

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES - CENTRAL DISTRICT

ANTELOPE VALLEY GROUNDWATER)
CASES)

INCLUDED ACTIONS:) No. 1-05-CV-049053

Los Angeles County)
Waterworks District No. 40)
v. Diamond Farming Co.,)
Superior Court of)
California, County of Los)
Angeles, Case No. BC)
3252014;)

Los Angeles County)
Waterworks District No. 40)
v. Diamond Farming Co.,)
Superior Court of)
California, County of Kern,)
Case No. S-1500-CV-254348;)

Wm. Bolthouse Farms, Inc. v.)
City of Lancaster, Diamond)
Farming Co. v. Palmdale)
Water Dist., Superior Court)
of California, County of)
Riverside, Case No. RIC)
353840, RIC 344436, RIC)
344668)

Rebecca Lee Willis v. Los)
Angeles County Waterworks)
District No. 40 Superior)
Court of California, County)
of Los Angeles, Case No. BC)
364553)

Wood v. A.V. Materials,)
Inc., et al., Superior Court)
of California, County of Los)
Angeles Case No. BC 509546)

CONDENSED TRANSCRIPT

(Continued)	1	APPEARANCES
Little Rock Sand and Gravel,)	2	
Inc. v. Granite Construction)	3	For Plaintiff: Musick, Peeler & Garrett
Co., Superior Court of)	4	BY MR. STEPHEN ISBELL
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	25	
DEPOSITION OF GEORGE LANE Tuesday, November 21, 2017 Lancaster, California		
Reported by: Vanessa Zaragoza, CSR No. 13924		3

I N D E X	1	Lancaster, California
	2	Tuesday, November 21, 2017; 10:09 a.m.
EXAMINATION BY	3	Antelope Valley Court Reporters
	4	
MR. KUHS	5	GEORGE LANE,
	6	called as a witness by counsel for Defendants, being
	7	first duly sworn, testified as follows:
WITNESS INSTRUCTED NOT TO ANSWER:	8	EXAMINATION
	9	BY MR. KUHS:
Page 49, Line	10	Q. Hi, good afternoon. Please state your name for
Page 110, Line	11	the record.
Page 126, Line 5	12	A. George Lane.
	13	Q. Do you have a middle initial?
	14	A. M.
	15	Q. What does that stand for?
	16	A. Michael.
	17	Q. Date of birth?
	18	A. 5/2nd, '46.
	19	Q. And your current address?
	20	A. 41031, 10th Street West.
	21	Q. How long have you resided there?
	22	A. The office -- the office address?
	23	Q. I asked you where you resided.
	24	A. Oh, excuse me. Yeah, you want the office or
	25	the home address?
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1 A. It's -- I probably haven't been president, it's
2 been at least eight years, eight to ten years.
3 Q. Since you've been president?
4 A. Excuse me?
5 Q. Since you were president?
6 A. About approximately eight years.
7 Q. Were you president during the Antelope Valley
8 litigation, at least a portion of it?
9 A. Yes.
10 Q. And AVEK was a party to the lawsuit; correct?
11 A. A part of that time, yes.
12 Q. Okay. Back to Exhibit 2, turn to what is
13 signature Page 54. It's also labeled 47 of the
14 stipulation which bears your signatures.
15 Do you have that page in front of you?
16 A. Yes.
17 Q. Okay. And take a look at each of those
18 signatures. It appears that you've signed your name
19 five different times.
20 Is that accurate?
21 A. Yes.
22 Q. And is that your signature?
23 A. Yes.
24 Q. Did you sign this document on or about
25 December 24th, 2014?

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1 A. Yes.
2 Q. Okay. And below your signatures is a signature
3 for Ted Chester, Theodore Chester. Do you see that?
4 A. Yes.
5 Q. Was he your lawyer --
6 A. Yes.
7 Q. -- at the time you signed this document?
8 Was Ted your lawyer at the time you signed this
9 document?
10 A. Yes.
11 Q. Okay. Did you give him authority to sign the
12 document?
13 A. Yes.
14 Q. Okay. And before you signed this document, did
15 you get authority from anybody at Little Rock Sand and
16 Gravel to sign?
17 A. No.
18 Q. Okay. Did you intend, by signing this
19 document, that Little Rock Sand and Gravel would be
20 bound by this stipulation?
21 A. I would have to read the stipulation.
22 Q. Okay. Take a minute and read it.
23 A. Repeat the question.
24 Q. When you signed the stipulation, which is
25 marked Exhibit 2, did you intend to bind Little Rock

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1 Sand and Gravel?
2 A. I would take -- I would take more time to
3 review that and I took the recommendation of our
4 attorney.
5 Q. My question is did you intend, by signing this
6 document, to bind Little Rock Sand and Gravel? Yes or
7 no?
8 A. Yes.
9 Q. And by signing this document, did you intend to
10 bind the George and Charlene Lane Family Trust?
11 A. Yes.
12 Q. And did you intend to bind the Frank and Yvonne
13 Lane 1993 Family Trust?
14 A. Yes.
15 Q. And did you intend to bind Monte Vista Building
16 Sites, Inc.?
17 A. Yes.
18 Q. And did you intend to bind AV Materials, Inc.?
19 A. Yes.
20 Q. And did you give Mr. Chester the authority to
21 file your signature with the court?
22 A. I don't remember.
23 Q. Did you give Mr. Chester authority to sign this
24 document?
25 A. I don't remember.

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1 Q. Do you remember not giving him authority?
2 A. No.
3 Q. As far as you're aware --
4 Well, let me go at it this way: Is there any
5 doubt in your mind that you didn't give Mr. Chester
6 authority?
7 A. I don't remember.
8 Q. You have no recollection one way or the other
9 of giving your lawyer authority to enter into this
10 stipulation?
11 A. That's correct.
12 Q. Okay. Let's go to what would be the fourth
13 page of Exhibit 2, which is the first page of the
14 stipulation. All right.
15 So reading Paragraph Number 1, was it your
16 understanding when you signed this stipulation that you
17 were agreeing to entry of the proposed judgment and
18 physical solution that's attached to Exhibit 1?
19 A. That would be correct as to the physical
20 solution, not the allocation.
21 Q. So you -- you understand that the allocation is
22 part of the judgment and physical solution?
23 A. No, absolutely -- absolutely not.
24 MR. ISBELL: Stop there. There's no question
25 pending. You've answered the question.

