1 Bob H. Joyce, (SBN 84607) Kevin E. Thelen, (SBN 252665) LAW OFFICES OF 2 LEBEAU • THELEN, LLP 3 5001 East Commercenter Drive, Suite 300 Post Office Box 12092 4 Bakersfield, California 93389-2092 (661) 325-8962; Fax (661) 325-1127 5 6 Attorneys for DIAMOND FARMING COMPANY, a California corporation, and CRYSTAL ORGANIC 7 FARMS, a limited liability company 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 IN AND FOR THE COUNTY OF LOS ANGELES 10 11 Coordination Proceeding Special Title Judicial Council Coordination No. 4408 12 (Rule 1550 (b)) 13 ANTELOPE VALLEY GROUNDWATER Case No.: 1-05-CV-049053 CASES 14 DIAMOND FARMING COMPANY AND Included actions: CRYSTAL ORGANIC FARMS LLC'S 15 CASE MANAGEMENT CONFERENCE Los Angeles County Waterworks District No. STATEMENT, AND JOINDER IN 16 40 vs. Diamond Farming Company BOLTHOUSE PROPERTIES, LLC'S AND Los Angeles Superior Court WM. BOLTHOUSE FARMS, INC.'S CASE 17 Case No. BC 325201 MANAGEMENT CONFERENCE STATEMENT, PRELIMINARY 18 Los Angeles County Waterworks District No. COMMENTS REGARDING SUB-BASINS, 40 vs. Diamond Farming Company COMMENTS REGARDING WILLIS' 19 Kern County Superior Court REPLY MEMORANDUM REGARDING Case No. S-1500-CV 254348 NFT MOTION TO STRIKE, COMMENTS 20 REGARDING MOTION FOR Diamond Farming Company vs. City of CONTINUANCE OF TRIAL DATE 21 Lancaster Riverside County Superior Court 22 Lead Case No. RIC 344436 [Consolidated w/Case Nos. 344668 & 353840] DATE: August 11, 2008 23 TIME: 9:00 a.m. DEPT: 1 24 AND RELATED CROSS-ACTIONS. 25 26 27

DIAMOND FARMING COMPANY AND CRYSTAL ORGANIC FARMS LLC'S CASE MANAGEMENT CONFERENCE STATEMENT, AND JOINDER IN BOLTHOUSE PROPERTIES, LLC'S AND WM. BOLTHOUSE FARMS, INC.'S CASE MANAGEMENT CONFERENCE STATEMENT, PRELIMINARY COMMENTS REGARDING SUB-BASINS, COMMENTS REGARDING WILLIS' REPLY MEMORANDUM REGARDING MOTION TO STRIKE, COMMENTS REGARDING MOTION FOR CONTINUANCE OF TRIAL DATE

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DIAMOND FARMING COMPANY and CRYSTAL ORGANIC FARMS LLC joins in BOLTHOUSE PROPERTIES, LLC'S AND WM. BOLTHOUSE FARMS, INC.'S CASE MANAGEMENT CONFERENCE STATEMENT, PRELIMINARY COMMENTS REGARDING SUB-BASINS, COMMENTS REGARDING WILLIS' REPLY MEMORANDUM REGARDING MOTION TO STRIKE, COMMENTS REGARDING MOTION FOR CONTINUANCE OF TRIAL DATE. We generally agree with all observations and comments made, except to the limited extent that DIAMOND FARMING COMPANY and specifically CRYSTAL ORGANIC FARMS LLC contend that the area north of the Willow Springs fault line but within the adjudication boundary as established by this Court in Phase 1 should be excluded from the "groundwater basin" within which the competing water rights of both the Purveyors and overlyers will be adjudicated. The evidence will establish that in August of 2002, the Purveyors collectively proffered expert testimony that groundwater pumping north of the Willow Springs fault line had no legally adverse effect on groundwater pumping south of the Willow Springs fault line and likewise that groundwater pumping south of the Willow Springs fault line had no legally adverse effect on groundwater pumping north of the Willow Springs fault line. After the suspension of the trial in the Riverside Superior Court in August of 2002, but before the Phase 1 trial in these coordinated proceedings, and thereby the establishment of the procedural adjudication boundary, CRYSTAL ORGANIC FARMS, in reliance upon the position advanced by the Purveyors in the Riverside Superior Court in 2002, purchased the agricultural ground which it now owns and farms, and which is located north of the Willow Springs fault line. That purchase was made with the conscious belief that the property was located outside of the area within which the claims of prescription were being asserted.

Additionally, DIAMOND FARMING COMPANY and CRYSTAL ORGANIC FARMS urge this Court to defer the presently scheduled October 6, 2008 trial date until after all parties have had a sufficient opportunity to complete discovery, both percipient and expert. The necessity for full and complete discovery is most readily evidenced by the apparent effort by the Purveyors to, collectively, not only bifurcate into multiple phases the litigation of the claims at issue, but to also bifurcate discovery

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so that they can withhold and/or conceal from the party litigants and this Court inherent contradictions by using outside retained experts to advance technical opinions which contradict technical and factual claims published by the Purveyors in the ordinary course of business.

