

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release of all claims (hereinafter "Agreement") is made and entered into by and between the SWEETWATER AUTHORITY (hereinafter referred to as "AUTHORITY") and MITCHEL BEAUCHAMP (hereinafter referred to as "BEAUCHAMP") (collectively the "parties") and is made in light of the following:

RECITALS

1. BEAUCHAMP is a director on the Governing Board of the AUTHORITY, appointed by the City of National City, City Council. BEAUCHAMP wishes to resign from the Governing Board of the AUTHORITY ("Board") effective March 13, 2009.

2. This Agreement and compliance with this Agreement shall not be construed in any way as an admission by AUTHORITY or BEAUCHAMP of any liability whatsoever, or that AUTHORITY or BEAUCHAMP have acted wrongfully with respect to the other party, or that BEAUCHAMP has any rights whatsoever against AUTHORITY and/or its board members, officers, employees, agents or attorneys, or that AUTHORITY has any rights whatsoever against BEAUCHAMP. AUTHORITY and BEAUCHAMP specifically disclaim any liability to, or wrongful acts against, the other party.

AGREEMENT

3. BEAUCHAMP agrees that he has not and will not file any complaints, charges or lawsuits at any time hereinafter with any governmental agency or any court arising out of his service on the Board of the AUTHORITY or resignation from the Board.

4. BEAUCHAMP hereby irrevocably submits his notice of resignation from the Board effective March 13, 2009 (Attachment A), upon execution of all parties to this Agreement. BEAUCHAMP agrees that he will not make application for seat on the Board in the future.

5. AUTHORITY agrees to pay BEAUCHAMP Four thousand and five hundred dollars (\$4,500) which shall be paid out as ten per diems per month at \$150.00 per per diem multiplied by three months. AUTHORITY also agrees to pay BEAUCHAMP attorney's fees in the amount of five thousand dollars (\$5,000).

6. BEAUCHAMP, on behalf of himself, his relatives, heirs, estate, executors, administrators, successors and assigns, fully releases and discharges AUTHORITY, its Governing Board, Board members, officers, elected officials, employees, agents and attorneys from all actions, causes of action, claims, judgments, obligations, damages, and liabilities of whatsoever kind and character, including, but not limited to, any actions, causes of action, claims, judgments, obligations, damages, or liabilities arising out of BEAUCHAMP'S service on the Board of the AUTHORITY or resignation from the Board, including, but not limited to, those arising out of any claims for violation of any alleged contract, express or implied; any covenant of good faith and fair dealing, whether express or implied; any tort; any administrative remedy; any federal, state or, or local law including, but not limited to, the Brown Act or any other provision of the Government Code. Further, BEAUCHAMP represents and warrants that he has not filed any complaints, charges, grievances or lawsuits against AUTHORITY with any

governmental agency arising out of his service on the Board of the AUTHORITY or resignation from the Board, and that he will not do so at any time hereinafter. Further, BEAUCHAMP agrees that under this Agreement, he waives any claim against AUTHORITY for damages incurred at any time after the date of this Agreement because of alleged continuing effects of any alleged unlawful acts or omissions involving BEAUCHAMP's service on the Board of the AUTHORITY or resignation from the Board.

7. Further, BEAUCHAMP, on behalf of himself, his relatives, heirs, estate, executors, administrators, successors and assigns, fully releases and discharges the South Bay Irrigation District, its Board of Directors, Board members, officers, elected officials, employees, agents and attorneys from all actions, causes of action, claims, judgments, obligations, damages, and liabilities of whatsoever kind and character, including, but not limited to, any actions, causes of action, claims, judgments, obligations, damages, or liabilities arising out of BEAUCHAMP'S service on the Board of the AUTHORITY or resignation from the Board, including, but not limited to, those arising out of any claims for violation of any alleged contract, express or implied; any covenant of good faith and fair dealing, whether express or implied; any tort; any administrative remedy; any federal, state or, or local law including, but not limited to, the Brown Act or any other provision of the Government Code. Further, BEAUCHAMP represents and warrants that he has not filed any complaints, charges, grievances or lawsuits against the South Bay Irrigation District with any governmental agency arising out of his service on the Board of the AUTHORITY or resignation from the Board, and that he will not do so at any time hereinafter. Further, BEAUCHAMP agrees that under this Agreement, he waives against South Bay Irrigation District any claim for damages incurred at any time after the date of this Agreement because of alleged continuing effects of any alleged unlawful acts or omissions involving BEAUCHAMP's service on the Board of the AUTHORITY or resignation from the Board.

8. The parties to this Agreement agree that they and their respective agents and representatives, if any, will not make any voluntary statements, written or verbal, or cause or encourage others to make such statements that defame or disparage the personal, business, or political reputation, practices or conduct of any of the parties to this Agreement.

9. The parties to this Agreement agree, to the extent allowed by law, to keep the terms of this Agreement confidential.

10. The parties understand and expressly agree that this Agreement extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, and all rights under Section 1542 of the California Civil Code are hereby expressly waived. Section 1542 reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

11. BEAUCHAMP represents and acknowledges that in executing this Agreement he does not rely and has not relied upon any representation or statement not set forth herein made

by any of the parties or any of the parties' agents, representatives, or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise.

12. This Agreement sets forth the entire Agreement between the parties hereto and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

13. This Agreement is made and entered into in the State of California and shall in all respects be interpreted and enforced and governed by and under the law of the State of California.

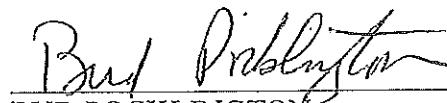
14. Should it be necessary for either party to commence litigation to enforce any provisions of this Agreement, the prevailing party therein shall be entitled, not by way of limitation, to reasonable attorneys' fees and costs incurred in the enforcement of any provision herein.

15. This Agreement may be executed in any number of counterparts. Any such counterpart when executed shall constitute an original of the Agreement and all such counterparts together shall constitute one and the same Agreement.

Executed this 24 day of March 2009, at National City, California.


R. MITCHEL BEAUCHAMP

Executed this 25 day of March 2009, at Chula Vista, California.


BUD POCKLINGTON
CHAIRMAN OF THE GOVERNING BOARD
SWEETWATER AUTHORITY