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1 THE WITNESS: What's that?
 2 MR. ISBELL: Your "no" answered the question.
 3 Let him ask his next question.
 4 MR. KUHS: Sure.
 5 BY MR. KUHS:
 6 Q: Why do you believe that you're not bound by the
 7 allocation?
 8 A: Through the years, I've been told if we had
 9 objected, that would affect the physical solution as far
 10 as allocation. We have dealt with Granite either
 11 directly or through our attorney, and we did not agree
 12 to the physical solution. And that would be -- that
 13 would be resolved afterwards, but the physical
 14 solution -- those were important. The allocation would
 15 come later.
 16 Q: Who told you that?
 17 MR. ISBELL: Objection. Calls for
 18 attorney-client privileged communications.
 19 To the extent that he's not asking about
 20 conversations you've had with your lawyers, you can
 21 answer.
 22 BY MR. KUHS:
 23 Q: But who told you that the allocation would be
 24 dealt with later?
 25 MR. ISBELL: Same objection.

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1 You can answer it without disclosing
 2 attorney-client communications, answer. Otherwise,
 3 don't answer.
 4 THE WITNESS: I'm just not sure if I --
 5 BY MR. KUHS:
 6 Q: Yeah, you said that you had been told that the
 7 allocation issue would be dealt with later. Who told
 8 you that?
 9 A: Our attorney, Ted Chaston and Jim Lewis.
 10 Q: Okay. And so when you signed this stipulation,
 11 you were not agreeing to the allocation?
 12 A: Absolutely not.
 13 Q: Okay. Is that as to Little Rock?
 14 A: It's between Little Rock and Granite.
 15 Q: Well, did you intend to agree to the allocation
 16 given to the Frank and Yvonne Lane Family Trust?
 17 A: We -- there wasn't an issue except between
 18 Little Rock and Granite.
 19 Q: Not my question.
 20 My question is when you signed this
 21 stipulation, were you agreeing to the allocation shown
 22 on Exhibit 4 given to the Frank and Yvonne Lane Family
 23 Trust?
 24 A: As it -- as it affects Granite, no. There was
 25 other properties that were not in contention, and we did

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1 agree to those but not as it would affect Granite.
 2 Q: I don't understand your answer.
 3 Did you intend on behalf of the Frank and
 4 Yvonne Lane Family Trust to be bound by the allocation
 5 and the judgment?
 6 MR. KUHS: Counsel, you're showing him
 7 Exhibit 4?
 8 MR. ISBELL: I believe I'm showing him what
 9 you're referring to, the allocation you're referring to.
 10 MR. KUHS: Yes.
 11 THE WITNESS: To the extent it did not include
 12 Granite, yes.
 13 BY MR. KUHS:
 14 Q: I don't understand your qualification.
 15 Is there anything on the entry for the Frank
 16 and Yvonne Lane Family Trust that includes Granite?
 17 A: I think that's -- I can't say much more than
 18 what I've said.
 19 Q: Okay. Okay. So your position is that --
 20 Well, let's go through this. When you signed
 21 Exhibit 2 on behalf of the George and Charlene Lane
 22 Family Trust, did you intend to agree to the judgment
 23 and the allocation on Exhibit 4?
 24 A: As far as the physical solution, yes.
 25 Q: But other aspects of the judgment, no?

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1 A: The physical solution is what I agreed to.
 2 Q: Okay.
 3 A: Not the allocation with -- between Little Rock
 4 Sand and Gravel and Granite.
 5 Q: Okay. Do you recall making any notations next
 6 to your signature that you were limiting your acceptance
 7 of the settlement to carve out this allocation with
 8 Granite?
 9 A: No.
 10 Q: Okay. Did you give your lawyer any special
 11 instructions when you submitted your signature that you
 12 were only signing on to parts of the judgment and not
 13 others?
 14 A: Yes.
 15 MR. ISBELL: Objection.
 16 THE WITNESS: Excuse me?
 17 MR. ISBELL: Don't answer that. That calls for
 18 attorney-client communications that's privileged. Don't
 19 answer that.
 20 BY MR. KUHS:
 21 Q: When you signed this stipulation on behalf of
 22 Monte Vista Building Sites, Inc., did you intend that
 23 Monte Vista Building Sites, Inc., would be bound by this
 24 stipulation and the judgment?
 25 A: As to the physical solution, but if there was

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1 any connection with Granite Construction, no.
 2 Q. Okay. And when you signed this stipulation
 3 Exhibit 2 on behalf of AV -- excuse me -- AV Materials,
 4 Inc., did you intend to bind AV Materials, Inc., to the
 5 stipulations and the judgment and physical solution?
 6 A. Yes.
 7 Q. You did? Entirely?
 8 A. AV Materials, I do not believe there was any
 9 issues.
 10 Q. Now why do you draw a distinction between AV
 11 Materials and Monte Vista Building Sites?
 12 A. Monte Vista owns part of the land it's leased
 13 to through Granite.
 14 Q. Monte Vista does?
 15 A. Yes.
 16 Q. Okay. Did AV Materials, Inc., get its own
 17 allocation?
 18 A. Yes.
 19 Q. Where is that shown?
 20 A. Excuse me, the answer to that would be no.
 21 Q. AV Materials did not get an allocation;
 22 correct?
 23 A. Yes.
 24 Q. Is that correct?
 25 A. Yes, they did not.

