

**PURCHASE AND SALE AGREEMENT
FOR
LONG-TERM STORAGE CREDITS**

AMENDMENT NO. 1

This Amendment No. 1 to the Purchase and Sale Agreement for Long-Term Storage Credits is made this 4th day of May, 2017 (the "Effective Date"), between the Central Arizona Water Conservation District ("CAWCD"), a multi-county water conservation district organized and existing under the laws of the State of Arizona, and the Metropolitan Domestic Water Improvement District ("Metro"), a political subdivision of the State of Arizona.

RECITALS

WHEREAS, on October 1, 2015, CAWCD and Metro entered into the Purchase and Sale Agreement for Long-Term Storage Credits (the "Agreement").

WHEREAS, among other changes to the Agreement, Metro would prefer to sell Long-Term Storage Credits to CAWCD that were generated at the Lower Santa Cruz River Managed Recharge Facility rather than at the Cortaro-Marana Irrigation District Groundwater Storage Facility.

WHEREAS, pursuant to section 8.3 of the Agreement, any amendment to the Agreement must be by the express written consent of the parties.

NOW, THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed as follows:

AGREEMENT

1. Section 1.8 of the Agreement is hereby deleted in its entirety and superseded and replaced with the following:

1.8 "LSCR Managed Recharge Facility" means the Lower Santa Cruz River Managed Recharge Facility, ADWR Facility permit number 71-591928.0001.

2. Section 1.9 of the Agreement is hereby deleted in its entirety and superseded and replaced with the following:

1.9 "Initial Year" means calendar year 2017.

3. Section 2.1 of the Agreement is hereby amended to read:

2.1 Sale and Purchase. Subject to the terms and conditions of this Agreement, beginning in the Initial Year, each year during the term of this Agreement, Metro agrees to sell, transfer and assign a minimum of 250 acre-feet, up to a maximum of 1,000 acre-feet, of Long-

Term Storage Credits to CAWCD. CAWCD agrees to purchase, accept and pay for such Long-Term Storage Credits. Provided however, Metro shall not be obligated to sell, transfer and assign Long-Term Storage Credits to CAWCD pursuant to this Agreement, for any year in which Metro is unable, for reasons beyond its control, to store effluent and/or accrue effluent Long-Term Storage Credits at the LSCR Managed Storage Facility.

4. Subsection 2.4.2 of the Agreement is hereby amended to read:

2.4.2 The Long-Term Storage Credits to be sold by Metro were stored, or will be stored, at the LSCR Managed Underground Facility pursuant to ADWR Facility Permit number 71.591928.0001 and ADWR water storage permit number 73-591928.0200.

5. Section 6.2 of the Agreement is hereby amended to read:

6.2 Termination. Notwithstanding Section 6.1 above, Metro may terminate this Agreement if state law is amended to prohibit the sale of Long-Term Storage Credits that were accrued through storage of effluent at a managed underground storage facility.

6. Except as amended herein, all terms, conditions, and provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed by the parties hereto.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: *Shall Atkins*

Attest: *Sharon B Megdal*

METROPOLITAN DOMESTIC IMPROVEMENT WATER DISTRICT

By: *Judy L...*

Attest: *[Signature]*
Clerk of the Board