

October 25, 2007

SECOND AMENDMENT TO PEACE AGREEMENT

THIS SECOND AMENDMENT TO PEACE AGREEMENT (“AGREEMENT”) is dated the 25th of October 2007 regarding the Chino Groundwater Basin.

RECITALS

- A. The Parties entered into that certain “Peace Agreement” dated June 29, 2000. The Peace Agreement was approved by the Court in San Bernardino Superior Court Case No. RCV 51010.
- B. The Parties entered into a First Amendment to the Peace Agreement on September 2nd of 2004 regarding the deletion of Salt Credits and the Stormwater Component of New Yield.

NOW THEREFORE, in consideration of the covenants and conditions herein contained, and for other good and valuable consideration the receipt of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. OBMP Credits Modified. The Peace Agreement § 5.4(d) will be amended to read:

- (d) Watermaster shall adopt reasonable procedures to evaluate requests for OBMP credits against future OBMP Assessments or for reimbursement. Any Producer or party to the Judgment, including but not limited to the State of California, may make application to Watermaster for reimbursement or credit against future OBMP Assessments for any capital or operations and maintenance expenses incurred in the implementation of any project or program, including the cost of relocating groundwater Production facilities, that carries out the purposes of the OBMP and specifically relates to the prevention of subsidence in the Basin, in advance of construction or that is prospectively dedicated to service of the stated goals of the OBMP. Watermaster shall exercise reasonable discretion in making its determination, considering the importance of the project or program to the successful completion of the OBMP, the available alternative funding sources, and the professional engineering and design standards as may be applicable under the circumstances. However, Watermaster shall not approve such a request for reimbursement or credit against future OBMP Assessments under this section where the Producer or party to the Judgment was otherwise legally compelled to make the improvement.

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED:

Party: _____

By: _____

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED:

Party: 

By: April 24, 2008

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED: 12/11/07

Party: CITY OF UPLAND

By: 
ROBB QUINLEY, CITY MANAGER

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED:

Party: CUCAMONGA VALLEY WATER DISTRICT

By: 

October 25, 2007

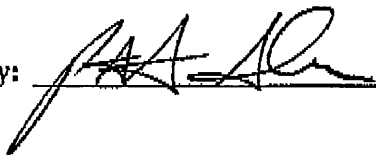
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Section 3. Effect of Amendment Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:


DATED:

Party: CITY OF CHINO

By: 

ATTEST:

DATED: 2-21-08


Lenna J. Tanner, City Clerk

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED: Dec. 19th 2007

Party: Ag. Pool - Watermaster.

By: [Signature]

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED: 12/12/07

Party: WEST END CONSOLIDATED WATER Co.

By: Tom R. Thomas
TOM R. THOMAS

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED: December 7, 2007

Party: FONTANA UNION WATER COMPANY

By: 
Robert A DeLoach, President

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED:

Party: Cucamonga Valley WD
By: [Signature]

October 25, 2007

By: _____

DATED:

**INLAND EMPIRE UTILITIES
AGENCY**

By: _____

DATED:

**CUCAMONGA VALLEY WATER
DISTRICT**

By: _____

DATED:

MONTE VISTA WATER DISTRICT

By: _____

DATED:

**FONTANA UNION WATER
COMPANY**

By: _____

DATED:

**JURUPA COMMUNITY SERVICES
DISTRICT**

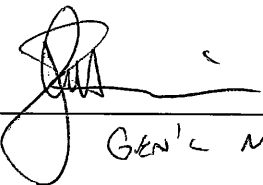
By: _____

DATED:

12/10/07

**WESTERN MUNICIPAL WATER
DISTRICT**

By: _____


GEN'c MGR

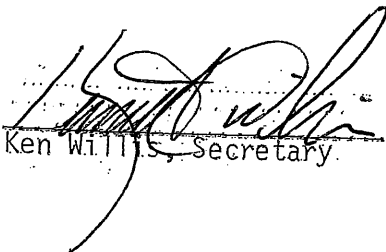
September 21, 2007

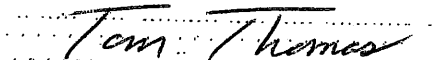
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Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

SB 441950 v1:008350.0001


Ken Willis, Secretary


Tom Thomas, President
San Antonio Water Company

October 25, 2007

Section 2. Increase the Limit on Storage of Local Supplemental Water The current cap of 50,000 acre-feet of Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement shall be increased from 50,000 to 100,000 acre-feet. Any Party to the Judgment may make Application to Watermaster to store Supplemental Water pursuant to the terms of section 5.2(b) of the Peace Agreement except that the rebuttable presumption applicable to Local Storage Agreements described in Peace Agreement paragraph 5.2(b)(v) shall no longer be in effect with regard to such applications.

Section 3. Effect of Amendment. Except as amended hereby, the Peace Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED:

Party: TVMWD

By: 