

## **Exhibit H**

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

Coordination Proceeding  
Special Title (Rule 1550 (b))  
**ANTELOPE VALLEY GROUNDWATER  
CASES**

Judicial Council Coordination  
Proceeding No. 4408  
[Assigned to The Honorable Jack Komar, Judge  
Santa Clara County Superior Court, Dept. 17]  
Santa Clara Court Case No. 1-05-CV-049053  
**STIPULATION FOR ENTRY OF  
JUDGMENT AND PHYSICAL SOLUTION**

1. The undersigned Parties ("Stipulating Parties") stipulate and agree to the entry of the proposed Judgment and Physical Solution ("Judgment"), attached hereto as Exhibit I and incorporated herein by reference, as the Judgment in this Action. This Stipulation is expressly conditioned, as set forth in Paragraph 4 below, upon the approval and entry of the Judgment by the Court.

2. The following facts, considerations and objectives, among others, provide the basis for this Stipulation for Entry of Judgment ("Stipulation"):

- a. The Judgment is a determination of all rights to Produce and store Groundwater in the Basin.
- b. The Judgment resolves all disputes in this Action among the Stipulating Parties.

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c. The Stipulating Parties represent a substantial part of the total Production within the Basin.

d. There exists now and has existed for many years an Overdraft on the Groundwater supply within the Basin.

e. It is apparent to the Stipulating Parties that protection of the rights of the Stipulating Parties and protection of the public interest within the Basin require the development and imposition of a Physical Solution.

f. The Physical Solution contained in the Judgment is in furtherance of the mandate of the State Constitution and the water policy of the State of California.

g. Entry of the Judgment will avoid the time, expense, and uncertainty associated with continued litigation.

h. The Judgment will create incentives, predictability and long-term certainty necessary to promote beneficial use of the Basin's Groundwater resources to the fullest extent practicable and for the greatest public benefit.

i. The Judgment will create opportunities for state and local funding as may be available to promote greater development and beneficial use of the Basin's Groundwater resources.

j. The Judgment will aid in securing a reliable and cost-effective water supply to serve the Stipulating Parties' constituencies and communities.

3. Defined terms in the Judgment shall have the same meaning in this Stipulation.

4. The provisions of the Judgment are related, dependent and not severable. Each and every term of the Judgment is material to the Stipulating Parties' agreement. If the Court does not approve the Judgment as presented, or if an appellate court overturns or remands the Judgment entered by the trial court, then this Stipulation is void ab initio with the exception of Paragraph 6, which shall survive.

5. The Stipulating Parties will cooperate in good faith and take any and all necessary and appropriate actions to support the Judgment until such time as this Judgment is entered by the Court, and appeals, if any, are final, including:

a. Producing evidentiary testimony and documentation in support thereof;

1           b.     Defending the Judgment against Non-Stipulating Parties, including, as  
2           appropriate, providing evidence of the Stipulating Parties' prescriptive and self-help  
3           rights.

4           6.     Each Stipulating Party has agreed to this Stipulation without admitting any factual or  
5           legal provisions of this Stipulation or the proposed Judgment. In the event that this Stipulation is void,  
6           or if trial is necessary against any Non-Stipulating Party to determine issues provided for in the  
7           Judgment, the resulting factual or legal determinations shall not bind any Stipulating Party or become  
8           law of the case.

9           7.     As consideration and as a material term of this Stipulation, the Stipulating Parties hereby  
10          declare that they are not aware of any additional Person pumping Groundwater, or landowner owning  
11          property in the Basin, that is not either named as a Party in the Action, included in the Non-Pumper  
12          Class or Small Pumper Class, or a Defaulting Party.

13          8.     The Stipulating Parties, in order to protect the Basin from over-pumping, have stipulated  
14          and agreed to the terms of the Judgment and have agreed to substantial cuts to water allocation  
15          compared with what they claim under California law, and in the case of the United States, also under  
16          federal law. In return, the Stipulating Parties have agreed to provisions in the Physical Solution which  
17          are only available by stipulation. These provisions include, without limitation, the right to transfer  
18          Production Rights and the right to Carry Over rights from year to year, as set forth in the Judgment.  
19          Non-Stipulating Parties, or any other Parties contesting the Judgment, shall not be entitled to the benefit  
20          of these provisions, and shall have only the rights to which they may be entitled by law according to  
21          proof at trial.

