

**ATTACHMENT 2 TO DECLARATION IN SUPPORT OF
ATTORNEY'S MOTION TO BE RELIEVED AS COUNSEL-CIVIL**

ANTELOPE VALLEY GROUNDWATER CASES
JCCP No. 4408/Santa Clara Case No. 1-05-CV-049053

I am an attorney duly admitted to practice before the state and federal courts located in the State of California, and I am a partner with the firm of Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"), withdrawing attorneys for Defendant and Cross-Defendant Del Sur Ranch, LLC ("Del Sur Ranch"), in the above-captioned litigation. I am one of the attorneys primarily responsible for handling this matter on behalf of Del Sur Ranch. The following facts are within my own personal knowledge; and, if called upon to do so, I could and would competently testify thereto personally under oath.

Several potential conflicts of interest have arisen that preclude Allen Matkins from continuing to represent Del Sur Ranch in this litigation.

Allen Matkins previously represented former Defendant and Cross-Defendant SPC Del Sur Ranch LLC ("SPC") in this action with regard to its real property located in the City of Lancaster (the "Property"). SPC's involvement in this case was historically limited, since its Property was indisputably within the Antelope Valley Groundwater Basin boundaries, and SPC did not object to class certification so long as it was not deemed a member of the putative class. Thus, SPC did not participate in the trial on the boundary issue, and only stated its position in the class disputes.

On September 21, 2007, Del Sur Ranch acquired all of SPC's rights and interest in the Property. Allen Matkins agreed to represent Del Sur Ranch in this litigation as the new successor-in-interest owner of the Property, only to assist in the switchover of parties due to the transfer of the Property. On October 17, 2007, with the assistance of Allen Matkins as counsel, SPC and Del Sur Ranch filed a joint motion seeking an order that Del Sur Ranch be substituted for SPC as Defendant and Cross-Defendant in this litigation.

After SPC and Del Sur Ranch filed their joint motion for substitution, a supplemental conflict check revealed that several newly added (by other parties) cross-defendants to this litigation are current clients of Allen Matkins in other pending matters unrelated to this action. These cross-defendants were added as Roes by the Public Water Suppliers to their First Amended Cross-Complaint, and include Wells Fargo Bank, N.A. (Roe 576); SF Pacific Properties, Inc. (Roe 554); Northrop Grumman Corp. (Roe 534); Loyola Marymount University (Roe 517); Webb Trust (Roe 397); George M. Lane (Roes 316 and 508); and City National Bank (Roe 258). At least one of these cross-defendants (Northrop Grumman Corp.) has just recently filed an answer.

Del Sur Ranch was just substituted into this case earlier this month, and the only motion pending concerns class certification, which, like SPC, Del Sur Ranch does not object to since, as a named defendant and cross-defendant, it would not be a member of the putative class. However, the case will soon evolve into litigation involving the parties' competing water rights in the basin, in which Allen Matkins cannot represent adverse interests against its current clients. Rules Prof.

Conduct, rule 3-310(C)(3) (prohibiting counsel, without the informed written consent of each client, from "Represent[ing] a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter."); rule 3-700(B)(2) ("A member representing a client before a tribunal shall withdraw from employment with the permission of the tribunal, if required by its rules . . . if . . . [t]he member knows or should know that continued employment will result in violation of these rules . . ."). Here, Allen Matkins seeks to withdraw, because the future litigation over competing water interests among owners of land in the Antelope Valley could create an actual conflict of interest between Allen Matkins and its other clients.

In October 2007, I informed Del Sur Ranch of the potential conflicts that could materialize once the case proceeded to litigation of competing water rights in the basin, and that Allen Matkins would need to immediately withdraw as counsel, staying in only so long as needed to make the switch of parties. Del Sur Ranch agreed to find a new firm to represent it. I agreed that Allen Matkins would appear on behalf of SPC and Del Sur Ranch at the November 5, 2007, hearing on the joint motion to substitute Del Sur Ranch for SPC as Defendant and Cross-Defendant (which was granted by this Court at that hearing), but that Allen Matkins would then need to substitute out as counsel immediately thereafter. That way, Del Sur Ranch could become a proper party in this litigation and then file a simple substitution of attorney form to substitute in its new counsel.

However, despite repeated requests by Allen Matkins, and Del Sur Ranch's apparent investigation into other attorneys to represent it, Del Sur Ranch has failed to disclose to Allen Matkins any new counsel for the substitution, necessitating this motion pursuant to California Code of Civil Procedure § 284(2), instead of a consent under § 284(1). Allen Matkins brings this motion now, before the many landowners in this action start taking positions potentially adverse to Del Sur Ranch, so as to avoid an even larger problem later. I know of no reason Del Sur Ranch cannot find substitute counsel, since it has known of this issue for some time. If, prior to the hearing on this motion, Del Sur Ranch informs us of substitute counsel and we complete the substitution form, I will take this motion off calendar as moot.