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13 (ADDITIONAL COUNSEL ARE LISTED ON SIGNATURE PAGES)

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
15 COUNTY OF LOS ANGELES

16 ANTELOPE VALLEY GROUNDWATER CASES

17 This Pleading Relates to Included Action:  
18 RICHARD WOOD, on behalf of himself and all others  
19 similarly situated,

20 Plaintiff,  
v.

21 LOS ANGELES COUNTY WATERWORKS  
22 DISTRICT NO. 40, et al.

23 Defendants.  
24  
25  
26  
27  
28

JUDICIAL COUNCIL

COORDINATION  
PROCEEDING NO. 4408

Case No. BC391869

**SMALL PUMPER CLASS  
STIPULATION OF  
SETTLEMENT**

1 This Stipulation of Settlement (“Agreement” or “Settlement”) is entered into this 26th  
2 day of February 2015, by and between California Water Service Company, City of Palmdale,  
3 Desert Lake Community Services District, Littlerock Creek Irrigation District, Los Angeles  
4 Waterworks District No. 40 (“District 40”), Palm Ranch Irrigation District, and Quartz Hill Water  
5 District, (collectively, “Settling Defendants”), and the Small Pumper Class (as more fully defined  
6 below), which consists of certain persons who own property(ies) that overly the Antelope Valley  
7 Groundwater Basin (the “Basin”, as more fully defined below) on which they are pumping or  
8 have pumped less than 25 acre-feet of groundwater during any one year since 1946. The Small  
9 Pumper Class and its class representative, Richard Wood, are collectively referred to as the  
10 “Settling Plaintiffs.” Settling Defendants and the Settling Plaintiffs are collectively referred to as  
11 the “Settling Parties,” or each, individually, as a “Settling Party.”

12 This Agreement and the exhibits hereto, including the Stipulation for Entry of Judgment  
13 and Physical Solution (“Stipulation of Judgment”) attached hereto as Exhibit A set forth the terms  
14 of the settlement by and between the Settling Parties compromising and dismissing their  
15 respective claims and defenses in the above-captioned action but only as amongst and between  
16 the Settling Parties. The Settlement is subject to approval by the Honorable Jack Komar,  
17 assigned by the Judicial Council of California to preside over the consolidated and coordinated  
18 cases in Judicial Council Proceeding No. 4408. In the event Judge Komar does not approve the  
19 Settlement or it is otherwise reversed by an appellate court, this Stipulation shall have no further  
20 force or effect, and the Settling Parties shall be able to litigate all of their respective claims.

21 I. THE SETTLING PARTIES

22 A. Settling Plaintiffs Small Pumper Class Members, as defined in Paragraphs 3.5.44  
23 and 3.5.45 of the Judgment and Physical Solution, attached as Exhibit 1 to the Stipulation of  
24 Judgment attached hereto as Exhibit A.

25 B. The Settling Defendants are as follows:

26 1. California Water Service Company is a California corporation which  
27 extracts groundwater from the Basin to serve customers within the Basin.  
28

1                   2.       The City of Palmdale is a municipal corporation in the County of Los  
2 Angeles which receives groundwater from the Basin.

3                   3.       Desert Lake Community Services District is a public agency which  
4 produces groundwater from the Basin to serve customers within the Basin.

5                   4.       Littlerock Creek Irrigation District is a public agency which produces  
6 groundwater from the Basin to serve customers within the Basin.

7                   5.       District No. 40 is a public agency governed by the Los Angeles County  
8 Board of Supervisors. District 40 has been lawfully organized to perform various functions,  
9 including producing groundwater from the Basin, which it provides to more than 65,000  
10 residential and commercial customers in the Basin.

11                  6.       Palm Ranch Irrigation District is a public agency which produces  
12 groundwater from the Basin to serve customers within the Basin.

13                  7.       Quartz Hill Water District is a county water district organized and  
14 operating under Division 12 of the California Water Code. It produces groundwater from the  
15 Basin.

