

EXHIBIT A**ACCEPTANCE OF CONDITIONAL SETTLEMENT OFFER  
AND WAIVER OF RIGHT TO HEARING AND RECONSIDERATION****LOCKHEED AIRCRAFT CORPORATIONC****Source: MILL CREEK****County: SANTA CRUZ****License: 7092**

By signing below and returning this Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing and Reconsideration (Acceptance and Waiver) to the State Water Resources Control Board (State Water Board), LOCKHEED AIRCRAFT CORPORATION, (Recipient) hereby accepts the conditional settlement offer (Conditional Offer) and waives the right to a hearing before the State Water Board regarding the Administrative Civil Liability Complaint issued to Recipient (ACL Complaint), to which this Acceptance and Waiver is attached. Additionally, the Recipient waives the right to reconsideration of any order adopting the settlement agreement. These waived proceedings are the venues through which the violations alleged in the ACL Complaint could be disputed.

Recipient understands that this Acceptance and Waiver waives the Recipient's right to contest the allegations in the ACL Complaint and the civil liability amount for such violations.

Recipient agrees to perform the following within 20 days of receipt of the ACL Complaint:

- **Pay administrative civil liability as authorized by California Water Code section 1846(a)(2), in the sum of \$1500** (Expedited Payment Amount) by cashier's check or by certified check made payable to the "State Water Resources Control Board" for deposit into the Water Rights Fund, which shall be deemed payment in full of any civil liability pursuant to California Water Code section 1846(a)(2) that otherwise might be assessed for the violations described in the ACL Complaint.
- **Electronically file the necessary 2015 Annual Use Report**

Recipient understands that failure to fulfill the above obligations and submit the signed Acceptance and Waiver within 20 days of receipt of the ACL Complaint shall render the Conditional Offer void. If the Conditional Offer is deemed void due to Recipient's non-performance, then the Assistant Deputy Director for Water Rights will issue a final ACL Order for the amount of \$10,000 for the failure to file violation and shall seek recovery.

Recipient understands that providing incomplete data or data that are not true and correct to the best of Recipient's knowledge could subject the Recipient to additional fines and void the settlement agreement.

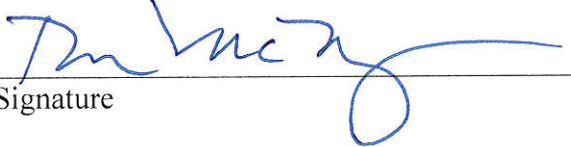
Recipient understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the ACL Complaint. Once signed (executed) by Recipient, the Acceptance and Waiver shall be mailed to the following address:

\$0 Reid  
as of 12/20/16  
MS

Conditional Settlement Offer  
State Water Resources Control Board  
Division of Water Rights  
Attention: Enforcement Unit  
P.O. Box 2000  
Sacramento, CA 95812-2000

Recipient understands that this Acceptance and Waiver is not final until it is approved by the State Water Board or by the Deputy Director for Water Rights under delegated authority or by the Assistant Deputy Director for Water Rights under redelegated authority.

I hereby affirm that I am duly authorized to act on behalf of and to bind the Recipient in the making and giving of this Acceptance and Waiver.

  
\_\_\_\_\_  
Signature

12/12/16  
Date

TIM McNULTY  
Printed or typed name

PLANT OPERATIONS SITE SUPERVISOR  
Title

\_\_\_\_\_  
(Relationship to Recipient, if not Recipient)

**Please return the completed Acceptance and Waiver by mail to the address above.**