

MODIFICATION OF PAYMENT SCHEDULES
PURSUANT TO THE
QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
CREATION AND FUNDING AGREEMENT

This Modification of Payment Schedules Pursuant to the Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement ("Modification") is dated for reference this 20 day of May, 2015 by and among the State of California acting by and through the Department of Fish and Wildlife ("State"), Coachella Valley Water District ("CVWD"), Imperial Irrigation District ("IID") and San Diego County Water Authority ("SDCWA"). The State, CVWD, IID and SDCWA are sometimes referred to herein individually and collectively as the "Party" or "Parties."

RECITALS

- A. The Parties executed that certain Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement dated October 10, 2003 ("Agreement"). [A copy of the Agreement is attached hereto as Exhibit "A" and by this reference incorporated herein.]
- B. The Agreement provides that certain of the Parties would make payments to the Authority (as that term is defined in the Agreement) in accordance with the schedules attached as Exhibits C-1, C-2 and C-3 thereto ("Payment Schedules").
- C. The Parties executed a Modification of Payment Schedules Pursuant to the Agreement dated April 25, 2007 ("2007 Modification Agreement"). [A copy of the 2007 Modification Agreement is attached hereto as Exhibit "B" and by this reference incorporated herein.]
- D. The 2007 Modification Agreement provides that the Payment Schedules attached to the Agreement as Exhibits C-1, C-2 and C-3 are deleted in their entirety, and that payments shall be made by CVWD, IID and SDCWA in accordance with the schedules attached as Exhibits C-4, C-5 and C-6 thereto.
- E. The Commission (as that term is defined in the Agreement) has adopted a long term financing plan referred to in Section 10.2 of the Agreement.
- F. Pursuant to Section 9.5 of the Agreement, the Parties desire to modify and adjust the Payment Schedules attached to the Agreement to conform to the long term financing plan, on the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, THE PARTIES AGREE TO THE FOLLOWING:

- 1. All of the Recitals are hereby incorporated by reference as though set forth herein in full.

2. The Parties agree that the Payment Schedules attached to the Agreement as Exhibits C-4, C-5, and C-6 are hereby deleted in their entirety. Payments shall be made by CVWD, IID and SDCWA in accordance with the schedules attached hereto as Exhibits "C-7," "C-8," and "C-9" and by this reference incorporated herein, unless paid in advance or credited in accordance with Section 9.5 of the Agreement.

3. Except for the modification of the Payment Schedules as described in Section 2 above, the terms and conditions of the Agreement shall remain in full force and effect. Notwithstanding the immediately preceding sentence, the Agreement shall be interpreted in a manner consistent with the intent of this Modification.

4. This Modification shall not operate to validate or invalidate any Party's right to maintain an action or cause of action with respect to the interpretation of any provision contained in the Agreement, including, without limitation, Section 9.5 thereof. In particular, nothing in this Modification is intended to act as a waiver or abandonment of any right, claim or defense with respect to the legal effect of any provision in the Agreement, and each Party hereby preserves any such right, claim or defense which existed prior to the execution of this Modification. In addition thereto, this Modification shall not be used as evidence of a waiver in any action or cause of action.

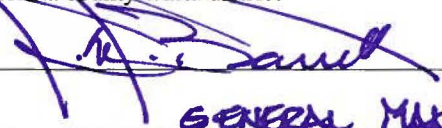
5. Each individual executing this Modification hereby represents and warrants that he or she has the full power and authority to execute the Modification on behalf of the named Parties.

6. This Modification may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Modification to be executed as of the day and year first above written.

COACHELLA VALLEY WATER DISTRICT,
A California county water district

By



5/26/15

Its

GENERAL MANAGER

Approved as to Form and Content:

By



IMPERIAL IRRIGATION DISTRICT,
A California irrigation district

By Kimi E. Kelly

Its General Manager

Approved as to Form and Content:

By Joanna S. Hoff
Joanna S. Hoff
Assistant Counsel

SAN DIEGO COUNTY WATER AUTHORITY

By W. A. Stapp

Its GENERAL MANAGER

Approved as to Form and Content:

By [Signature]
General Counsel
SDCWA

QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
CREATION AND FUNDING AGREEMENT
EXHIBIT C-7: CVWD JPA Payments

