

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (this "Agreement") is made as of April 18, 2012 between the Appropriate Pool Committee of the Chino Basin Watermaster (the "AP Committee"), those members of the Overlying (Non-Agricultural) Pool Committee of the Chino Basin Watermaster whose signatures are affixed hereto (the "Transferors") and the Board of Directors of the Chino Basin Watermaster (the "Watermaster Board"). The AP Committee, the Transferors and the Watermaster Board are collectively referred to herein as the "Parties".

RECITALS

A. The Overlying (Non-Agricultural) Pool Committee of the Chino Basin Watermaster, also known as the Non-Agricultural Pool Committee (the "NAP Committee"), and the AP Committee are committees created by and existing pursuant to that certain Judgment entered on or about January 27, 1978 (as amended through the date hereof, the "Judgment") in the Superior Court of the State of California for the County of San Bernardino, Case No. 164327, subsequently renumbered as RCVRS 51010 (the "Action"). Without limiting the generality of the definition of the term "Judgment" in the foregoing sentence, all references in this Agreement to Exhibit G to the Judgment shall mean and refer to Exhibit G to the Judgment, as amended.

B. The Watermaster Board is a nine-member board created by and existing pursuant to a Ruling dated February 19, 1998 entered in the Action, as amended by orders entered on or about September 28, 2000, September 22, 2005 and January 26, 2011. Pursuant to such rulings and orders, the Watermaster Board currently serves as Watermaster under the Judgment.

C. On March 16, 2010, the NAP Committee filed a motion (the "Motion") in the Action pursuant to Paragraph 31 of the Judgment. California Steel Industries, Inc. ("CSI"), one of the constituent members of the NAP Committee, joined in the Motion. On June 18, 2010, the trial court in the Action entered an order denying the Motion. On August 11, 2010, the NAP Committee and CSI each filed notices of appeal of the trial court's order (collectively, the "Appeal") in the Court of Appeal of the State of California, Fourth District, Division Two (the "Appellate Court").

D. On or about January 18, 2012, the Appellate Court served a Tentative Opinion on the parties, reversing the trial court.

E. The Parties desire to resolve the issues raised by the Motion and the Appeal, on the terms and conditions set forth in this Agreement.

AGREEMENT

1. Tentative Opinion. The AP Committee and the Watermaster Board have filed waivers of oral argument with the Appellate Court, waiving oral argument in respect of the Appeal. Each of the Parties shall take such other and further action as may be necessary or appropriate to cause or allow the Tentative Opinion to become final and binding, in its current form, so as to minimize the attorneys' fees and costs to be expended by the Parties in connection with the Appeal. None of the Parties shall petition

for review of the Tentative Opinion, if entered as the final opinion in its current form, in the California Supreme Court, or in any other court or forum.

2. Pre-2007 Storage Water. Each Transferor shall and hereby does sell and transfer to Watermaster for the benefit of the members of the AP Committee, all of the local storage water held by such Transferor as of June 30, 2007 (the "Pre-2007 Storage Water") on the terms and conditions set forth herein.

2.1. 6/30/2007 Storage Water. The Parties agree that the quantity of Pre-2007 Storage Water held by each Transferor as of June 30, 2007, immediately prior to the dedication pursuant to Section 2.2 hereof, is accurately shown on Exhibit A attached hereto in the column labeled "6/30/2007 Storage Water". In each instance that this Agreement provides that the Parties "agree" that quantities are "accurately shown" on an exhibit attached hereto, the Transferors are not making any representation or warranty in respect thereof, it being the understanding of the Parties that the Transferors are relying solely on Watermaster's records in respect thereof, which shall be deemed conclusive in respect thereof solely for the purposes of this Agreement.

2.2. Desalter Dedication. Pursuant to this Agreement, ten percent (10%) of the Pre-2007 Storage Water held by each Transferor shall be deemed to have been dedicated by such Transferor to desalter replenishment as of June 30, 2007. The Parties agree that the quantity of Pre-2007 Storage Water dedicated by each Transferor to desalter replenishment pursuant to this Agreement is accurately shown on Exhibit A attached hereto in the column labeled "10% Dedication to Desalter". The quantity of water so dedicated shall be used exclusively for desalter replenishment. The Parties shall hereafter cause Watermaster staff to accurately and separately account in its reports for the water so dedicated until the water is actually used for desalter replenishment.