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1 properties in Lancaster. Most of them are lots.
 2 BY MR. KUHS:
 3 Q. Okay. So you accepted a zero allocation for
 4 Monte Vista Building Sites, Inc., in the Antelope Valley
 5 adjudication; correct?
 6 A. I don't know that to be the case. It should be
 7 some from Little Rock.
 8 Q. What do you mean by that? What do you mean by
 9 there should be some from Little Rock?
 10 A. We have some -- Monte Vista owns property in
 11 Little Rock, but I believe it's tied in with the
 12 other -- some other leases.
 13 Q. What leases?
 14 A. Granite Construction.
 15 Q. Okay. So when you agreed to this judgment, you
 16 understood that Monte Vista Building Sites, Inc., was
 17 not getting an allocation of groundwater; correct?
 18 A. No.
 19 Q. You didn't understand that?
 20 A. No.
 21 Q. What did you understand to be Monte Vista
 22 Building Sites, Inc.'s allocation?
 23 A. Again, it was tied -- it was tied in with some
 24 common wells where the property was quarried. Part of
 25 it was Monte Vista's.

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1 Q. Okay. And did Monte Vista Building Sites,
 2 Inc., get an allocation?
 3 MR. ISBELL: If you need to refer to the
 4 document, there's more parties on the following pages.
 5 THE WITNESS: I believe those were all wrapped
 6 into the one exhibit we see at the bottom of Page 1.
 7 BY MR. KUHS:
 8 Q. Well, do you see any mention on Exhibit 4,
 9 Page 1 of Monte Vista Building Sites, Inc.?
 10 A. I do not see it.
 11 Q. Does Monte Vista Building Sites, Inc., own land
 12 in the Antelope Valley?
 13 A. Yes.
 14 Q. How many acres?
 15 A. It's in Lancaster and some in Little Rock.
 16 Q. And --
 17 MR. ISBELL: That's not the question. How many
 18 acres?
 19 THE WITNESS: Probably a hundred plus acres.
 20 BY MR. KUHS:
 21 Q. Is it 10? Is it 150? Is it 500?
 22 MR. ISBELL: If you know. Best estimate, if
 23 you know.
 24 THE WITNESS: There's 80 acres part of the
 25 Granite lease in Monte Vista, then we have commercial

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1 Q. So what's the allocation you think you got for
 2 Monte Vista Building Site's, Inc.?
 3 A. We didn't look at it individually. I looked at
 4 it with the whole Granite lease. The Little Rock Sand
 5 and Gravel -- Little Rock Sand and Gravel, you know,
 6 they were the lessor to Granite Construction.
 7 Q. What was the relationship between Monte Vista
 8 and Little Rock Sand and Gravel with respect to this
 9 80 acres?
 10 A. There was a lease.
 11 Q. A sublease?
 12 A. Yes.
 13 Q. Okay. So Monte Vista Building Sites, Inc.,
 14 leased the 80 acres to Little Rock?
 15 A. Yes.
 16 Q. And then Little Rock in turn leased it to
 17 Granite?
 18 A. Yes.
 19 Q. Is there a written lease?
 20 A. Yes.
 21 Q. Do you have a copy of that lease?
 22 A. No, no.
 23 Q. What do you mean you don't have a copy?
 24 A. Oh, excuse me. Not here. Yes, at the office.
 25 Q. And how old is the lease?

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1 Lessee shall have the right to use all existing water
 2 sources presently located upon the lease premises in
 3 both above, below ground."
 4 "Lessee, at its expense, shall have the right
 5 to develop such further water sources as it may deem
 6 necessary for convenience and the operation of the
 7 business provided, however, that lessee shall avoid
 8 wasting water."
 9 Q. Yeah, I didn't need you to read it. I just
 10 wanted you to identify what they were for the record.
 11 A. Yeah.
 12 Q. These are some of the documents that you
 13 brought with you that were down in your truck this
 14 morning?
 15 A. Yes.
 16 Q. Okay. By the way, there were other documents
 17 that you didn't bring with you that are still in your
 18 truck?
 19 A. There was some, you know, documents.
 20 Q. You didn't bring up the state recordation
 21 notices, for example, correct?
 22 A. That's correct.
 23 Q. And did you bring up the letters or
 24 correspondence between the parties that you had
 25 mentioned?

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1 A. No.
 2 Q. All right. Let's get back to Exhibit 2, which
 3 is the Stipulation for Entry of Judgment. Take a look
 4 at Paragraph 2 of the stipulation. It's on the first
 5 page of the stipulation.
 6 MR. ISBELL: What are you referring to,
 7 Counsel?
 8 THE WITNESS: It's just about the fourth of
 9 that document.
 10 MR. KUHS: Yeah, it's -- of that document, it's
 11 the fourth page down.
 12 BY MR. KUHS:
 13 Q. And you see Paragraph 2A? Do you see that?
 14 A. Yes.
 15 Q. That's the paragraph that says "The judgment is
 16 a determination of all rights to produce and store
 17 groundwater in the basin."
 18 When you signed the stipulation on behalf of
 19 each of the entities, did you understand that the
 20 judgment that you were agreeing to was a determination
 21 of all rights to produce and store groundwater in the
 22 basin?
 23 A. I think -- I think I've answered it, that this
 24 was the physical solution. As far as the allocation,
 25 you know, that was to be determined later. We had the

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1 agreement -- disagreement with Granite, and we were
 2 trying to resolve that, and I was reminded if we didn't
 3 sign this, the whole -- the whole physical solution may
 4 not be signed, may not be -- go forward. And so our --
 5 at least, you know, my interest was not to hold anything
 6 up and to try to resolve the physical solution that the
 7 water produced belonged to Little Rock Sand and Gravel.
 8 Q. Okay.
 9 A. But it turned out, here we are, which I'd
 10 rather not be here.
 11 Q. But you knew that if you didn't sign the
 12 stipulation for entry of judgment that you would be a
 13 non-settling party, correct?
 14 A. Yes.
 15 Q. Correct?
 16 A. Yes.
 17 Q. Okay. And so you signed the stipulation and
 18 the judgment, which you understood to be a determination
 19 of all rights to produce and store groundwater in the
 20 basin, correct?
 21 A. As I said -- as I said earlier, being a
 22 non-settling party, and I think we were receiving -- I
 23 don't know if you'd call it threats, but I guess you
 24 might want to call it threats -- if we didn't sign it,
 25 we would be left out, and we would get nothing.