CY	Original Funding Schedule	2007 Revised Funding Schedule	FY 2015-16 Advance	FY 2016-17 Advance	FY 2017-18 Advance	FY 2018-19 Advance	FY 2019-20 Advance	FY 2020-21 Advance	FY 2021-22 Advance	Adjustments for Advances	Total CY Payments
2003	\$ 1,645,504	\$ 1,645,504									\$ 1,645,504
2004	\$ 726,170	\$ 726,170									\$ 726,170
2005	\$ 773,682	\$ 773,682									\$ 773,682
2006	\$ 924,507	\$ 924,507									\$ 924,507
2007	\$ 1,058,375	\$ 3,937,127									\$ 3,937,127
2008	\$ 1,546,371	\$ 3,067,994									\$ 3,067,994
2009	\$ 5,724,756	\$ 5,724,756									\$ 5,724,756
2010	\$ 1,947,996	\$ 1,947,996									\$ 1,947,996
2011	\$ 2,169,002	\$ 2,169,002									\$ 2,169,002
2012	\$ 2,458,299	\$ 2,458,299									\$ 2,458,299
2013	\$ 3,688,032	\$ 3,688,032									\$ 3,688,032
2014	\$ 3,720,930	\$ 3,720,930									\$ 3,720,930
2015	\$ 4,272,431	\$ 4,272,431	\$ 1,000,000								\$ 5,272,431
2016	\$ 5,803,865	\$ 5,803,865		\$ 2,000,000							\$ 7,803,865
2017	\$ 7,182,291	\$ 5,531,599			\$ 500,000						\$ 6,031,599
2018	\$ 11,875,345	\$ 5,195,516				\$ 500,000					\$ 5,695,516
2019	\$ 745,350	\$ 745,350					\$ 1,000,000				\$ 1,745,350
2020	\$ 738,869	\$ 738,869									\$ 738,869
2021	\$ 2,697,555	\$ 2,697,555								\$ -	\$ 2,697,555
2022	\$ 2,706,745	\$ 2,706,745								\$ -	\$ 2,706,745
2023	\$ 6,953,711	\$ 6,953,711								\$ (4,220,705)	\$ 2,733,006
2024	\$ 2,748,523	\$ 2,748,523								\$ (2,596,647)	\$ 151,876
2025	\$ 1,446,565	\$ 1,446,565								\$ (881,435)	\$ 565,131
2026	\$ -	\$ -									\$ -
2027	\$ -	\$ -									\$ -
2028	\$ -	\$ -									\$ -
2029	\$ -	\$ -									\$ -
2030	\$ -	\$ -									\$ -
2031	\$ -	\$ -									\$ -
2032	\$ -	\$ -									\$ -
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2040	\$ -	\$ -									\$ -
2041	\$ -	\$ -									\$ -
2042	\$ -	\$ -									\$ -
2043	\$ -	\$ -									\$ -
2044	\$ -	\$ -									\$ -
2045	\$ -	\$ -									\$ -
2046	\$ -	\$ -									\$ -
2047	\$ -	\$ -									\$ -
2048	\$ -	\$ -									\$ -
Nominal	\$ 73,554,872	\$ 69,624,726	\$ 1,000,000	\$ 2,000,000	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ -	\$ -	\$ (7,698,786)	\$ 66,925,940
PV @ 6.0%	\$ 36,717,791	\$ 36,717,791	\$ 511,578	\$ 965,242	\$ 227,652	\$ 214,766	\$ 405,218	\$ -	\$ -	\$ (2,324,456)	\$ 36,717,791

Notes:

Originally scheduled payments due 12/31 of each calendar year. Advanced payments due 7/1 of each fiscal year.