2.3. Storage Losses. Pursuant to Section 5.2(b)(xii) of the so-called Peace Agreement dated June 29, 2000 (the "Peace Agreement") and Section 7.4 of the so-called Peace II Agreement dated October 25, 2007 (the "Peace II Agreement"), the Watermaster Board has imposed a 2% annual storage loss on water held in local storage by members of the NAP Committee and the AP Committee at all times during the five-year period from July 1, 2007 through June 30, 2012. The Parties agree that the total annual storage losses for such five-year period are accurately shown on Exhibit B-1 attached hereto in the row labeled "Total Storage Losses". Pursuant to this Agreement, the Transferors, on the one hand, and the members of the AP Committee, on the other hand, shall share equally the Total Storage Losses, with each Transferor being debited its pro rata share of 1,710.782 acre feet of the Total Storage Losses, and the AP Committee being debited 1,710.781 acre feet of the Total Storage Losses. The Parties acknowledge that Watermaster staff has, in its assessment packages and annual reports published prior to the date hereof for such five-year period, debited the entirety of the 2% annual storage loss against the respective storage accounts of the Transferors and that, in order to effectuate the foregoing allocation of the Total Storage Losses between the Transferors and the AP Committee for such five-year period, the Parties agree that the credit to its local storage account that each Transferor shall be entitled to receive, as of June 30, 2012, is accurately shown in the column entitled "Transferor Storage Losses Credit" on Exhibit B-2 attached hereto. If a Transferor has not produced or otherwise transferred any of its local storage water in production year 2011-2012 (other than pursuant to this Agreement), then the balance of such Transferor's local storage account as of June 30, 2012 shall be the amount shown in the column entitled "Ending Balance" for such production year on Exhibit B-2 attached hereto. The storage losses attributable to the

AP Committee shall be debited against the quantity of Pre-2007 Storage Water sold and transferred to Watermaster, for the benefit of the AP Committee, immediately after the sale and transfer pursuant to this Agreement.

2.4 Price and Quantity. The aggregate purchase price payable to each Transferor shall be \$350 per acre foot for each acre foot of Pre-2007 Storage Water, payable in the time and manner set forth in Section 2.5 and Section 7.2. The Parties agree that, after taking into account the desalter dedication pursuant to Section 2.2 hereof and the storage losses debited pursuant to Section 2.3 hereof, the quantity of Pre-2007 Storage Water sold and transferred by each Transferor pursuant to this Agreement (each, a "Transferor Net Quantity") is accurately shown on Exhibit A attached hereto in the column labeled "Amount Transferred." The transfer of each Transferor Net Quantity shall be effective as of the date hereof. The Parties agree that the aggregate purchase price payable to each Transferor is accurately shown on Exhibit A attached hereto in the column labeled "Transferor Purchase Price Amount".

2.5 Payment. The Parties acknowledge that Watermaster staff, on behalf of the AP Committee, has heretofore tendered to each Transferor certain amounts in respect of the Pre-2007 Storage Water in each of January 2010, January 2011 and January 2012, and that the respective amounts thereof (the "Prior Payments") are accurately shown on Exhibit A attached hereto in the columns labeled "Amount Paid January 2010," "Amount Paid January 2011" and "Amount Paid January 2012," respectively. Each Transferor shall be entitled to deposit and retain each of the Prior Payments received by such Transferor. If any Transferor has misplaced any check representing a Prior Payment to such Transferor, or if any Transferor's bank will not honor any such check due to the passage of time, Watermaster staff shall, promptly following written notice thereof from such Transferor and a request for a new check, tender a new check to such Transferor in the same amount. In addition to the Prior Payments, Watermaster staff shall pay to each Transferor from a Watermaster account, on or before January 15, 2013, the respective amounts (each, a "2013 Payment" and, collectively, the "2013 Payments") shown in the column labeled "Amount To Be Paid January 2013" and, on or before January 15, 2014, the respective amounts (each, a "2014 Payment" and, collectively, the "2014 Payments") shown in the column labeled "Amount To Be Paid January 2014".

2.6 Use. The Pre-2007 Storage Water sold and transferred by the Transferors pursuant to this Agreement shall be transferred to the local storage accounts of the members of the AP Committee in the quantities shown in the column entitled "Effective Transfer (Acre-Feet)" on Exhibit D attached hereto, and, upon such transfer, shall be treated for all purposes as local storage water of the respective members of the AP Committee. Each member of the AP Committee may elect to further transfer or use the quantity of Pre-2007 Storage Water transferred to its local storage account in whatever manner and for whatever purpose such member of the AP Committee may use its other local storage water.

2.7 County and SCE. Notwithstanding anything to the contrary herein, if the balance of the local storage account of any Transferor is less than zero acre feet as of June 30, 2012, then (a) the quantity transferred by such Transferor to Watermaster pursuant to Section 2.4 of this Agreement (and by Watermaster to the members of the AP Committee) shall be reduced by the amount of such deficit (such deficit, the "Storage Deficit Adjustment Quantity"); and (b) the 2013 Payment otherwise payable by Watermaster to such Transferor shall be reduced by an amount equal to the product of (a) Storage Deficit

Adjustment Quantity of such Transferor and (b) \$350 per acre-foot. The Parties presently anticipate that the only persons who are or might become Transferors and who will have a Storage Deficit Adjustment Quantity as of June 30, 2012 are the County of San Bernardino and Southern California Edison.