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1 Q. All right. Okay. So your choice was to not
 2 sign and risk not getting any groundwater or to sign a
 3 document which -- agreeing to the judgment and the
 4 physical solution, correct? That was your choice?
 5 A. The physical solution and my side of
 6 understanding that we would resolve with Granite as
 7 they're claim -- trying to take our water. That would
 8 be done at a later date.
 9 Q. Okay. Looking at Paragraph 2B of the
 10 stipulation, did you understand when -- that you signed
 11 the stipulation on behalf of each of the entities and
 12 trusts that the judgment, which was attached as
 13 Exhibit 1, resolved all disputes in the action among the
 14 stipulating parties?
 15 A. No.
 16 Q. You didn't have that understanding?
 17 A. No.
 18 Q. Okay.
 19 A. Probably didn't even read it.
 20 Q. Okay. Take a look at the next page,
 21 Paragraph 4. Did you understand when you signed on
 22 behalf of each of the entities, that each and every term
 23 of the judgment is material to the stipulating parties?
 24 A. What I did understand --
 25 Q. Whoa, whoa, whoa, whoa. Let's stick to the

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1 question, Mr. Lane.
2 Did you understand when you signed on behalf of
3 each of the parties that each and every term of the
4 judgment was material to the stipulating parties?
5 A. No.
6 Q. Okay.
7 A. I had no --
8 MR. ISBELL: No question pending.
9 BY MR. KUHS:
10 Q. Turn to the fifth page of the stipulation,
11 Paragraph 15.
12 At the time you signed this stipulation for
13 each of the parties shown on Page 47, did you understand
14 that the stipulation that you signed would bind and
15 benefit each of those parties and their respective
16 heirs, successors and assigns?
17 A. What are you reading --
18 Q. Paragraph 15.
19 A. No.
20 MR. KUHS: Okay. Now, let me have marked as
21 Exhibit 3 a copy of the first amended verified
22 complaint.
23 (Defendant's Exhibit Number 3
24 marked for identification.)
25 ////

1 BY MR. KUHS:
2 Q. You can't write on those documents. Those are
3 the court reporter's documents.
4 A. Okay. I'm sorry.
5 Q. Those are exhibits to the depo.
6 Mr. Lane, let me show you a copy of the --
7 MR. ISBELL: Thank you.
8 BY MR. KUHS:
9 Q. -- your verified first amended complaint.
10 MR. ISBELL: Set that aside over there.
11 BY MR. KUHS:
12 Q. Ask you if that document looks familiar to you.
13 MR. ISBELL: Reference it later.
14 BY MR. KUHS:
15 Q. Does Exhibit 3 look familiar to you?
16 MR. ISBELL: Don't rush. Take your time. Look
17 through the document. Take your time.
18 THE WITNESS: Yes.
19 BY MR. KUHS:
20 Q. Okay. Take a look at the second-to-the-last
21 page. You should see a verification.
22 A. Yes.
23 Q. Is that your signature?
24 A. Yes.
25 Q. You were signing as president and chief

1 financial officer for Little Rock Sand and Gravel, Inc.?
2 A. Yes.
3 Q. And you were verifying that the contents of the
4 complaint were true and accurate?
5 A. Yes, I signed it.
6 Q. But did you understand that you were verifying
7 that the statements made in the complaint were true and
8 accurate?
9 A. To the best of my knowledge at the time.
10 Q. Yes? Did you understand when you signed the
11 verification that the statements made in the complaint
12 were true and accurate?
13 A. Yes.
14 Q. Okay. On reflection, are there statements in
15 this complaint that are not true and accurate?
16 A. You know, I -- I would have to sit down. It
17 would take me several hours to read it and answer that
18 question.
19 Q. Oh, I'm not asking you --
20 I'm just asking you if on reflection, after
21 having the discussion this morning on the record, if
22 you've become aware of any statements in this complaint
23 which are not true and accurate?
24 A. To the best of my knowledge, they are correct.
25 Q. They are correct, okay.

1 So in Paragraph 1, you allege that Little Rock
2 Sand and Gravel, Inc., owns the real property described
3 on Pages 1 and 2.
4 Is that an accurate statement?
5 A. Ask the question again.
6 Q. Is it a truthful statement that the properties
7 described on Pages 1 and 2 of your complaint are owned
8 by Little Rock Sand and Gravel?
9 A. They're owned by or controlled by Little Rock
10 Sand and Gravel.
11 MR. ISBELL: Just answer the question.
12 BY MR. KUHS:
13 Q. No. You say on Page 1, Line 23 you've alleged
14 that Little Rock was and is the owner of the following
15 parcels.
16 Do you see that language? Do you see that?
17 A. Yes.
18 Q. Do you see that?
19 A. Yes.
20 Q. Okay. Is that a true statement, sir?
21 A. It's the lessor, and it's AV Material -- excuse
22 me, Little Rock Sand and Gravel, you know, owns, I
23 believe, 160 acres. And Monte Vista Building Sites has
24 them under lease to Little Rock Sand and Gravel.
25 Q. So it's not a true statement, correct?

