amp; J Bauer Family Trust</b> dated _____  <i>[Name of Trust]</i></p> <p><b>11-18-2004.</b>  <i>[date of trust instrument]</i></p>	<p>Email address(es):</p> <p><b><u>Borregofarms@gmail.com</u></b></p> <p>_____</p>
<p>Date: _____, 2021</p> <p>_____</p> <p>Name: _____ <b>William M. Bauer</b> _____        (please print)</p>	<p>Email address(es):</p> <p><b><u>bbstraightarrow@gmail.com</u></b></p> <p>_____</p>

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
(Borrego Springs Sub-basin)

IT IS SO AGREED:

<p>Date: _____, 2021</p> <p><u>Borrego Nazareth, LLC</u> <small>[name of entity]</small></p> <p>By: _____</p> <p>Name: <u>Maiser Aboneaaj</u></p> <p>Title: <u>Manager</u></p>	<p>Email address(es):</p> <p><u>maboneaaj@saindustries.com</u></p> <p>_____</p>
<p>Date: _____, 2021</p> <p><u>CWC Casa Del Zorro, LLC</u> <small>[name of entity]</small></p> <p>By: _____</p> <p>Name: <u>Jack McGrory</u></p> <p>Title: <u>Manager</u></p>	<p>Email address(es):</p> <p><u>jmcgrory@ljmjm.com</u></p> <p>_____</p>
<p>Date: _____, 2021</p> <p><u>Mountain Springs Organics, LLC</u> <small>[name of entity]</small></p> <p>By: _____</p> <p>Name: <u>Gamini Weerasekera</u></p> <p>Title: <u>Owner</u></p>	<p>Email address(es):</p> <p><u>msorganics@yahoo.com</u></p> <p>_____</p>

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
 (Borrogo Springs Sub-basin)

IT IS SO AGREED:

<p>Date: _____, 2021</p> <hr/> <p>Name: <u>John Doljanin</u>        (please print)</p>	<p>Email address(es):</p> <p><u>John@wctrees.com</u></p> <hr/>
<p>Date: _____, 2021</p> <p><u>James Sommerville</u>, Trustee of the  <i>[Name of Trustee]</i></p> <p><u>The Sommerville Trust</u> dated  <i>[Name of Trust]</i></p> <p><u>November 22,</u> _____, 1983  <i>[date of trust instrument]</i></p>	<p>Email address(es):</p> <p><u>James13som@gmail.com</u></p> <hr/>
<p>Date: _____, 2021</p> <p><u>Roland J. Jensen,</u> _____, Trustee of the  <i>[Name of Trustee]</i></p> <p><u>The Jensen Family Trust</u> _____, dated  <i>[Name of Trust]</i></p> <p><u>August 5,</u> _____, 1983  <i>[date of trust instrument]</i></p>	<p>Email address(es):</p> <p><u>Rjensen714@cox.net</u></p> <hr/>
<p>Date: _____, 2021</p> <p>Name: <u>Michael C. Ward</u>        (please print)</p>	<p>Email address(es):</p> <p><u>mike@wardmfgco.com</u></p>



Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
 (Borrogo Springs Sub-basin)

IT IS SO AGREED:

<p>Date: _____, 2021</p> <p><u>Roy M. Brisbois</u>, Trustee of the  <i>[Name of Trustee]</i></p> <p><u>Trust A of the Conzelman Family Trust</u> dated  <i>[Name of Trust]</i></p> <p><u>November 22,</u> _____, 1983  <i>[date of trust instrument]</i></p>	<p>Email address(es):</p> <p><u>roybrisbois@gmail.com</u></p> <p>_____</p>
<p>Date: _____, 2021</p> <p><u>Steven Mohler</u>, Trustee of the  <i>[Name of Trustee]</i></p> <p><u>Trust C of the Conzelman Family Trust</u> dated  <i>[Name of Trust]</i></p> <p><u>November 22,</u> _____, 1983  <i>[date of trust instrument]</i></p>	<p>Email address(es):</p> <p><u>stevenmohler@sbcglobal.net</u></p> <p>_____</p>
<p>Date: _____, 2021</p> <p><u>JM Roadrunner, LLC</u>  <i>[name of entity]</i></p> <p>By: _____</p> <p>Name: <u>Jack McGrory</u></p> <p>Title: <u>Manager</u></p>	<p>Email address(es):</p> <p><u>jmcgrory@ljmjm.com</u></p> <p>_____</p>