3. Desalter Dedications. The Parties hereby acknowledge that the dedications by each Transferor of ten percent (10%) of its Pre-2007 Storage Water to desalter replenishment pursuant to Section 2.2 hereof, together with the continuing dedications by each Transferor of ten percent (10%) of its annual share of Operating Safe Yield to desalter replenishment pursuant to Section 5(c) of Exhibit G to the Judgment, calculated in the manner shown in Watermaster's annual reports prior to the date hereof, are and shall hereafter be the sole and exclusive methods by which the Transferors shall be required to contribute at any time to desalter production or desalter replenishment, and such dedications shall, solely for the purposes of Section 7.4 of the Peace II Agreement, constitute contributions by them to the OBMP Implementation Plan and compliance by them with their continuing covenants under the Peace Agreement. Without limiting the generality of the foregoing, dedications pursuant to Section 5(c) of Exhibit G to the Judgment shall be the sole and exclusive method by which the Transferors shall be required to contribute pursuant to Section 6.2(a) and 6.2(b) of the Peace II Agreement. This Section 3 shall not affect any Transferor's obligations relating to assessments, except to the extent relating to desalter production or desalter replenishment.

4. MWD Rate. If, at any time and for any period after the date hereof, the rate known as the "MWD Replenishment Water Rate: Untreated" is not included in water rates published by the Metropolitan Water District of Southern California, then the Parties shall in good faith promptly commence and thereafter diligently pursue to completion negotiation and agreement upon a new rate for physical solution transfers pursuant to Section 9(d) of Exhibit G to the Judgment and/or another efficient market mechanism for transfers of Non-Agricultural Pool water at reasonable prices from those members of the NAP Committee who are willing to transfer it to those members of the AP Committee who are willing to acquire it. If the Parties do not agree upon such a new rate and/or such a market mechanism within three months after the period for commencement of such negotiations, then the AP Committee, the NAP Committee or any member of either may thereafter file a motion or other petition relating thereto.

5. Intentionally Omitted.

6. Dispute Resolution. The Parties shall promptly commence and thereafter diligently pursue good faith negotiations to address cost-effective alternatives to the court process for future dispute resolution. Nothing contained in this Section shall limit or affect the ability of the Watermaster Board, the AP Committee, the NAP Committee or any member of either to take any action, or to do or omit to do anything, which any of them might otherwise take or do under the Judgment or under their respective Rules and Regulations, including without limitation filing a motion or other petition relating thereto.

7. Payment Mechanism.

7.1 The person signing this Agreement on behalf of the AP Committee hereby represents and warrants to the other Parties that the AP Committee has voted, at a duly noticed meeting, to assess its members amounts shown on Exhibit C attached hereto, for the purpose of allowing Watermaster staff, on behalf of the members of the AP Committee, to pay the 2013 Payments and the 2014 Payments to the Transferors from a Watermaster account in a timely manner. The AP Committee

shall take such other and further action as may be necessary or appropriate to cause its members to collectively pay, without deduction, offset or abatement of any kind, to a Watermaster account, on or before December 31, 2012 and December 31, 2013, amounts equal to the 2013 Payments and the 2014 Payments, respectively, for the purpose of allowing Watermaster staff, on behalf of the members of the AP Committee, to pay the 2013 Payments and the 2014 Payments, respectively, to the Transferors from a Watermaster account in a timely manner.

7.2 The Watermaster Board shall cause Watermaster staff to pay, without deduction, offset or abatement of any kind to each Transferor, on or before January 15, 2013 and January 15, 2014, each of the 2013 Payments and the 2014 Payments, respectively. The obligation of the Watermaster Board to timely pay such amounts to the Transferors shall be absolute, irrevocable and unconditional, regardless of the accuracy or completeness of any representation made herein or otherwise by the AP Committee or any of its members or the performance or non-performance by the AP Committee or any of its members of any of the covenants to be performed hereunder, and regardless of any other action or inaction taken by or against the AP Committee or any of its members, including without limitation any bankruptcy or insolvency of any or more members of the AP Committee, or any non-payment of any assessment by any one or more members of the AP Committee for any other reason, including without limitation any issue relating to the enforceability or interpretation of any assessment by or against the members of the AP Committee or any vote therefor. The Watermaster Board hereby waives all suretyship rights and defenses which might otherwise be available to the Watermaster Board under or pursuant to California Civil Code Sections 2787 through 2855 inclusive. In addition to any other rights and remedies which any Transferor may have hereunder or under applicable law, a Transferor shall be entitled to collect and receive from the Watermaster Board (a) a late fee equal to five percent (5%) of any amount which is not paid on or prior to the date due hereunder; and (b) pre-judgment interest at the legal rate, from the date due hereunder until the date actually paid. The Watermaster Board shall look solely to the AP Committee and its members for any reimbursement or indemnity for any payment made from a Watermaster account to the Transferors hereunder, and no member of the NAP Committee shall have any obligation or liability therefor under any circumstance at any time.

8. Authority.

(a) Transferors. As a material inducement to the other Parties to execute, deliver and perform this Agreement, each Transferor hereby represents and warrants to the other Parties that: (1) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate, partnership or municipal action (as the case may be) of such Transferor, as determined by such Transferor; (2) this Agreement has been duly executed and delivered by such Transferor and constitutes a valid and binding obligation of such Transferor, enforceable against such Transferor in accordance with its terms; and (3) the execution, delivery and performance by such Transferor of this Agreement does not (i) require any approval of its shareholders, partners or legislative board (as the case may be) which has not been obtained; (ii) violate the rules and regulations of the NAP Committee or the articles, bylaws, partnership agreement, charter or ordinances (as the case may be) of such Transferor; or (iii) breach or constitute a default under any contract to which such Transferor is a party or by which it is bound.