1 A. They're the lessor or the controller. It's how
2 we would interpret it. For this lease, they're the
3 owner.
4 Q. Do you know what it means to be an owner of
5 real property, sir?
6 A. Granite has --
7 Q. Listen to my question:
8 Do you know what it means to be an owner of
9 real property?
10 A. We may disagree on that.
11 Q. Tell me what you understand it means to be an
12 owner of real property.
13 A. Little Rock Sand and Gravel controls the
14 property. It leases the property. All negotiations
15 between Granite and -- are done between Granite and
16 Little Rock, nothing with Monte Vista.
17 So if you're trying to get to the point that
18 Monte Vista has a parcel of land, it's under a lease to
19 Little Rock, that's correct.
20 Q. What is your understanding of what it means to
21 be an owner of real property?
22 A. The deed would be in your name.
23 Q. Okay. So as to each of these four parcels
24 identified in your complaint, can you tell me truthfully
25 today that each of those four parcels is in the name of

1 Little Rock Sand and Gravel?
2 A. No, a portion is in Monte Vista.
3 Q. Which portion?
4 A. I don't have the legals in -- to compare. So I
5 can't tell you.
6 Q. Is there any portion of these four parcels that
7 is in anybody else's name or any other entity name?
8 A. No.
9 Q. Was there a time when one of these parcels was
10 held by the Frank and Yvonne Trust?
11 A. Possible.
12 Q. When? And is it your testimony, sir, that you
13 don't have any deeds in your possession, custody, or
14 control relating to ownership of these four parcels
15 other than the deeds that you produced in discovery
16 through your lawyer?
17 A. Yes.
18 Q. So if we served a subpoena on your office, you
19 would have no record of these other transactions?
20 A. That's correct, yeah.
21 Q. Okay. Even though you're in the business of
22 managing real estate, correct?
23 MR. ISBELL: Objection. Asked and answered.
24 It's becoming argumentative.
25 THE WITNESS: Anything that was in question

1 that we had, we produced.
2 BY MR. KUHS:
3 Q. Okay.
4 A. We're going back decades.
5 Q. Has there been a transfer of any of these
6 parcels -- one, two, three, or four -- in your complaint
7 within the last two years?
8 A. No.
9 MR. KUHS: Okay. 4.
10 (Defendants' Exhibit Number 4
11 marked for identification.)
12 BY MR. KUHS:
13 Q. Mr. Lane, let me show you what's been marked as
14 Exhibit 4, which I'll represent to you comes out of
15 Granite's mining permit as amended. Take a look at
16 Exhibit 4 and tell me whether you recognize the parcels
17 shown here as part of the Little Rock quarry.
18 A. Yes.
19 Q. Okay. And do you believe that the parcel lines
20 shown generally represent the size and shape of the
21 parcels owned by Little Rock and others?
22 A. Yes.
23 Q. Okay. Taking a -- and why don't we do it this
24 way so we've got an accurate record. I'll give you a
25 red pen, and let's start at the top of the page which I

1 understand would be the south, correct? Right?
2 A. Yes.
3 Q. The orientation is to the south, and let's
4 label that top parcel as Parcel A. Okay? Just write
5 with the pen an A at the top parcel, and let's label the
6 next parcel down as Parcel B, and then the next parcel,
7 the smaller of the two, let's call that C; and the
8 larger, we'll call it D. And then the next parcel down,
9 the rectangular parcel, we'll call E, and then the
10 parcels under that, there's a group of five parcels,
11 which you understand to be owned by Granite, correct?
12 A. Yes.
13 Q. And let's put a G in each of those parcels.
14 Now, the parcel we've called Parcel A is owned
15 by who?
16 A. It is my understanding all of these parcels,
17 until you get into parcel E, are owned by Little Rock
18 Sand and Gravel. My dad was the one who negotiated in
19 the leases. I believe that to be true. Parcel E is
20 Monte Vista Building Sites. I did not negotiate the
21 lease.
22 MR. ISBELL: No question pending.
23 BY MR. KUHS:
24 Q. We're not there yet.
25 Taking a look at Parcel E, can you see in the

1 A. Yes.
 2 Q. Okay. They wanted to amend the lease so that
 3 they could continue to mine their property but use
 4 the -- your property for plant operations; correct?
 5 A. Restate the question.
 6 Q. We'll get to the lease in a minute.
 7 All right. Has all of the minerals, to your
 8 knowledge, been removed from Parcel A?
 9 MR. ISBELL: If you know.
 10 THE WITNESS: I don't know.
 11 BY MR. KUHS:
 12 Q. Well, what's your understanding, if you have
 13 one?
 14 A. Most of them has -- there's a daylighting
 15 agreement between, you know, Vulcan and where you would
 16 actually go through the boundaries of the property, and
 17 there's still -- there is a little left, to my
 18 understanding.
 19 Q. Okay. Is it -- is there enough to mine it in
 20 paying quantities?
 21 A. I don't know.
 22 Q. Okay. How about on Parcel B?
 23 A. I can't answer.
 24 Q. You don't know?
 25 A. That's correct.

1 daylighting, I can't answer on that. Those are subject
 2 to the agreements with the adjoining lessor.
 3 Q. Okay.
 4 A. Or the lessees.
 5 Q. Other than the five properties shown on
 6 Exhibit 4, A through E, do either you individually or
 7 through any of your various entities have an ownership
 8 interest in any other properties shown on Exhibit 4?
 9 A. The property to the east.
 10 Q. Which property is that? The Vulcan properties?
 11 A. Yes.
 12 Q. Okay. And what's -- I guess that would be to
 13 the west, right? Because the orientation is reversed
 14 here; is that accurate?
 15 A. It would be to the -- yeah. Vulcan -- it's not
 16 east -- okay. Excuse me. Maybe I've got that -- Vulcan
 17 is to the east.
 18 Q. Well, should -- remember this is -- the
 19 orientation of this figure is upside down.
 20 MR. ISBELL: Is it, though? There's an N on
 21 the bottom left-hand corner of the document indicating
 22 to me that the top is north.
 23 MR. KUHS: Okay. Maybe I'm backwards.
 24 MR. ISBELL: How about we just say on the right
 25 of this picture?