16       II.     DEFINITIONS

17               Any terms not defined in this Agreement shall be defined as set forth in the Judgment and  
18 Physical Solution (Exhibit 1 to the attached Stipulation of Judgment), except for the following  
19 terms:

20               A.       “Coordinated Cases” mean all cases coordinated and consolidated in Judicial  
21 Council Proceeding No. 4408.

22               B.       “Effective Date” means the date on which the Court has entered an order granting  
23 final approval of this Agreement and has approved a Judgment and Physical Solution  
24 substantially in the form attached hereto as Exhibit 1 to the Stipulation of Judgment, and one of  
25 the following events occur: (i) if an appeal is taken on the Small Pumper Judgment or the  
26 Judgment and Physical Solution, the date of final affirmance of the applicable judgment; or (ii) if  
27 petition for review is granted by the California Supreme Court or writ of certiorari by the United  
28 States Supreme Court, the date of final affirmance of the applicable judgment following review

1 pursuant to such grant; or (iii) if an appeal is taken on the Small Pumper Judgment or the  
2 Judgment and Physical Solution, the date of final dismissal of any appeal from the applicable  
3 judgment or the final dismissal of any proceedings on petition to review the applicable judgment;  
4 or (iv) if no appeal is filed, the expiration date of the time for filing or noticing of any appeal from  
5 the Small Pumper Judgment and the Judgment and Physical Solution, i.e., sixty (60) days after  
6 entry of the Small Pumper Judgment and Judgment and Physical Solution. This Agreement is  
7 voidable in its entirety if it does not receive Final Approval (as that term is defined in Section  
8 V.E).

9 C. “Judgment and Physical Solution” means the Judgment and Physical Solution  
10 attached as Exhibit 1 to the attached Stipulation of Judgment.

11 D. “Overlying Owners” means owners of land overlying the Basin.

12 E. “Preliminary Approval Order” means the court’s order granting preliminary  
13 approval to this Agreement, directing the manner in which notice of the Settlement shall be  
14 provided to the Small Pumper Class, and scheduling a final hearing for the Court to consider  
15 whether to approve the Settlement. The Settling Parties will submit a proposed Preliminary  
16 Approval Order in the form attached hereto as Exhibit B.

17 F. “Settlement” or “Agreement” means this Stipulation, and all exhibits appended  
18 hereto, including the Judgment and Physical Solution.

19 G. “Small Pumper Class Action” means the class action lawsuit filed by the Small  
20 Pumper Class as Los Angeles County Superior Court Case No. BC391869.

21 H. “Small Pumper Judgment” means the judgment to be entered by the Court in the  
22 Small Pumper Class Action, which incorporates the terms and provisions of this Stipulation, and  
23 is substantially in the form attached hereto as Exhibit C.

### 24 III. RECITALS

25 A. On October 29, 1999, Diamond Farming Company filed a quiet title complaint in  
26 the Kern County Superior Court against certain parties including the Settling Defendants. The  
27 complaint seeks to quiet title to plaintiff’s alleged groundwater rights. On January 20, 2000,  
28 Diamond Farming filed a similar quiet title complaint in the Los Angeles County Superior Court

1 against various certain other Settling Defendants. On January 25, 2001, William Bolthouse  
2 Farms, Inc. filed a quiet title action in the Riverside County Superior Court against certain  
3 Settling Defendants. The Diamond Farming and Bolthouse complaints, as amended from time to  
4 time, seeking essentially the same declaration of rights and judicial relief.

5 B. On or about November 29, 2004, District 40 commenced a civil action against  
6 Diamond Farming, Bolthouse, and other Overlying Owners (more specifically defined in II.F) in  
7 the Basin. On or about July 11, 2005, that case was coordinated with the aforementioned quiet  
8 title actions in Judicial Council Coordinated Proceeding 4408, the Antelope Valley Groundwater  
9 Cases (hereinafter the “Coordinated Actions”). District 40 also filed a cross-complaint in the  
10 Coordinated Actions. That cross-complaint seeks, *inter alia*, a court adjudication of the  
11 respective rights of persons and entities to produce groundwater from the Basin..