(b) AP Committee. As a material inducement to the other Parties to execute, deliver and perform this Agreement, the AP Committee hereby represents and warrants to the other Parties that: (1) the execution, delivery and performance of this Agreement has been duly authorized by all necessary committee action of the AP Committee and by all necessary municipal or corporate action (as the case

may be) by each member, as determined by such member; (2) this Agreement has been duly executed and delivered by the AP Committee and constitutes a valid and binding obligation of the AP Committee and its members, enforceable against the AP Committee and its members in accordance with its terms; and (3) the execution, delivery and performance by the Chair of the AP Committee of this Agreement does not (i) require any approval of its members or by the shareholders or legislative board of its members (as the case may be) which has not been obtained; (ii) violate the rules and regulations of the AP Committee or the articles, bylaws, charter or ordinances (as the case may be) of its members; or (iii) breach or constitute a default under any contract to which the AP Committee or its members is a party or by which it is bound.

(c) Watermaster Board. As a material inducement to the other Parties to execute, deliver and perform this Agreement, the Watermaster Board hereby represents and warrants to the other Parties that: (1) the execution, delivery and performance of this Agreement has been duly authorized by all necessary action of Watermaster; (2) this Agreement has been duly executed and delivered by Watermaster and constitutes a valid and binding obligation of the Watermaster, enforceable against Watermaster in accordance with its terms; and (3) the execution, delivery and performance by the Chair of the Watermaster Board of this Agreement does not (i) require any approval which has not been obtained; (ii) violate the rules and regulations of Watermaster; or (iii) breach or constitute a default under any contract to which Watermaster is a party or by which it is bound.

9. Court Approval. The Parties hereby stipulate and agree that the execution, delivery and performance of the terms of this Agreement, and each of them, are consistent with Paragraph 8 of and Exhibit G to the Judgment, and do not conflict with, violate or constitute a breach or default under the Judgment, or any order entered in the Action or any instrument or agreement whose terms were previously approved in the Action, including without limitation the Peace Agreement and the Peace II Agreement. If any Party or person hereafter contends that the execution, delivery or performance of the terms of this Agreement, or any of them, does or might conflict with, violate or constitute a breach under the Judgment, or any Order entered in the Action or any instrument or agreement whose terms were previously approved in the Action, then the Parties shall take such action as may be necessary to cause this Agreement to be approved in the Action, and for each of its provisions to be enforced in accordance of its terms.

10. Notices. Any notice required or permitted to be given to a Party under this Agreement shall be given in writing and by (a) nationally recognized overnight courier service to such Party, next day delivery, prepaid or (b) electronic mail to such Party (specifically excluding text messages or other means of electronic communication), in each case to the service and e-mail addresses set forth below the respective Parties' signatures on the signature pages hereof. Each of the Parties shall be entitled to specify a single different address by giving written notice to the other Parties in the manner aforesaid, which shall be effective five business days after delivery thereof. For each notice required to be given to the AP Committee, a copy thereof shall be concurrently given to counsel of record for the AP Committee, at its most recent mailing or e-mail addresses of record in the Action. For each notice required or permitted to be given to any Transferor, a copy thereof shall be concurrently given to counsel of record for the NAP Committee, at its most recent mailing and e-mail addresses of record in the Action. For each notice required or permitted to be given to the Watermaster Board, a copy thereof shall be concurrently given to counsel of record for the Watermaster Board, at its most recent mailing and e-mail addresses of record in the Action. This Section shall be the sole and exclusive method for giving notices required or permitted to be given to a Party under this Agreement. This Section shall not govern or control or

establish a custom or practice with respect to any other notices required or permitted to be given under the Judgment or in connection with the Action.

11. Attorneys' Fees and Costs. No Party hereto shall seek to recover against any other Party hereto any attorneys' fees or costs incurred in connection with the Motion, the Appeal or the negotiation and execution of this Agreement.

12. Binding Effect. The provisions of this Agreement shall inure to the benefit of and be binding upon the Parties (and in the case of the AP Committee, its members) and their respective successors and assigns. The person signing this Agreement on behalf of the AP Committee represents and warrants to the other Parties that each member of the AP Committee has authorized him to sign this agreement on its behalf, with the intent that each such member will be bound and benefitted by the terms of this Agreement. This signature shall not govern or control or establish a custom or practice with respect to any other instrument or agreement. Other than the members of the AP Committee, who are intended to be bound and benefitted by the terms of this Agreement, none of the provisions of this Agreement shall bind or benefit any person whose has not signed this Agreement. It is the intention of the Parties that no term or provision of this Agreement shall be interpreted for or against any person on the basis that such person or its counsel was the drafter or primary drafter of this Agreement, or of such term or provision.