1 Q. Okay. What have you been told by Granite?
 2 A. That they're quarrying the properties that they
 3 purchased.
 4 Q. They -- Granite's told you that there are no
 5 remaining mineral deposits in paying quantities on
 6 parcels A and B; correct?
 7 A. That's -- they're not quarrying there, is my
 8 understanding.
 9 Q. But they've also told you that there's no
 10 minerals in paying quantities on those parcels; correct?
 11 A. Except for the daylighting agreements. And I'm
 12 not sure on those.
 13 Q. Okay. And with respect to Parcel E, are there
 14 any -- has Granite told you that there are no remaining
 15 minerals in paying quantities on Parcel E?
 16 A. Yes.
 17 Q. And with respect to Parcels C and D, has
 18 Granite told you that there are no remaining minerals in
 19 paying quantities except as may exist under the plant
 20 operations?
 21 A. Except as under the plant.
 22 Q. Yes?
 23 A. Yes.
 24 Q. Okay.
 25 A. And, again, as far as the daylight -- the

1 MR. KUHS: Yeah, there you go. I was assuming
 2 maybe incorrectly that --
 3 BY MR. KUHS:
 4 Q. Are these properties upslope or downslope of
 5 the aqueduct?
 6 A. Downslope.
 7 Q. They're downslope. Okay. My assumption was
 8 incorrect.
 9 All right. So the property to the right-hand
 10 side, which is being mined by Vulcan Materials?
 11 A. Yes.
 12 Q. Is owned by who?
 13 A. AV Materials.
 14 Q. AV Materials?
 15 A. Yes.
 16 Q. And did AV Materials get an allocation of water
 17 on Exhibit 4 --
 18 A. No.
 19 Q. -- on the judgment?
 20 Okay. Why not?
 21 MR. ISBELL: Objection. Calls for speculation.
 22 BY MR. KUHS:
 23 Q. Do you know why?
 24 MR. ISBELL: And objection to the extent it
 25 calls for attorney-client communications, privileged

1 A. Okay.

2 Q. At the time that the stipulation was signed,

3 were you still on the AVEK board?

4 A. Yes.

5 Q. Okay. So you would've reviewed the judgment in

6 two capacities -- well, multiple capacities. You

7 would've reviewed the judgment on behalf of AVEK;

8 correct?

9 A. No.

10 Q. You did not?

11 A. I tried --

12 MR. ISBELL: No, you've answered the question.

13 BY MR. KUHS:

14 Q. Were you recused or -- from that process with

15 AVEK?

16 A. I excused myself.

17 Q. Okay. Did you review all 61 pages of the

18 proposed judgment and physical solution before you

19 signed the stipulation?

20 A. I don't remember.

21 Q. Did you review parts of it?

22 A. I don't think so.

23 Q. Did you review all of it?

24 A. No.

25 Q. Did you review any of it?

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1 A. I don't remember.

2 Q. Is it your practice as president of Little Rock

3 Sand and Gravel to sign contracts without reading them?

4 A. I will take somebody's recommendation.

5 Q. That's not my question.

6 A. Excuse me?

7 Q. My question is is it your practice as president

8 of Little Rock Sand and Gravel to sign contracts without

9 reading them?

10 A. Usually not. But I have no -- very few

11 contracts -- their review, and I try to be aware of the

12 substance.

13 Q. Okay. Were water rights for Little Rock Sand

14 and Gravel important to you?

15 A. Yes.

16 Q. And yet you never read the judgment that you

17 signed and agreed to?

18 A. Correct.

19 Q. Okay.

20 A. I had conversations.

21 Q. With counsel?

22 A. Regarding -- regarding the allocation of the

23 water that was ongoing about the dispute between Granite

24 and Little Rock, and that was the main thing that I was

25 concerned about. And that's why we're here today.

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1 MR. ISBELL: George, let me just caution you

2 don't get into conversations you've had with your

3 attorneys.

4 MR. KUHS: Okay. So the record's clear, Steve,

5 Little Rock Sand and Gravel is not waiving the

6 attorney-client privilege --

7 MR. ISBELL: Okay.

8 MR. KUHS: -- for the purposes of this lawsuit;

9 is that accurate?

10 MR. ISBELL: Yeah, we're not waiving the

11 attorney-client privilege.

12 MR. KUHS: Okay.

13 MR. ISBELL: I don't want the deponent to

14 testify at all about what he's spoke to with his counsel

15 in any capacity.

16 BY MR. KUHS:

17 Q. Okay. Mr. Lane, before signing the stipulation

18 and judgment, did you talk about the stipulation and

19 judgment with anybody else other than your counsel?

20 A. I don't believe so.

21 Q. Do you recall going to an AVEK meeting one day

22 prior to signing the stipulation and reviewing the

23 proposed allocation between Little Rock and Granite with

24 somebody there at AVEK's office?

25 A. Do I recall?

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1 Q. Yes.

2 A. No.

3 Q. You don't recall anybody at AVEK's offices

4 whether they be attorney or otherwise telling you that

5 they thought you got a raw deal or a bad deal in the

6 allocation process?

7 A. No. I've had conversations, but I can't say

8 specifically --

9 Q. With who?

10 A. -- the content.

11 Q. With who?

12 A. In fact, I said, I can't say specifically. I

13 don't know them. I've talked to different people.

14 Q. You have no recollection of talking with --

15 specifically with any other person other than your

16 lawyer about the settlement in the Antelope Valley case?

17 A. I have. But I don't have recollection of who.

18 Q. Okay. Do you recall talking to AVEK's lawyer

19 about the proposed allocation on Exhibit 4?

20 A. No.

21 Q. Okay. At any time after you signed the

22 stipulation, which is Exhibit 2, do you recall

23 attempting to withdraw your consent to the stipulation?

24 A. I don't remember.

25 Q. You don't remember one way or another?

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1 A. That's correct.
 2 Q. Okay. Are you aware of any documents which
 3 might refresh your recollection?
 4 A. No.
 5 Q. Are you aware of any notes that you might've
 6 taken during this period of time that might refresh your
 7 recollection?
 8 A. No.
 9 (Defendant's Exhibit Number 5
 10 marked for identification.)
 11 BY MR. KUHS:
 12 Q. Okay. Let me show you what's been marked as
 13 Exhibit 5, which is the Declaration of George M. Lane in
 14 Lieu of Deposition Testimony in Phase 4 Trial. Tell me
 15 whether that document --
 16 MR. ISBELL: Take a look.
 17 BY MR. KUHS:
 18 Q. Tell me whether that document looks familiar to
 19 you.
 20 A. I'm aware of I can't say -- I'm aware of
 21 something similar to this. I can't say if it's a
 22 hundred percent.
 23 Q. Turn to the -- looks like the ninth page of
 24 that document and tell me whether that's your signature
 25 under penalty of perjury.