12 C. On or about October 10, 2006, the Court held an initial phase of trial with respect  
13 to the boundaries of the Basin. The Court issued an order on November 3, 2006, defining the  
14 Basin for purposes of this litigation, which was later revised by the Court on March 12, 2007.

15 D. On or about March 13, 2007, the Settling Defendants, among others, filed a First  
16 Amended Cross-Complaint (“Cross-Complaint”), asserting prescriptive and other rights as  
17 against Overlying Owners in the Basin, including the Small Pumper Class. The Cities of  
18 Lancaster and Palmdale subsequently dismissed their prescriptive rights claims and no longer  
19 claim any such rights.

20 E. On or about June 2, 2008, Plaintiff Richard Wood (“Wood”) filed a class action  
21 complaint in the Superior Court of the State of California for Los Angeles County (No. BC  
22 391869) (the “Small Pumper Class Action”) in which he alleged that certain public water  
23 suppliers did not have prescriptive rights adverse to the rights of the Small Pumper Class. Wood  
24 sought, *inter alia*, a declaration that the Settling Defendants had not obtained prescriptive rights  
25 as against him or the Small Pumper Class rights. On or about June 25, 2008, the Small Pumper  
26 Class Action became one the Coordinated Actions.

1 F. By order dated September 2, 2008, the Court certified Wood as the representative  
2 of the Small Pumper Class pursuant to Section 382 of the Code of Civil Procedure and Division  
3 7, Chapter 6 of the California Rules of Court.

4 G. Commencing on July 7, 2009, Notice of the Pendency of the Small Pumper Class  
5 Action was sent by first class mail to all Small Pumper Class members who could be identified  
6 with reasonable effort and a summary notice was published. The deadline for putative Small  
7 Pumper Class members to exclude themselves (as extended) expired on December 4, 2009.  
8 Subsequently the Court has made various orders allowing certain parties to rejoin the Small  
9 Pumper Class.

10 H. On or about January 7, 2014, the Court approved a settlement agreement between  
11 the Small Pumper Class and Palmdale Water District, Rosamond Community Services District,  
12 and Phelan Pinon Hills Community Services District.

13 I. The Settling Defendants contend that they have prescriptive rights and/or other  
14 rights in the Basin's Native Safe Yield. The Settling Plaintiffs contend that the Settling  
15 Defendants have no such prescriptive rights as to them. This Settlement reflects a compromise  
16 between the Settling Parties and shall not: (1) be construed as an admission or concession by any  
17 Settling Party of the truth of any allegation or the validity of any claim or defense asserted in any  
18 of their respective pleadings in the Coordinated Actions, or (2) be construed to prejudice the  
19 rights, claims, or defenses (whether asserted or potential) of any Settling Party vis-à-vis any non-  
20 settling party in the Coordinated Actions.

21 J. Various parties to the Coordinated Actions, including the Settling Parties hereto,  
22 have entered into the Stipulation of Judgment, which will be submitted to the Court for its  
23 approval.

#### 24 IV. SETTLEMENT TERMS

25 In consideration of the covenants and agreements set forth herein, and of the releases and  
26 dismissals described below, the Settling Parties agree to settle and compromise the claims that  
27 have been asserted or that could have been asserted between and among the Small Pumper Class  
28 and the Settling Defendants, subject to Court approval, on the terms and conditions set forth in

1 this Agreement, the Stipulation of Judgment, and the Judgment and Physical Solution.