13. Invalidity. If any portion of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction against any one or more of the Parties for any reason, then it is the desire and intention of the Parties that the court construe and reform such invalid or unenforceable provision, and any other provisions of this Agreement, so as to match and satisfy the intentions and reasonable expectations of the Parties, as manifested by the express provisions hereof, as closely as possible. If and to the extent that such intentions and expectations cannot be matched and satisfied entirely, it is the desire and intention of the Parties that the Court order such other and further relief to compensate each of the Parties adversely affected by such invalidity or unenforceability, by any person benefitted by such invalidity or unenforceability. Without limiting the generality of the foregoing, if Section 2.5 and/or Section 7.2 of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction against the Watermaster Board for any reason, then it is the desire and intention of the Parties that the court construe and reform this Agreement so that the AP Committee and its members be directly, primarily, jointly and severally liable to the Transferors for the amounts payable to the Transferors hereunder.

14. Time of Essence. Time is of the essence with respect to all matters contained in this Agreement.

15. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless manually signed by the Party asserted to be bound thereby.

16. Entire Agreement. This Agreement and the instruments and agreements referenced herein constitute the entire understanding and agreement of the parties with respect to the subject matter

hereof and supersede any and all prior or contemporaneous understandings and agreements, whether oral or written.

17. Amendments. This Agreement may not be changed or modified except by an instrument in writing manually signed by the Party asserted to be bound thereby.

18. Headings. Any headings in this Agreement are solely for the convenience of reference and are not part of this Agreement.

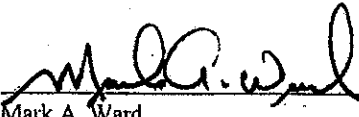
19. Governing Law. This Agreement shall be governed by and be construed in accordance with the laws of the State of California.

20. Counterparts. This Agreement may be executed by manual signature in counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute a single instrument. A counterpart agreement or signature page containing a manual signature but delivered by e-mail or by facsimile transmission shall be enforceable as if it contained an original manual signature. This Agreement shall not be effective, and shall not be binding upon any Party, unless and until counterparts thereof have been manually signed and delivered by (A) each of the members of the NAP Committee owning more than 3,000 acre feet of Pre-2007 Storage Water, (B) the Chair of the AP Committee and (C) the Chair of the Watermaster Board. This Agreement shall be dated as of the date that the last of such counterparts is delivered to the other Parties hereto. If any one or more of the members of the NAP Committee owning less than 3,000 acre feet of Pre-2007 Storage Water do not sign and deliver this Agreement prior to the date that this Agreement is dated, then the Parties shall make further reasonable good faith efforts to ascertain whether such non-signing members of the NAP Committee desire to sign and deliver this Agreement. In any event, if any non-signing members of the NAP Committee do not sign this Agreement within 75 calendar days after the date hereof, then (i) each such non-signing member shall be deemed to have retained its Pre-2007 Storage Water and shall not be bound by or obtain the benefits of this Agreement, (ii) the Total Storage Losses allocated pursuant to this Agreement shall be reduced proportionately; (iii) the Parties shall make reasonable good faith efforts, through Watermaster assessments or otherwise, to cause each such non-signing member to refund promptly to the AP Committee, an amount equal to the Prior Payments tendered to such non-signing member, with such refund distributed to the members of the AP Committee; and (iv) and the assessments set forth in Exhibit C and the quantities set forth in Exhibit D shall be reduced proportionately.

[signature page follows]

TRANSFERORS:

NOV AMERON INC.

By: 
Name: Mark A. Ward
Its: Project Manager
Address: 13032 Slover Avenue
Fontana, CA 92337
E-mail: mark.ward@nov.com

AQUA CAPITAL MANAGEMENT LP

By: _____
Name: _____
Its: _____
Address: _____
E-mail: _____

AUTO CLUB SPEEDWAY

By: _____
Name: _____
Its: _____
Address: _____
E-mail: _____

CITY OF ONTARIO

By: _____
Name: _____
Its: _____
Address: _____
E-mail: _____

[signature pages continue]

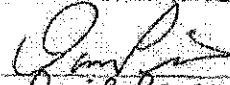
TRANSFERORS:

NOV AMERON INC.

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

AQUA CAPITAL MANAGEMENT LP

By: 
Name: David Peatrice
Its: CEO
Address: 444 Regency Parkway Drive
Suite 300
Omaha, NE 68114
E-mail: dpeatrice@acowatch.com

AUTO CLUB SPEEDWAY

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

CITY OF ONTARIO

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

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TRANSFERORS:

NOV AMERON INC.

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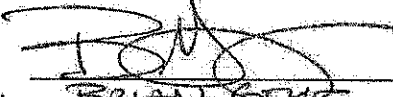
E-mail: _____

AQUA CAPITAL MANAGEMENT LP

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

AUTO CLUB SPEEDWAY

By: 
Name: BRIAN GEYS
Its: SR. DIRECTOR, OPERATIONS
Address: 9300 CHERRY AVE
FONTANA, CA 92335
E-mail: bgeys@autoclubspeedway.com

CITY OF ONTARIO

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

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TRANSFERORS:

NOV AMERON INC.