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
 (Borrego Springs Sub-basin)

IT IS SO AGREED:

<p>Date: _____, 2021</p> <p><u>Lance Lundberg</u>, Trustee of the  <i>[Name of Trustee]</i></p> <p><u>Lundberg Family Trust</u> dated  <i>[Name of Trust]</i></p> <p><u>10/1</u>, 1998  <i>[date of trust instrument]</i></p>	<p>Email address(es):</p> <p><u>lancelundberg@yahoo.com</u></p>
<p>Date: _____, 2021</p> <p><u>The Roadrunner Club at Borrego LP</u>  <i>[name of entity]</i></p> <p>By Borrego GP LLC its General Partner</p> <p>By: _____</p> <p>Name: <u>Elias Weiner</u></p> <p>Title: <u>Sole Member</u></p>	<p>Email address(es):</p> <p><u>Eli@BoaVidaCommunities.com</u></p>
<p>Date: _____, 2021</p> <p><u>Seley Ranches, L.P.</u>  <i>[name of entity]</i></p> <p>By: <u>Seley Family, LLC</u></p> <p>Title: <u>General Partner</u></p> <p>By: _____, Trustee of the      James C. Seley</p> <p><u>Seley Family Trust</u>, dated  <i>[Name of Trust]</i></p> <p><u>February 16,</u>, 1977  <i>[date of trust instrument]</i></p>	<p>Email address(es):</p> <p><u>jim@seleycom.com</u></p> <p><u>mike@seleyco.com</u></p> <p><u>mstaples@jacksontidus.law</u></p>

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
 (Borrego Springs Sub-basin)

IT IS SO AGREED:

<p>Date: _____, 2021</p> <p><u>Seley Ranches, L.P.</u>  <small>[name of entity]</small></p> <p>By: <u>Seley Family, LLC</u></p> <p>Title: <u>General Partner</u></p> <p>By: _____, Trustee of the  <small>Charlene R. Seley</small></p> <p><u>Seley Family Trust</u>, dated  <small>[Name of Trust]</small></p> <p><u>February 16,</u> _____, <u>1977</u>  <small>[date of trust instrument]</small></p>	<p>Email address(es):</p> <p><u>jim@seleycom.com</u></p> <p><u>mike@seleyco.com</u></p> <p><u>mstaples@jacksontidus.law</u></p>
<p>Date: _____, 2021</p> <p><u>Shenandoah Growers, Inc.</u>  <small>[name of entity]</small></p> <p>By: _____</p> <p>Name: <u>Tim Heydon</u></p> <p>Title: <u>CEO</u></p>	<p>Email address(es):</p> <p><u>Timothy@freshherbs.com</u></p>
<p>Date: _____, 2021</p> <p><u>The Springs RV and Golf Resort LP</u>  <small>[name of entity]</small></p> <p>By Borrego GP LLC its General Partner</p> <p>By: _____</p> <p>Name: <u>Elias Weiner</u></p> <p>Title: <u>Sole Member</u></p>	<p>Email address(es):</p> <p><u>Eli@BoaVidaCommunities.com</u></p>

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
 (Borrogo Springs Sub-basin)

IT IS SO AGREED:

Date: _____, 2021 <u>T2 Borrego, LLC</u> <small>[name of entity]</small> By: _____ Name: <u>Shannon Smith</u> Title: <u>Vice President</u>	Email address(es): <u>Shannon@Ramshill.com</u> _____
Date: _____, 2021 <u>T2 Farms, LLC</u> <small>[name of entity]</small> By: _____ Name: <u>Shannon Smith</u> Title: <u>Vice President</u>	Email address(es): <u>Shannon@Ramshill.com</u> _____
Date: _____, 2021 <u>Bagdasarian Farms LLC</u> <small>[name of entity]</small> By: _____ Name: <u>Tracy Saiki</u> Title: <u>Managing Member</u>	Email address(es): <u>tsaiki@illumag.com</u> _____

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
 (Borrego Springs Sub-basin)

IT IS SO AGREED:

<p>Date: _____, 2021</p> <p><u>Borrego Springs Unified School District</u>  <small>[name of entity]</small></p> <p>By: _____</p> <p>Name: <u>Mark Stevens</u></p> <p>Title: <u>Superintendent</u></p>	<p>Email address(es):</p> <p><u>mstevens@bsusd.net</u></p> <p>_____</p>
<p>Date: _____, 2021</p> <p><u>Borrego Water District</u>  <small>[name of entity]</small></p> <p>By: _____</p> <p>Name: <u>Kathy Dice</u></p> <p>Title: <u>President, Board of Directors</u></p>	<p>Email address(es):</p> <p><u>Geoff@borregowd.org</u></p> <p><u>Steve.Anderson@bbklaw.com</u></p>

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
(Borrego Springs Sub-basin)

IT IS SO AGREED:

Date: _____, 2021  <u>Borrego Air Ranch Mutual Water &amp; Improvement Co.</u> <small>[name of entity]</small>  By: _____  Name: _____  Title: _____	Email address(es):  _____  _____
---	--

Counterpart Signature Page to  
**FIRST AMENDMENT TO SETTLEMENT AGREEMENT**  
 (Borrogo Springs Sub-basin)

IT IS SO AGREED:

*Note: For Parties who are property owners, Agreement must be executed by or in the name of the entity/individual which holds record title to the applicable property*

If the record owner is an individual:	Date: _____, 2021 _____ Name: _____ (please print)	Email address(es): _____ _____
If the record owner is a legal entity (corporation, limited liability company, general or limited partnership)	Date: _____, 2021 _____ [name of entity] By: _____ Name: _____ Title: _____	Email address(es): _____ _____
If the record owner is a trust	Date: _____, 2021 _____, Trustee of the [Name of Trustee] _____, Trust dated [Name of Trust] _____, _____ [date of trust instrument]	Email address(es): _____ _____

Counterpart Signature Page to  
**SETTLEMENT AGREEMENT**  
(Borrego Springs Sub-basin)

IT IS SO AGREED:

*Note: This signature page is for public agency Parties*

	<p>Date: _____, 2021</p> <p>_____</p> <p style="text-align: center;"><i>[name of entity]</i></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>Email address(es):</p> <p>_____</p> <p>_____</p>
--	--	---



**SETTLEMENT AGREEMENT COUNTERPART SIGNATURE ADDENDUM  
FOR DE MINIMIS PUMPERS  
(Borrego Springs Sub-basin)**

This Addendum to the Settlement Agreement contains the Settlement Agreement signatures of the following De Minimis Pumpers, as that term is defined at Section I.A.18 of the Judgment (Settlement Agreement, Exhibit C), with specific acknowledgment of the following Settlement Agreement and Judgment provisions which relate to De Minimis Pumpers (abbreviations and capitalized terms herein shall have those meanings set forth in the Settlement Agreement and Judgment as referenced herein—the language of the cited provisions control over any restatement contained in this Addendum):

1. Pursuant to Section III.H of the Judgment, De Minimis Pumpers may not Pump more than two AFY of Groundwater from the Basin; if they exceed that amount, they will no longer be De Minimis Pumpers, and they must obtain a BPA that will allow an Annual Allocation in the amount Pumped or be subject to a Penalty Assessment;
2. Because De Minimis Pumpers do not hold BPA, and thus do not Pump Groundwater Pursuant to an Annual Allocation, as long as they remain De Minimis Pumpers, they are not required to pay an annual Pumping Assessment pursuant to Section IV.E.3 of the Judgment, which Pumping Assessment is Assessed only upon Parties with BPA Pumping Groundwater Pursuant to an Annual Allocation; and,
3. Because De Minimis Pumpers do not hold BPA, De Minimis Pumpers are not required to participate in the funding of actions set forth in Sections 2.4, 4.1, 4.3, 4.4 and 6.1 of this Settlement Agreement.

Dated: _____	By: _____ Jack McGrory as Trustee of the Jack McGrory Charitable Remainder Trust	Email address(es): _____ _____
--------------	---	--------------------------------------

Dated: _____	By: _____	Email address(es): _____ _____
--------------	-----------	--------------------------------------

Dated: _____	By: _____	Email address(es): _____ _____
--------------	-----------	--------------------------------------

Dated: _____	By: _____	Email address(es): _____ _____
--------------	-----------	--------------------------------------