

(c) In the event that the California State Water Resources Board or a court of competent jurisdiction issues a final decision or order modifying the terms and conditions of the water rights of either party to this Settlement Contract in order to impose Bay-Delta water quality obligations, the Contractor and the United States shall promptly meet to determine whether or not to modify any of the terms of this Settlement Contract to comply with the final decision or order. If within 60 days of the date of the issuance of the final decision or order the parties are not able to reach agreement regarding either the need to modify this Settlement Contract or the manner in which this Settlement Contract is to be modified, the parties shall promptly retain a neutral mediator, experienced in resolving water right disputes, to assist the parties in resolving their dispute. The cost of the mediator shall be shared equally. In the event that either of the parties to this Settlement Contract determines that the parties will not be able to develop mutually-agreeable modification(s) to this Settlement Contract even with the assistance of a mediator, either of the parties to this Settlement Contract may attempt to resolve the impasse by seeking appropriate judicial relief including, but not limited to, filing a general adjudication of the rights to the use of water in the Sacramento River system. The foregoing provisions of this sub-article shall only apply to the incremental obligations contained within a final decision or order of the State Water Resources Control Board that reflects a modification to the obligations imposed in State Water Resources Control Board Revised Water Rights Decision 1641 dated March 15, 2000, and its associated 1995 Water Quality Control Plan which, taken together, will be considered the baseline for the application of the provisions of this sub-article. In the event of an adjustment to the Contractor's Base Supply pursuant to this sub-article, the

Contracting Officer will not assess any charge for the rescheduling of Base Supply as would otherwise be required under the provisions of Article 3(c) of this Settlement Contract.