By: _____
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AQUA CAPITAL MANAGEMENT LP

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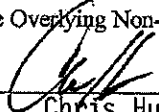
AUTO CLUB SPEEDWAY

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

CITY OF ONTARIO

As a Member of the Overlying Non-Agricultural Pool

By: _____
Name:  Chris Hughes
Its: City Manager
Address: 303 E. "B" Street
Ontario, CA 91764
E-mail: chughes@ci.ontario.ca.us

[signature pages continue]

PRAXAIR, INC.

By: _____
Name: Roger Han
Its: Facility Manager
Address: _____
5705 E. Airport Drive
Ontario, CA 91761
E-mail: roger-han@praxair.com

GENON WEST, LP

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

COUNTY OF SAN BERNARDINO

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

SWAN LAKE MOBILE HOME PARK

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

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PRAXAIR, INC.

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

GENON WEST, LP

By: *John Chillemi*
Name: JOHN CHILLEMI
Its: PRESIDENT
Address: 696 West 10th Street
Pittsburg, CA 94565
E-mail: john.chillemi@genon.com

COUNTY OF SAN BERNARDINO

By: _____
Name: _____
Its: _____
Address: _____

E-mail: _____

SWAN LAKE MOBILE HOME PARK

By: _____
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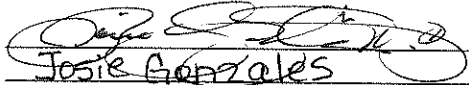
PRAXAIR, INC.

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GENON WEST, LP

By: _____
Name: _____
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Address: _____
E-mail: _____

COUNTY OF SAN BERNARDINO

By: 
Name: Jose Gonzalez
Its: _____
Address: 385 N. Arrowhead Ave.
5th Floor San Bernardino
CA 92415-0110
E-mail: JGonzales@Sbcounty.gov

SWAN LAKE MOBILE HOME PARK

By: _____
Name: _____
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[signature pages continue]

PRAXAIR, INC.

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COUNTY OF SAN BERNARDINO

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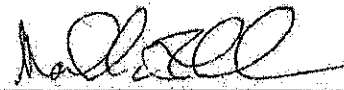
PDIA HAMNER PARK ASSOCIATES, A CONF. UNLIMITED PARTNERSHIP
SWAN LAKE MOBILE HOME PARK

By: *[Signature]*
Name: STEPHEN A. KAPLAN
Its: GENERAL MANAGER
Address: 610 MOBILE COMMUNITY MOB. CO.
1801 E. DUNBAR AVE #230
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[signature pages continue]

AP COMMITTEE

APPROPRIATIVE POOL COMMITTEE

By: 
Name: MARTIN E. ZVIRBULIS
Its Chair
Address: 10440 ASHFORD ST.
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WATERMASTER BOARD

BOARD OF DIRECTORS OF THE CHINO BASIN
WATERMASTER

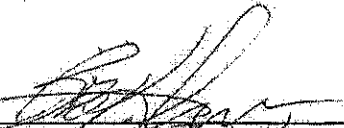
By: 
Name: Bob Hyland
Its Chair
Address: 9641 San Bernardino Road
Rancho Cucamonga, CA 91730
E-mail: Bob.Hyland@CWB.COM

EXHIBIT A TO SETTLEMENT AGREEMENT

	6/30/2007	10% Dedication To Desalter (AF)	Transferor Purchase Price Amount	Amount Transferred (AF)	Transferor Purchase Price Amount	Amount Paid January 2010	Amount Paid January 2011	Amount Paid January 2012	Amount To Be Paid January 2013	Amount To Be Paid January 2014
	Storage Water (AF)	1,960,539	\$617,569.80	1,764,485	\$617,569.80	\$99,380.21	\$103,482.64	\$109,071.65	\$113,725.48	\$191,909.82
		9,057,725	\$2,853,183.40	8,151,953	\$2,853,183.40	\$459,138.34	\$478,091.63	\$503,912.94	\$525,413.72	\$886,626.77
		1,410,054	\$444,167.00	1,269,049	\$444,167.00	\$71,475.99	\$74,426.53	\$78,446.24	\$81,793.35	\$138,024.89
		13,633,504	\$4,294,533.80	12,270,154	\$4,294,533.80	\$691,085.73	\$719,613.83	\$758,479.54	\$790,842.10	\$1,334,532.60
		4,463,259	\$1,405,926.60	4,016,933	\$1,405,926.60	\$226,243.71	\$235,583.08	\$248,306.72	\$258,901.38	\$436,891.71
		6,016,559	\$1,895,216.10	5,414,903	\$1,895,216.10	\$304,980.88	\$317,570.53	\$334,722.24	\$349,004.04	\$588,938.41
		184,014	\$57,964.40	165,613	\$57,964.40	\$9,327.72	\$9,712.77	\$10,237.34	\$10,674.15	\$18,012.42
		212,568	\$66,958.90	191,311	\$66,958.90	\$10,775.13	\$11,219.92	\$11,825.90	\$12,330.49	\$20,807.46
		2,630,551	\$828,623.60	2,367,496	\$828,623.60	\$133,343.29	\$138,847.72	\$146,346.76	\$152,591.03	\$257,494.80
		39,568,773	\$12,464,163.60	35,611,896	\$12,464,163.60	\$2,005,751.00	\$2,088,548.65	\$2,201,349.33	\$2,295,275.74	\$3,873,238.88