22          9.     The Stipulating Parties agree to request the Court to order the representatives of the Non-  
23          Pumper Class and the Small Pumper Class to identify any Persons which have opted out of the Classes  
24          and provide the identities of any opt-outs to District No. 40 within twenty (20) days of the Court's order  
25          approving this Stipulation. District No. 40 will assure that all Persons opting out of the Classes have  
26          been named, served, and defaulted or otherwise adjudicated, and will provide a report to the Court and  
27          the Stipulating Parties.

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1           10. As consideration for this Stipulation between the Stipulating Parties, District No. 40  
2 specifically agrees to the following:

3           a. District No. 40 agrees to identify all landowners in the Basin, to confirm that each  
4 landowner was served, and to confirm that each landowner is a part of the Non-Pumper  
5 Class, the Small Pumper Class, the Stipulating Parties, a Defaulting Party, or a Party that  
6 has appeared, as the case may be. District No. 40 will file a report containing this  
7 information with the Court and with all Parties.

8           b. District No. 40 agrees to take all available steps and procedures to prevent any  
9 Person that has not appeared in this Action from raising claims or otherwise contesting  
10 the Judgment.

11           11. The Public Water Suppliers and no other Parties to this Stipulation shall pay all  
12 reasonable Small Pumper Class attorneys' fees and costs through the date of the final Judgment in the  
13 Action, in an amount either pursuant to an agreement reached between the Public Water Suppliers and  
14 the Small Pumper Class or as determined by the Court. The Public Water Suppliers reserve the right to  
15 seek contribution for reasonable Small Pumper Class attorneys' fees and costs through the date of the  
16 final Judgment in the Action from each other and Non-Stipulating Parties. Any motion or petition to the  
17 Court by the Small Pumper Class for the payment of attorneys' fees in the Action shall be asserted by the  
18 Small Pumper Class solely as against the Public Water Suppliers (excluding Palmdale Water District,  
19 Rosamond Community Services District, City of Lancaster, Phelan-Piñon Hills Community Services  
20 District, Boren Community Services District, and West Valley County Water District) and not against  
21 any other Party.

22           12. In consideration for the agreement to pay Small Pumper Class attorneys' fees and costs as  
23 provided in Paragraph 11 above, the other Stipulating Parties agree that during the Rampdown  
24 established in the Judgment, a drought water management program ("Drought Program") shall be  
25 implemented as provided in Paragraphs 8.3, 8.4, 9.2 and 9.3 of the Judgment.

26           13. The Stipulating Parties do not object to the award of an incentive to Richard Wood, the  
27 Small Pumper Class representative, in recognition of his service as Class representative. The Judgment  
28 shall provide that Richard Wood has a Production Right of up to five (5) acre-feet per year for

1 reasonable and beneficial use on his parcel, free of a Replacement Water Assessment. This Production  
2 Right shall not be transferable and is otherwise subject to the provisions of the Judgment. If the Court  
3 approves this award of an additional two (2) acre-feet of water, such award shall be in lieu of any  
4 monetary incentive payment.

5 14. The Stipulating Parties agree that an orderly procedure for obtaining the Court's approval  
6 of the Judgment is a material term to this Stipulation. The Parties agree that the Case Management  
7 Order attached hereto as Appendix 1 is an appropriate process for obtaining such approval.

8 15. The Stipulating Parties agree that this Stipulation shall bind and benefit them, and will be  
9 binding upon and benefit all their respective heirs, successors-in-interest and assigns.

