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February 2, 2009

FILE NO.
27175-02

VIA POSTING TO COURT WEBSITE AND FIRST CLASS MAIL

Honorable Jack Komar
Santa Clara Superior Court
161 N. First Street
Dept. D17
San Jose, CA 95113-1090

Re: *Antelope Valley Groundwater Litigation*
Santa Clara County Superior Court Case No. 1-05-CV-049053
Judicial Council Coordination Proceeding 4408

Dear Judge Komar:

In response to Mr. Lemieux's letter of January 27, 2009, Anaverde LLC ("Anaverde") would like to clarify a few points regarding the meet and counsel with counsel. First, the parties did not agree to a discovery stay pending further discovery discussions. Further, Anaverde is opposed to the implementation of such a stay given its experience during the Phase 2 discovery process. Because Anaverde had very little time to propound and thoroughly review all discovery documents, it would prefer to minimize the risk of any such future reoccurrence. A discovery stay would impede Anaverde's ability to collect and receive discovery responses for the Phase 3 trial in a timely fashion.

Secondly, Anaverde would like to reiterate its unique geographical position in relation to the rest of the adjudication area. As a result, much of the ongoing discovery regarding the entire adjudication basin is not applicable or relevant to Anaverde's property. While Anaverde is agreeable to working with other parties to resolve discovery disputes (and agrees that uniform discovery will facilitate a more streamlined discovery process for those parties similarly

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LEWIS BRISBOIS BISGAARD & SMITH LLP

February 2, 2009

Page 2

situated), Anaverde respectfully requests the option to not participate in the proposed arrangement since all of its discovery requests are highly site specific.

Thank you for your attention to this matter.

Very truly yours,

/s/

Kimberly A. Huangfu of
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KAH:me

cc: All Counsel