EXHIBIT B-1 TO SETTLEMENT AGREEMENT		
	(AF)	(AF)
		35,611.896
Storage Loss for 7/1/2007-6/30/2008	-712.238	34,899.658
Storage Loss for 7/1/2008-6/30/2009	-697.993	34,201.665
Storage Loss for 7/1/2009-6/30/2010	-684.033	33,517.631
Storage Loss for 7/1/2010-6/30/2011	-670.353	32,847.279
Storage Loss for 7/1/2011-6/30/2012	-656.946	32,190.333
Total Storage Losses	-3,421.563	

Exhibit B-2 to Settlement Agreement

Company	Storage Accounts Assessment Year 2011-2012 Production Year 2010-2011					Storage Accounts Assessment Year 2012-2013 Production Year 2011-2012					
	Carryover Beginning Balance	2% Storage Loss	Transfers To / (From)	Ending Balance	Carryover Beginning Balance	2% Storage Loss	Transfers To / (From)	Ending Balance	6/30/2007 Stored Water	Transferor Storage Losses Credit	Ending Balance
Ameron Inc	2,093,910	(41,878)	58,362	2,110,394	2,110,394	(42,208)	-	192,412	(1,960,539)	84,765	192,412
Aqua Capital Management	10,709,741	(214,194)	813,554	11,309,101	11,309,101	(226,182)	-	2,416,810	(9,057,725)	391,816	2,416,810
Auto Club Speedway	2,346,627	(46,932)	431,146	2,730,841	2,730,841	(54,617)	-	1,327,135	(1,410,054)	60,965	1,327,135
Ontario City Non-Ag	14,680,932	(293,618)	679,753	15,067,067	15,067,067	(301,341)	-	1,721,675	(13,633,504)	589,453	1,721,675
Praxair Inc	4,463,259	(89,265)	0,781	4,374,775	4,374,775	(87,496)	-	16,992	(4,463,259)	192,972	16,992
GenOn West, LP	6,863,115	(137,262)	511,921	7,237,774	7,237,774	(144,755)	-	1,336,589	(6,016,559)	260,130	1,336,589
San Bernardino Cty (Chino Airport)	173,194	(3,463)	-	169,731	169,731	(3,395)	-	(9,722)	(184,014)	7,956	(9,722)
Southern California Edison Company	200,067	(4,001)	-	196,066	196,066	(3,921)	-	(11,233)	(212,569)	9,191	(11,233)
Swan Lake Mobile Home Park	3,219,363	(64,387)	70,739	3,225,715	3,225,715	(64,514)	-	644,363	(2,630,551)	113,734	644,363
Subtotal	44,750,208	(895,000)	2,566,256	46,421,464	46,421,464	(928,429)	-	7,635,043	(39,566,773)	1,710,781	7,635,043

¹ To Be Determined as of the close of the fiscal year (June 30, 2012).

Purchase of Non-Ag Pool Water - Exhibit C

Year	Share of Production	2006-2010	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Assessment, excluding usage CSI credit		Grand Total
											Year 1	Year 2	
Year 1	3215	3215	3215	3215	3215	3215	3215	3215	3215	3215	3215	3215	3215
Year 2	3220	3220	3220	3220	3220	3220	3220	3220	3220	3220	3220	3220	3220
Year 3	3225	3225	3225	3225	3225	3225	3225	3225	3225	3225	3225	3225	3225
Year 4	3230	3230	3230	3230	3230	3230	3230	3230	3230	3230	3230	3230	3230
Year 5	3235	3235	3235	3235	3235	3235	3235	3235	3235	3235	3235	3235	3235
Year 6	3240	3240	3240	3240	3240	3240	3240	3240	3240	3240	3240	3240	3240
<p>39,457,492 includes CSI amount of 2,445,085 based on 50% OSY & 50% Averaged</p>													
Year 1	3245	3245	3245	3245	3245	3245	3245	3245	3245	3245	3245	3245	3245
Year 2	3250	3250	3250	3250	3250	3250	3250	3250	3250	3250	3250	3250	3250
Year 3	3255	3255	3255	3255	3255	3255	3255	3255	3255	3255	3255	3255	3255
Year 4	3260	3260	3260	3260	3260	3260	3260	3260	3260	3260	3260	3260	3260
Year 5	3265	3265	3265	3265	3265	3265	3265	3265	3265	3265	3265	3265	3265
Year 6	3270	3270	3270	3270	3270	3270	3270	3270	3270	3270	3270	3270	3270
<p>TOTAL PRODUCTION AND EXCHANGES</p>													
Year 1	3275	3275	3275	3275	3275	3275	3275	3275	3275	3275	3275	3275	3275
Year 2	3280	3280	3280	3280	3280	3280	3280	3280	3280	3280	3280	3280	3280
Year 3	3285	3285	3285	3285	3285	3285	3285	3285	3285	3285	3285	3285	3285
Year 4	3290	3290	3290	3290	3290	3290	3290	3290	3290	3290	3290	3290	3290
Year 5	3295	3295	3295	3295	3295	3295	3295	3295	3295	3295	3295	3295	3295
Year 6	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300

*Per Attachment G to the Petition Document, the purchase price listed with be ... adjusted for inflation by the consumer price index (CPI) for San Bernardino County from May 31, 2005 until the Payment Date.