The reality of the necessity for percipient discovery is made readily apparent by contrasting Waterworks Districts 40's response to special interrogatories propounded by the Willis Class, specially Interrogatory No. 20, and previously published reports on existing and projected water demands and sources of supply for the Antelope Valley. In response to the Willis Class Special Interrogatory No. 20, Los Angeles Waterworks District No. 40 responded as follows:

"Special Interrogatory No. 20:

If YOU contend that YOU have acquired a prescriptive right to use groundwater within the Basin, when was that prescriptive right acquired?

Response to Special Interrogatory No. 20:

The District incorporates herein its Preliminary Statement and General Objections as though expressly set for [sic] herein. The District objects to this Interrogatory because it does not seek information for the Phase 2 trial nor is it reasonably calculated to lead to the discovery of admissible evidence for the Phase 2 trial. Additionally, the answer to this Interrogatory is the subject of testimony which has not yet been fully developed. Finally, the Court has directed the parties to focus their discovery requests upon the subject matter of the Phase 2 trial. Without waiving the foregoing objections, the District responds that it has pumped groundwater from the Basin since 1921 and the Basin has been in an overdraft since at least 1946. The District further responds that it will further supplement its response to this Interrogatory at a reasonable time after the Phase 2 trial. Without waiving the foregoing objections, the District first acquired a prescriptive right five years after pumping groundwater from the Basin in its overdraft condition, the right has continued and continues to the present time."

It is apparent upon reading the response by Waterworks District 40 that it is claimed that the Basin has been overdrafted since 1946, that that overdraft has been continuous and <u>uninterrupted</u>, and that the prescriptive period is successive, but rolling five-year periods from 1946 up to and including the present. The actual and operative five year prescriptive period has not yet been identified by any Purveyor. However, in March of 1991, the Waterworks District published "Los Angeles County Waterworks Districts Report on Existing and Projected Water Demands and Source of Supply for the Antelope Valley." That report was authored to support and justify the continued issuance of "Will

1 Serve" letters for new commercial and residential development. At page 12 of that 15-page report, 2 Waterworks District No. 40 states: 3 "Current groundwater extractions are less than natural recharge and overdrafting of the basin has stopped. Groundwater levels have stabilized in the central part of the basin with water level increases 4 from 10 to 60 feet in the east and west portions of the basin. 5 Waterworks well records in the Lancaster area indicate that during the last five years, due to the in lieu pumping program, the aquifer in this area has recovered a minimum of 1.4 to 4.4 ft/vr for an average of 2.5 ft/yr. It is estimated that 110,000 ac-ft of water has been added to storage in this general area over the past five years. Also as shown on Table No. 6, agricultural interests are attempting 8 to reduce groundwater extractions by using reclaimed water and untreated SWP water."1 9 The implications of these contradictory statements will be more fully explored and better 10 appreciated with complete, fair, and responsive discovery, both expert and percipient. Thus, the 11 necessity for continuance of trial date. 12 Dated: August 6, 2008 LeBEAU • THELEN, LLP 13 14 15 Attorneys for DIAMOND FARMING COMPANY, 16 a California corporation, and CRYSTAL ORGANIC FARMS, a limited liability company 17 18 19 20 21 22 23 24 25 26 ¹A complete copy of the report was obtained from sources other than discovery and is attached hereto in full. 27

PROOF OF SERVICE

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ANTELOPE VALLEY GROUNDWATER CASES JUDICIAL COUNCIL PROCEEDING NO. 4408 2 CASE NO.: 1-05-CV-049053 3 I am a citizen of the United States and a resident of the county aforesaid; I am over the age 4 5 of eighteen years and not a party to the within action; my business address is: 5001 E. Commercenter Drive, Suite 300, Bakersfield, California 93309. On August 6, 2008, I served the within 6 DIAMOND FARMING COMPANY AND CRYSTAL ORGANIC FARMS LLC'S CASE 7 MANAGEMENT CONFERENCE STATEMENT, AND JOINDER IN BOLTHOUSE 8 9 PROPERTIES, LLC'S AND WM. BOLTHOUSE FARMS, INC.'S CASE MANAGEMENT CONFERENCE STATEMENT, PRELIMINARY COMMENTS REGARDING SUB-BASINS, 10 11 COMMENTS REGARDING WILLIS' REPLY MEMORANDUM REGARDING MOTION TO 12 STRIKE, COMMENTS REGARDING MOTION FOR CONTINUANCE OF TRIAL DATE 13 (BY POSTING) I am "readily familiar" with the Court's Clarification Order. Electronic service and electronic posting completed through www.scefiling.org; All papers filed 14 in Los Angeles County Superior Court and copy sent to trial judge and Chair of Judicial Council. 15 Los Angeles County Superior Court Chair, Judicial Council of California 16 111 North Hill Street Administrative Office of the Courts Los Angeles, CA 90012 Attn: Appellate & Trial Court Judicial Services 17 Attn: Department 1 (Civil Case Coordinator) Carlotta Tillman (213) 893-1014 18 455 Golden Gate Avenue San Francisco, CA 94102-3688 19 Fax (415) 865-4315 20 (BY MAIL) I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. 21 Postal Service on that same day with postage thereon fully prepaid at Bakersfield, California, in 22 the ordinary course of business. 23 (STATE) I declare under penalty of perjury under the laws of the State of 24 California that the above is true and correct, and that the foregoing was executed on August 6, 2008, in Bakersfield, California. 25 26 DONNA M. LUIS 27