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
CREATION AND FUNDING AGREEMENT
EXHIBIT C-8: IID JPA Payments**

CY	Original Funding Schedule	2007 Revised Funding Schedule	FY 2015-16 Advance	FY 2016-17 Advance	FY 2017-18 Advance	FY 2018-19 Advance	FY 2019-20 Advance	FY 2020-21 Advance	FY 2021-22 Advance	Adjustments for Advances	Total CY Payments
2003	\$ 402,069	\$ 402,069									\$ 402,069
2004	\$ -	\$ -									\$ -
2005	\$ 418,191	\$ 418,191									\$ 418,191
2006	\$ 574,316	\$ 574,316									\$ 574,316
2007	\$ 739,432	\$ 2,398,382									\$ 2,398,382
2008	\$ 761,615	\$ 1,638,487									\$ 1,638,487
2009	\$ 941,356	\$ 941,356									\$ 941,356
2010	\$ 1,131,196	\$ 1,131,196									\$ 1,131,196
2011	\$ 1,331,579	\$ 1,331,579									\$ 1,331,579
2012	\$ 1,542,967	\$ 1,542,967									\$ 1,542,967
2013	\$ 1,765,841	\$ 1,765,841									\$ 1,765,841
2014	\$ 1,818,816	\$ 1,818,816									\$ 1,818,816
2015	\$ 1,873,380	\$ 1,873,380	\$ 6,500,000								\$ 8,373,380
2016	\$ 1,929,582	\$ 1,929,582		\$ 5,125,000							\$ 7,054,582
2017	\$ 1,987,469	\$ 1,987,469			\$ 4,250,000						\$ 6,237,469
2018	\$ 2,661,221	\$ 2,261,221				\$ 3,500,000					\$ 5,761,221
2019	\$ 3,373,610	\$ 2,473,610					\$ 2,800,000				\$ 5,273,610
2020	\$ 4,126,346	\$ 2,726,346						\$ 1,825,000			\$ 4,551,346
2021	\$ 4,473,828	\$ 2,885,115							\$ 1,500,000		\$ 4,385,115
2022	\$ 4,608,043	\$ 3,309,240									\$ 3,309,240
2023	\$ 4,746,284	\$ 4,746,284									\$ 4,746,284
2024	\$ 4,888,673	\$ 4,888,673									\$ 4,888,673
2025	\$ 5,035,333	\$ 5,035,333									\$ 5,035,333
2026	\$ 5,186,393	\$ 5,186,393									\$ 5,186,393
2027	\$ 5,341,985	\$ 5,341,985									\$ 5,341,985
2028	\$ 5,502,244	\$ 5,502,244									\$ 5,502,244
2029	\$ 5,667,311	\$ 5,667,311								\$ (536,400)	\$ 5,130,911
2030	\$ 5,837,331	\$ 5,837,331								\$ (528,742)	\$ 5,308,589
2031	\$ 6,012,451	\$ 6,012,451								\$ (690,059)	\$ 5,322,392
2032	\$ 6,192,824	\$ 6,192,824								\$ (1,635,900)	\$ 4,556,924
2033	\$ 6,378,609	\$ 6,378,609								\$ (373,589)	\$ 6,005,020
2034	\$ 6,569,967	\$ 6,569,967								\$ (926,236)	\$ 5,643,731
2035	\$ 6,767,066	\$ 6,767,066								\$ (1,623,092)	\$ 5,143,974
2036	\$ 6,970,078	\$ 6,970,078								\$ (6,970,078)	\$ -
2037	\$ 7,179,181	\$ 7,179,181								\$ (7,179,181)	\$ -
2038	\$ 7,394,556	\$ 7,394,556								\$ (7,394,556)	\$ -
2039	\$ 7,616,393	\$ 7,616,393								\$ (7,616,393)	\$ -
2040	\$ 7,844,884	\$ 7,844,884								\$ (7,844,884)	\$ -
2041	\$ 8,080,231	\$ 8,080,231								\$ (8,080,231)	\$ -
2042	\$ 8,322,638	\$ 8,322,638								\$ (8,322,638)	\$ -
2043	\$ 8,572,317	\$ 8,572,317								\$ (8,572,317)	\$ -
2044	\$ 8,829,487	\$ 8,829,487								\$ (8,829,487)	\$ -
2045	\$ 9,094,371	\$ 9,094,371								\$ (9,094,371)	\$ -
2046	\$ 9,367,202	\$ 9,367,202								\$ (9,367,202)	\$ -
2047	\$ 9,449,266	\$ 9,449,266								\$ (9,449,266)	\$ -
2048											
Nominal	\$ 209,307,932	\$ 206,256,238	\$ 6,500,000	\$ 5,125,000	\$ 4,250,000	\$ 3,500,000	\$ 2,800,000	\$ 1,825,000	\$ 1,500,000	\$ (105,034,622)	\$ 126,721,616
PV @ 6.0%	\$ 44,061,350	\$ 44,061,350	\$ 3,325,260	\$ 2,473,434	\$ 1,935,038	\$ 1,503,359	\$ 1,134,611	\$ 697,663	\$ 540,964	\$ (11,610,328)	\$ 44,061,350

Notes:

Originally scheduled payments due 12/31 of each calendar year. Advanced payments due 7/1 of each fiscal year.

QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
CREATION AND FUNDING AGREEMENT
EXHIBIT C-9: SDCWA JPA Payments

CY	Original Funding Schedule	2007 Revised Funding Schedule	FY 2015-16 Advance	FY 2016-17 Advance	FY 2017-18 Advance	FY 2018-19 Advance	FY 2019-20 Advance	FY 2020-21 Advance	FY 2021-22 Advance	Adjustments for Advances	Total CY Payments
2003	\$ 2,340,273	\$ 2,340,273									\$ 2,340,273
2004	\$ 1,032,775	\$ 1,032,775									\$ 1,032,775
2005	\$ 1,100,347	\$ 1,100,347									\$ 1,100,347
2006	\$ 1,314,855	\$ 1,314,855									\$ 1,314,855
2007	\$ 1,505,244	\$ 5,599,469									\$ 5,599,469
2008	\$ 2,199,283	\$ 4,363,369									\$ 4,363,369
2009	\$ 8,141,875	\$ 8,141,875									\$ 8,141,875
2010	\$ 2,770,483	\$ 2,770,483									\$ 2,770,483
2011	\$ 3,084,803	\$ 3,084,803									\$ 3,084,803
2012	\$ 3,496,247	\$ 3,496,247									\$ 3,496,247
2013	\$ 5,245,201										\$ 5,245,201
2014	\$ 5,291,989	\$ 5,291,989									\$ 5,291,989
2015	\$ 6,076,346	\$ 6,076,346	\$ 2,000,000								\$ 8,076,346
2016	\$ 8,254,386	\$ 8,254,386		\$ 1,800,000							\$ 10,054,386
2017	\$ 10,214,814	\$ 8,314,814			\$ 1,850,000						\$ 10,164,814
2018	\$ 16,889,380	\$ 6,914,667				\$ 1,750,000					\$ 8,664,667
2019	\$ 1,060,053	\$ 1,060,053					\$ 1,750,000				\$ 2,810,053
2020	\$ 1,050,836	\$ 1,050,836						\$ 850,000			\$ 1,900,836
2021	\$ 3,836,522	\$ 3,836,522								\$ (34,890)	\$ 3,801,632
2022	\$ 3,849,593	\$ 3,849,593								\$ (2,331,996)	\$ 1,517,597
2023	\$ 9,889,722	\$ 9,889,722								\$ (8,667,885)	\$ 1,221,837
2024	\$ 3,909,010	\$ 3,909,010								\$ (2,563,571)	\$ 1,345,439
2025	\$ 2,057,337	\$ 2,057,337								\$ (1,009,644)	\$ 1,047,693
2026	\$ -	\$ -									\$ -
2027	\$ -	\$ -									\$ -
2028	\$ -	\$ -									\$ -
2029	\$ -	\$ -									\$ -
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2046	\$ -	\$ -									\$ -
2047	\$ -	\$ -									\$ -
2048	\$ -	\$ -									\$ -
Nominal	\$ 104,611,375	\$ 98,994,973	\$ 2,000,000	\$ 1,800,000	\$ 1,850,000	\$ 1,750,000	\$ 1,750,000	\$ 850,000	\$ -	\$ (14,607,986)	\$ 94,386,986
PV @ 6.0%	\$ 52,220,859	\$ 52,220,859	\$ 1,023,157	\$ 868,718	\$ 842,311	\$ 751,680	\$ 709,132	\$ 324,939	\$ -	\$ (4,519,936)	\$ 52,220,859

Notes:

1. Originally scheduled payments due 12/31 of each calendar year. Advanced payments due 7/1 of each fiscal year.
2. Payments do not include credits to the Water Authority for payments made to the Bureau of Reclamation for implementation of Conservation and Mitigation Measures for the Colorado River described in a U.S. Fish and Wildlife Service Biological Opinion dated January 12, 2001.