2 V. PROCEDURES FOR CLASS NOTICE AND HEARING ON MOTIONS FOR  
3 PRELIMINARY AND FINAL APPROVAL OF STIPULATION

4 A. Preliminary Approval Motion and Settlement Notice.

5 Settling Plaintiffs shall file a motion for preliminary approval (“Preliminary Approval  
6 Motion”) of the terms of the Settlement reached between them on the one hand and Settling  
7 Defendants on the other as soon as practicable, in accord with scheduling orders set by the Court,  
8 following execution of this Agreement by all Settling Parties and the execution of the Stipulation  
9 of Judgment. The Preliminary Approval Motion will seek entry of an Order Preliminarily  
10 Approving Class Action Settlement. The Preliminary Approval Motion shall include a proposed  
11 form of notice describing this Agreement (the “Settlement Notice”) to be disseminated to the  
12 Small Pumper Class. The Settling Parties will attempt to agree upon the language for the  
13 Settlement Notice, but agree to be bound by the Court’s determination in the event they have any  
14 disputes or disagreements in that regard. The Settling Parties agree to use their best efforts to  
15 have the Preliminary Approval Motion heard by the Court as promptly as is practical.

16 B. Manner of Notice to the Class.

17 The Settlement Notice shall be disseminated to all Small Pumper Class Members by an  
18 independent third-party administrator (the “Administrator”) under the supervision of Class  
19 Counsel. The expenses of class notice will be borne by Settling Defendants. The Settlement  
20 Notice will be mailed to all Class Members by first class mail within five (5) days of the Court’s  
21 Preliminary Approval Order. The Administrator shall update the currently available Class  
22 Member address list through the use of the National Change of Address database prior to the  
23 initial mailing. If the class member database contains an electronic mail address for a Class  
24 Member, the Administrator shall send the notice as a Portable Document Format (“PDF”) document  
25 in an electronic mail sent to the foregoing address. Class counsel will cause the  
26 summary class notice to be published for two consecutive weeks in the Los Angeles Times,  
27 Bakersfield Californian, and the Antelope Valley Press. Per prior instruction of the Court, and  
28 because the Small Pumper Class Members have been previously given two separate occasions to

1 opt out, the Class Members will not be provided with a right to opt-out of the settlement.

2 C. Opt-In Right.

3 Any person or entity that meets the Small Pumper Class definition to the satisfaction of  
4 the Court, and who obtains approval from the Court, may join the Class at any time prior to the  
5 Class Closure date, as defined in Section 5.1.3.5 in the Judgment and Physical Solution.

6 D. Objections to the Settlement.

7 Any Class Member who has not previously opted out in accordance with the terms of this  
8 Agreement may appear at the hearing on final approval to argue that the proposed Settlement  
9 should not be approved. In order to be heard at that hearing, the Class Member must make any  
10 objection in writing and file it with the Court on or before the date specified in the Notice  
11 pursuant to the Preliminary Approval Order.

12 E. Final Approval Hearing.

13 The Settlement Notice will advise Small Pumper Class Members of the date and time set  
14 for a hearing on the Settling Plaintiffs' Motion for Final Approval of the Stipulation, including  
15 advising them of their rights to submit statements in support of or opposition to the Stipulation.  
16 The Final Approval Motion shall request that this Court find that the Stipulation is fair,  
17 reasonable, and adequate to the Small Pumper Class. If the Court grants final approval, judgment  
18 shall be entered in favor of the Settlement Class in a form substantially in accord with Exhibit C  
19 hereto, to be approved by the Court.