Exhibit D: Appropriative Pool Allocated Water and Losses

Appropriative Pool Party	Assigned Share of Safe Yield	2008-2009 Actual Production	2008-2009 Production & Exchanges	"Averaged" Production & Exchanges	35,611,896 Based on OSY	35,611,896 Based on Averaged	35,611,896 50% OSY & 50% Averaged	Percent Share	Allocated NAP Stored Water (Acre-Feet)	Allocated 50% of Losses (Acre-Feet)	Effective Transfer (Acre-Feet)
Arrowhead Mountain Spring Water	-	350,000	350,000	350,000	-	119,665	59,832	0.168%	59,832	(2,874)	56,958
Chino, City of	4,034,137	3,287,000	2,244,000	2,765,500	2,619,967	945,523	1,782,745	5.006%	1,782,745	(65,642)	1,697,103
Chino Hills, City of	2,111,657	1,988,000	1,988,000	1,988,000	1,371,414	679,696	1,025,555	2.880%	1,025,555	(49,267)	976,288
Cucamonga Valley Water District	3,619,592	23,748,000	11,005,000	17,376,500	2,350,741	5,941,014	4,145,878	11.642%	4,145,878	(199,166)	3,946,712
Desalter Authority	-	-	-	-	-	-	-	0.000%	-	-	-
Fontana Union Water Company	6,391,999	-	-	-	4,151,279	-	2,075,639	5.829%	2,075,639	(99,713)	1,975,926
Fontana Water Company	1,097	13,202,000	13,202,000	13,202,000	0,712	4,513,755	2,257,234	6.338%	2,257,234	(108,437)	2,148,797
Golden State Water Co	411,255	748,000	748,000	748,000	287,089	255,741	261,415	0.734%	261,415	(12,558)	248,857
Inland Empire Utilities Agency	-	-	-	-	-	-	-	0.000%	-	-	-
Jurupa Community Services District	2,061,210	19,485,000	17,159,000	18,322,000	1,338,651	6,264,280	3,801,466	10.675%	3,801,466	(182,621)	3,618,845
Los Serranos Country Club	-	-	-	-	-	-	-	0.000%	-	-	-
Marygold Mutual Water Company	655,266	142,000	142,000	142,000	425,562	48,550	237,056	0.666%	237,056	(11,368)	225,688
Metropolitan Water Dist of So Calif	-	-	-	-	-	-	-	0.000%	-	-	-
Monte Vista Irrigation Company	676,652	-	-	-	439,451	-	219,725	0.617%	219,725	(10,556)	209,170
Monte Vista Water District	4,823,747	15,344,000	9,519,000	12,431,500	3,132,778	4,250,322	3,691,550	10.366%	3,691,550	(177,341)	3,514,210
Niagara Bottling Company, LLC	-	1,210,000	1,210,000	1,210,000	-	413,698	206,849	0.581%	206,849	(9,937)	196,912
Nicholson Trust	3,838	-	-	-	2,493	-	1,246	0.004%	1,246	(0,060)	1,187
Norco, City of	201,789	-	-	-	131,052	-	65,526	0.184%	65,526	(3,148)	62,378
Ontario, City of	11,373,668	25,470,000	13,222,000	19,346,000	7,386,619	6,614,385	7,000,502	19.658%	7,000,502	(336,301)	6,664,201
Pomona, City of	11,215,746	13,731,000	11,731,000	12,731,000	7,284,057	4,352,721	5,818,389	16.338%	5,818,389	(279,513)	5,538,876
Santa Ana River Water Company	1,301,211	160,000	160,000	160,000	845,070	54,704	449,887	1.263%	449,887	(21,612)	428,275
San Antonio Water Company	1,506,838	992,000	992,000	992,000	978,615	339,164	658,890	1.850%	658,890	(31,853)	627,037
San Bernardino County (Shooting Park)	-	22,000	22,000	22,000	-	7,522	3,761	0.011%	3,761	(0,181)	3,580
Upland, City of	2,852,465	3,724,000	1,021,000	2,372,500	1,852,531	811,156	1,331,844	3.740%	1,331,844	(63,981)	1,267,862
West End Consolidated Water Company	947,532	-	-	-	615,374	-	307,687	0.864%	307,687	(14,781)	292,906
West Valley Water District	644,300	-	-	-	418,440	-	209,220	0.588%	209,220	(10,051)	199,169
Total	54,834,000	123,603,000	84,715,000	104,159,000	35,611,896	35,611,896	35,611,896	100.000%	35,611,896	(1,710,781)	33,901,115