10 16. Each signatory to this Stipulation represents and affirms that he or she is legally  
11 authorized to bind the Stipulating Party on behalf of whom he or she is signing. The Stipulating Parties  
12 understand that this Stipulation and the Judgment are not effective as to the Small Pumper Class until  
13 the Court grants approval of a settlement agreement in *Wood v. Los Angeles County Waterworks District*  
14 *No. 40 et al.*

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1 LOS ANGELES COUNTY WATERWORKS  
2 DISTRICT NO. 40

3 By: *Gail Farber*  
4 Gail Farber  
5 Director of Public Works

Date: 2/24/15

6 Approved as to form by:  
7 Mark J. Saladino, County Counsel

8  
9 By: *Warren R. Wellen*  
10 Warren R. Wellen  
11 Principal Deputy County Counsel

12 Approved as to form by: Eric L. Garner

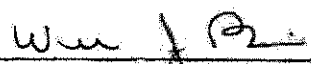
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14 By: *Eric L. Garner* *Jeffrey V. Ann and Eric L. Garner*  
15 ~~Eric L. Garner~~  
16 Best Best & Krieger

1 ANTELOPE VALLEY-EAST KERN WATER AGENCY

2  
3 BY:   
4 FRANK S. DONATO, Director, Div. 3

5 BRUNICK, McELHANEY & KENNEDY

Date: 1/13/2015

6  
7 BY:   
8 WILLIAM J. BRUNICK  
9 Attorneys for Cross-Complainant,  
ANTELOPE VALLEY-EAST KERN WATER AGENCY

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JOHN C. CRUDEN  
Assistant Attorney General  
Environment & Natural Resources Division

By: 

Date: 2-28-15

LEE LEININGER, Trial Attorney  
JAMES DUBOIS, Trial Attorney  
United States Department of Justice  
Environment and Natural Resources Division  
999 18th Street, South Terrace, Suite 370  
Denver, Colorado, 80202

Attorneys for Cross-Defendant United States of America

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TEJON RANCH CO.,  
a Delaware limited liability company

By: Dennis Atkinson  
Dennis Atkinson  
Senior Vice President, Farming


Date: 1-15-15

TEJON RANCH CORP.,  
a California corporation

By: Dennis Atkinson  
Dennis Atkinson  
Senior Vice President, Agriculture and Water

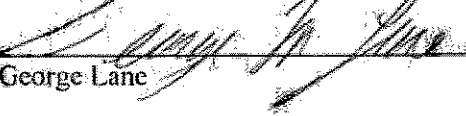
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LITTLE ROCK SAND AND GRAVEL, INC.

By:   
George Lane

Date: 12/24/14

THE GEORGE AND CHARLENE LANE FAMILY TRUST

By:   
George Lane

Date: 12/24/14

THE FRANK AND YVONNE LANE 1993 FAMILY TRUST

By:   
George Lane

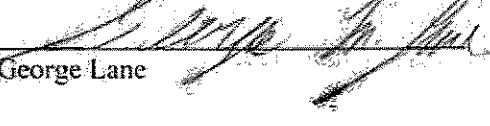
Date: 12/24/14

MONTE VISTA BUILDING SITES, INC.

By:   
George Lane

Date: 12/24/14

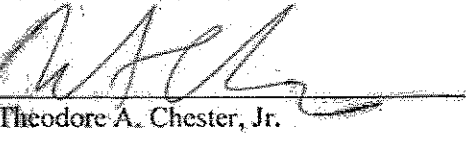
A.V. MATERIALS, INC.

By:   
George Lane

Date: 12/24/14

APPROVED AS TO FORM:

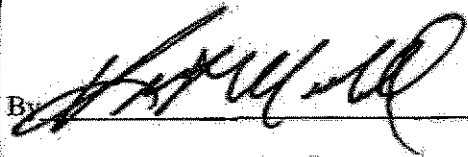
SMILAND CHESTER LLP

By:   
Theodore A. Chester, Jr.

Date: 1/05/15

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GRANITE CONSTRUCTION COMPANY

By 

Date: 1/12/2015

Its Kent Marshall, Vice President

**STIPULATION FOR ENTRY OF JUDGMENT AND PHYSICAL SOLUTION**