20 VI. RELEASES AND DISMISSALS

21 A. Release By Settling Plaintiffs.

22 In addition to the effect of any Judgment and Physical Solution entered in accordance with  
23 this Stipulation, upon this Stipulation becoming final as set out in Paragraph VII.G of this  
24 Stipulation, and in consideration for the settlement consideration set forth above, and for other  
25 valuable consideration, the Settling Plaintiffs, except as otherwise expressly provided for herein,  
26 completely release, acquit and forever discharge the Settling Defendants and their representatives,  
27 successors, agents, affiliates, attorneys, employees, supervisors, officers, directors, or  
28 shareholders, from any and all claims, demands, actions, suits, causes of action, whether class,



1 individual, or otherwise in nature that Settling Plaintiffs, or any of them, ever had, now has, or  
2 hereafter can, shall, or may have on account of or in any way arising out of, any and all known or  
3 unknown, foreseen or unforeseen, suspected or unsuspected injuries, damages, and the  
4 consequences thereof in any way arising out of or relating in any way to the matters at issue in the  
5 Small Pumper Action and the Cross-Complaint (“Settling Plaintiffs’ Released Claims”). Each  
6 Settling Plaintiff may hereafter discover facts other than or different from those which he, she, or  
7 it knows or believes to be true with respect to the claims which are the subject matter of this  
8 Stipulation, but each Settling Plaintiff hereby expressly waives any right to relief from the  
9 provisions of this Stipulation in such event and fully, finally, and forever, settles and releases,  
10 upon this Stipulation becoming final, any known or unknown, suspected or unsuspected,  
11 contingent or non-contingent claim with respect to the subject matter of the provisions of  
12 Paragraph VI.A of the Stipulation, whether or not concealed or hidden, without regard to the  
13 subsequent discovery or existence of such different or additional facts.

14           1.       As provided in the release set forth in Paragraph VI.A, above, the Settling  
15 Plaintiffs, including any of Settling Plaintiffs’ representatives, successors, agents, affiliates,  
16 employees, supervisors, officers, directors, or shareholders, agree to waive and release all rights  
17 and benefits which they might otherwise have pursuant to Section 1542 of the California Civil  
18 Code with regard to the release of such unknown, unanticipated or misunderstood claims, causes  
19 of action, liabilities, indebtedness and obligations. California Civil Code section 1542 provides  
20 that:

21           A General Release does not extend to claims which the creditor does not know or  
22           suspect to exist in his or her favor at the time of executing the Release, which if  
23           known by him or her must have materially affected his or her settlement with the  
24           debtor.

25           2.       The release set forth in Paragraph VI.A, above, does not include claims by  
26 any of the Settling Plaintiffs other than the claims set forth therein. In particular, the Settling  
27 Parties recognize that many persons own more than one parcel of land within the Basin. The  
28 foregoing release only binds Small Pumper Class Members and only with respect to those

1 properties within the Basin on which they have pumped or are pumping within the terms of the  
2 class definition.

3 B. Release By Settling Defendants.

4 In addition to the effect of any Judgment and Physical Solution entered in accordance with  
5 this Stipulation, upon this Stipulation becoming final as set out in Paragraph VII.G of this  
6 Stipulation, and in consideration of the settlement consideration set forth above, and for other  
7 valuable consideration, the Settling Defendants, except as otherwise expressly provided for  
8 herein, completely release, acquit and forever discharge Settling Plaintiffs and the Small Pumper  
9 Class Members and their representatives, successors, agents, affiliates, attorneys, employees,  
10 supervisors, officers, directors, or shareholders, from any and all claims, demands, actions, suits,  
11 causes of action, whether class, individual, or otherwise in nature that Settling Defendants, or any  
12 of them, ever had, now has, or hereafter can, shall, or may have arising from or relating in any  
13 way to the matters at issue (“Settling Defendants’ Released Claims”) in the Small Pumper Action  
14 and the Cross-Complaint. Each Settling Defendant may hereafter discover facts other than or  
15 different from those which he, she, or it knows or believes to be true with respect to the claims  
16 which are the subject matter of this Stipulation, but each Settling Defendant hereby waives any  
17 right to relief from the provisions of this Stipulation in such event, and fully, finally, and forever,  
18 settles and releases, upon this Stipulation becoming final, any known or unknown, suspected or  
19 unsuspected, contingent or non-contingent claim with respect to the subject matter of the  
20 provisions of Paragraph VI.B of the Stipulation, whether or not concealed or hidden, and without  
21 regard to the subsequent discovery or existence of such different or additional facts.