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1 that would be what we've marked as Parcel E; correct?
 2 A. I think so.
 3 Q. Okay.
 4 A. I haven't verified the parcel number.
 5 Q. The other parcel right below that, Parcel APN
 6 3050-010-016, you said under oath was owned by the Frank
 7 and Yvonne Lane 1993 Family Trust. Do you see that?
 8 A. Yes.
 9 Q. Was that a true statement when you made it?
 10 A. I see the name here. I can't verify it. I
 11 don't know. I wouldn't -- I wouldn't doubt now -- what
 12 I see now that there's probably an ownership.
 13 Q. Okay. And that parcel is what we've marked on
 14 Exhibit 4 as Parcel D, as in David; correct?
 15 A. Yes, if that's correct.
 16 Q. Okay. Now since the date of this declaration,
 17 which you signed on January 31, 2013, have you
 18 transferred any property out of the Frank and Yvonne
 19 Lane Family Trust?
 20 A. No.
 21 Q. So if the Parcel D was in the trust on
 22 January 31st of 2013, it's still in the trust name;
 23 correct?
 24 A. Yes.
 25 Q. And it would be George Lane trustee or

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1 A. Yeah.
 2 Q. Yes?
 3 A. Yeah.
 4 Q. Okay. Do you recall in the Antelope Valley
 5 case, we were getting ready for the phase 4 trial, and
 6 we had to put on evidence of property ownership and
 7 pumping?
 8 A. Can you repeat that?
 9 Q. Do you recall that as part of the phase 4
 10 trial, landowners had to put on evidence of property
 11 ownership and pumping?
 12 A. Yes.
 13 Q. Okay. And your counsel submitted this
 14 declaration in lieu of trial testimony; correct?
 15 I'm not sure.
 16 Q. Okay. Turn to Page 10 of your declaration.
 17 That's Exhibit A showing by APN number and area
 18 land owned by your business interest and leased to
 19 Granite Construction; correct?
 20 A. Uh-huh.
 21 Q. And we talked about the first parcel which is
 22 APN 3050-028-05 as being owned by Monte Vista Building
 23 Sites, Inc.; correct?
 24 A. Yes.
 25 Q. And referencing Exhibit, 4 which is the map,

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1 successor trustee of the Frank and Yvonne 1993 Family
 2 Trust?
 3 A. I believe so.
 4 Q. Okay. Let's put those documents aside for just
 5 a second, and I want to take you back in time. Do you
 6 recall when you first learned about the adjudication?
 7 A. When -- be a little more explicit.
 8 Q. When did you first become aware that there was
 9 a groundwater adjudication in the Antelope Valley?
 10 A. When there was -- when there was an action that
 11 took place by Grimmway or -- I need just a little more
 12 information.
 13 Q. Yeah. We've settled a case called the Antelope
 14 Valley groundwater cases; right?
 15 A. Excuse me?
 16 Q. We have settled --
 17 A. Yes.
 18 Q. -- a case called generally the Antelope Valley
 19 groundwater case; correct?
 20 A. Yes.
 21 Q. Okay.
 22 A. No, not -- it's still going on.
 23 Q. The case itself is resolved; right? There's
 24 appeals. There's administration of the judgment, but
 25 the case itself has been settled --

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1 Little Rock Sand and Gravel. Oh, gosh dang.
 2 My dad -- he worked very hard acquiring this
 3 property a few acres at a time, and he was a very fair
 4 person. If he was here now, I mean, I was talking to
 5 Steve --
 6 MR. ISBELL: Don't talk about what we talked
 7 about.
 8 THE WITNESS: He would think -- okay.
 9 BY MR. KUHS:
 10 Q. Let's get back to the question at hand.
 11 A. That is the question. That's the whole
 12 question. It's not --
 13 Q. You signed an agreement approving of
 14 everybody's allocation --
 15 A. Signed an agreement here too.
 16 Q. Talking about the judgment.
 17 A. Yeah --
 18 Q. You signed an agreement approving of an
 19 allocation to everybody in the basin that was using
 20 water; correct?
 21 A. I did not read the agreement, and I've said
 22 that earlier.
 23 Q. Okay. What do you want to do, Mr. Lane? Do
 24 you want to enforce the agreement --
 25 A. Abide the lease.

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1 Q. -- or do you want --
 2 What do you want to do with the stipulation for
 3 entry of judgment? Do you want to be a part of the
 4 settlement in the Antelope Valley cases or not?
 5 A. I want to abide by the lease is what I want to
 6 do.
 7 Q. What do you want to do with the judgment? Do
 8 you want be a party, a settling party under the judgment
 9 or not? You can't have it both ways.
 10 A. Well, I was threatened by you. We would be
 11 completely kicked out, and you have the power to have a
 12 large influence of doing that.
 13 Q. Do you want to be part of --
 14 A. Felt like -- felt like it was part of being
 15 extorted.
 16 Q. Did I ever say a word to you?
 17 A. Through the attorney.
 18 Q. Through who?
 19 MR. ISBELL: Objection. Calls for
 20 attorney-client communications.
 21 THE WITNESS: And you have too. We had met
 22 earlier.
 23 MR. ISBELL: Could we take a break for a second
 24 and calm this down?
 25 MR. KUHS: Sure.

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1 (A short recess was taken.)
 2 MR. KUHS: Back on the record.
 3 BY MR. KUHS:
 4 Q. Mr. Lane, what exactly were the words I used
 5 that you thought amounted to extortion?
 6 A. You've -- if we didn't sign this agreement, you
 7 indicated to our attorney we would be left out, and
 8 Granite would get everything. You've -- you wanted us
 9 to back out. You were going to be after us for all
 10 the -- all attorney fees.
 11 Q. And what's your source of information for those
 12 statements?
 13 MR. ISBELL: Objection. Calls for
 14 attorney-client privileged communications.
 15 THE WITNESS: Is that -- do I answer that?
 16 MR. ISBELL: If you can answer without talking
 17 about any conversations you've had with your attorneys,
 18 you can answer it.
 19 BY MR. KUHS:
 20 Q. What's the answer, sir?
 21 A. That was attorney-client privilege.
 22 Q. I'm going to make sure I get these statements
 23 clear.
 24 You were told that if -- was it limited to the
 25 Lane entities? I mean, was it all the Lane entities or

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1 just Little Rock Sand and Gravel? Who was being
 2 extorted by who?
 3 A. It would be Little Rock.
 4 Q. Okay. So what you heard was that if Little
 5 Rock didn't sign the settlement agreement, they would be
 6 left out?
 7 A. Yes.
 8 Q. Okay. And you attribute that statement to me?
 9 A. Yes.
 10 Q. Okay. And then you heard that if Little Rock
 11 pulled out of the settlement, Granite would ask for all
 12 attorneys' fees?
 13 A. Repeat it.
 14 Q. If Little Rock didn't sign the settlement,
 15 Granite would ask for all attorneys' fees?
 16 A. Not at that time. That was later.
 17 Q. When? When in time was that?
 18 A. I don't have the exact date and time.
 19 Q. Is that after judgment was approved?
 20 A. Yes.
 21 Q. Okay. Okay. Any other statements that you
 22 attribute as extortion?
 23 A. That's -- that's -- not at this point.
 24 Q. Okay. You were represented at all times by one
 25 or more lawyers in the adjudication; correct?

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1 position is there was no deal, and so the terms of
 2 the -- the substance of the negotiations back and forth
 3 don't matter because there was no deal between Granite
 4 and with respect to the 234.
 5 MR. KUHS: Okay.
 6 MR. ISBELL: And so I see no reason why we're
 7 going to bring it up other than to say that there were
 8 discussions in an attempt to resolve it, and there was
 9 no resolution.
 10 MR. KUHS: Okay. So having not resolved it,
 11 where do you think that leaves you?
 12 MR. ISBELL: I think our paper's clear where it
 13 leaves us. I don't need to explain that to you again,
 14 do I?
 15 MR. KUHS: I'm waiting for the first time.
 16 MR. ISBELL: You haven't read the complaint?
 17 MR. KUHS: I have.
 18 MR. ISBELL: You haven't read the discovery
 19 responses?
 20 MR. KUHS: I have.
 21 MR. ISBELL: Okay. This isn't my deposition,
 22 but to boil it down, my client's the landowner and your
 23 client's the lessee.
 24 MR. KUHS: My client's the landowner.
 25 MR. ISBELL: Not the landowner where it's

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1 pumping the water from or using the water.
 2 MR. KUHS: Well, largely correct at the time
 3 but so what?
 4 MR. ISBELL: Well, if there's no deal between
 5 who gets that water, the 234 the lease controls.
 6 MR. KUHS: It does?
 7 MR. ISBELL: Between Granite and Little Rock.
 8 MR. KUHS: What's the lease say?
 9 MR. ISBELL: That Little Rock has granted
 10 Granite the right to use the water from that land for
 11 the term of the lease and no further.
 12 MR. KUHS: But that begs the question,
 13 prejudgment, Little Rock had an overlying water right.
 14 Granite had an overlying water right. The only way to
 15 lose an overlying water right is by prescription.
 16 Prescription claims were dismissed against Granite. So
 17 how does Granite get a -- how does Granite lose its
 18 water right?
 19 MR. ISBELL: What water right?
 20 MR. KUHS: Pertinent water right.
 21 MR. ISBELL: Okay. This is -- this is, as far
 22 as I'm concerned, our papers for our trial, whatever
 23 we're going to have. Let's finish Mr. Lane's
 24 deposition.
 25 MR. KUHS: Okay.

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1 MR. ISBELL: I'll consider your offer for a
 2 stipulation and get back to you. But as of right now,
 3 no.
 4 MR. KUHS: Okay.
 5 MR. ISBELL: But you have an idea of where
 6 we're going.
 7 MR. KUHS: All right. So let's go off the
 8 record briefly.
 9 (Discussion off the record.)
 10 MR. KUHS: I'll propose a stipulation to
 11 relieve the court reporter of her statutory duty to
 12 maintain custody of the original. That the original be
 13 prepared and sent to Mr. Isbell's office that Mr. Isbell
 14 and his client have 30 days from receipt to review, make
 15 any changes, sign and notify parties of those changes
 16 from date of receipt. And I'll agree to maintain
 17 custody of the original, that it be sent to my office.
 18 That following correction, I'll agree to produce it on
 19 reasonable notice at any evidentiary hearing or trial.
 20 MR. ISBELL: What are going to do about if the
 21 original gets lost?
 22 MR. KUHS: Sure. If the original is lost
 23 misplaced, stolen, or otherwise unavailable, then
 24 certified may be used in its stead.
 25 MR. ISBELL: So stipulated.

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1 (3:47 p.m.)
 2 --ooOoo--
 3 STATE OF CALIFORNIA)
 4) ss.
 5 COUNTY OF KERN)
 6 I, GEORGE LANE, do hereby certify:
 7 That I have read the foregoing
 8 deposition;
 9 That I have made such changes in form and/or
 10 substance to the within deposition as might be necessary
 11 to render the same true and correct;
 12 That having made such changes thereon, I hereby
 13 subscribe my name to the deposition.
 14 I declare, under penalty of perjury, that the
 15 foregoing is true and correct.
 16 Executed this ____ day of _____, 2017,
 17 at _____, California.
 18 _____
 19 _____
 20 _____
 21 _____
 22 _____
 23 _____
 24 _____
 25 _____

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