22 1. As provided in the release set forth in Paragraph VI.B, above, the Settling  
23 Defendants, including any of Settling Defendants’ representatives, successors, agents, affiliates,  
24 employees, supervisors, officers, directors, or shareholders, agree to waive and release all rights  
25 and benefits which they might otherwise have pursuant to Section 1542 of the California Civil  
26 Code with regard to the release of such unknown, unanticipated or misunderstood claims, causes  
27 of action, liabilities, indebtedness and obligations. California Civil Code section 1542 provides  
28 that:

1 A General Release does not extend to claims which the creditor does not  
2 know or suspect to exist in his or her favor at the time of executing the  
3 Release, which if known by him or her must have materially affected his or  
4 her settlement with the debtor.

5 2. The release set forth in Paragraph VI.B, above, does not include claims by  
6 any of the Settling Defendants other than the claims set forth therein.

7 3. Within 30 days of the Entry of the Small Pumper Judgment, the Settling  
8 Plaintiffs shall provide the Settling Defendants with a list of names, addresses, and Assessor's  
9 Parcel Number of each of the known Small Pumper Class Members. If Settling Defendants have  
10 named any Small Pumper Class Members individually as defendant(s) to the Cross-Complaint,  
11 they will promptly dismiss such Small Pumper Class Members upon entry of the Small Pumper  
12 Judgment. The Settling Defendants stipulate and agree they will not pursue any entry of default  
13 or default judgment as to any Small Pumper Class Members after the execution of this Agreement  
14 until such time as the Small Pumper Class Action has been dismissed or the Court has entered an  
15 order or ruling disapproving of this Agreement, and all applicable appellate rights have expired  
16 without approval of this Agreement.

## 17 VII. MISCELLANEOUS PROVISIONS

### 18 A. No Concession By Any Settling Party.

19 It is understood and agreed that this Settlement represents the compromise of disputed  
20 positions with respect to the relevant facts and law. This Settlement shall not be deemed a  
21 concession by any Settling Party as to any fact or the validity or invalidity of any claim or  
22 defense.

### 23 B. Best Efforts and Mutual Cooperation.

24 Settling Parties shall use their best efforts to effectuate this Agreement and its purpose,  
25 and secure the prompt, complete and final dismissal with prejudice of the Small Pumper Class  
26 Action. The Settling Parties agree to take any and all reasonable steps that may be necessary in  
27 that regard, as long as those steps do not require any material deviations from the terms of this  
28 Agreement or the Stipulation of Judgment or impose material new obligations beyond those  
contemplated by this Stipulation or the Stipulation of Judgment.

1           The Settling Parties recognize that not all parties to the Coordinated Actions have entered  
2 into this Stipulation and that a trial of claims may be necessary between the Settling Defendants  
3 as against Non-Stipulating Parties. The Settling Parties agree to cooperate and coordinate their  
4 efforts in any such trial or hearing so as to obtain entry of judgment consistent with the terms of  
5 this Stipulation; this provision, however, will not require Small Pumper Class counsel to  
6 participate in any such trial or render any efforts absent written agreement of Settling Defendants  
7 to compensate them for such efforts. Nor shall this Stipulation preclude Settling Plaintiffs from  
8 participating in any further proceedings that may affect their rights.

9           C.       Fees And Costs of Settling Plaintiff's Counsel.

10           1.       The Settling Parties understand that Small Pumper Class counsel intend to  
11 seek an award of their fees and costs from the Court at the time set for the Final Approval  
12 Hearing. Any such awards will be determined by the Court unless agreed to by the Settling  
13 Parties. Settling Defendants will likely oppose the motion for attorneys' fees and costs.  
14 Notwithstanding any other provisions in this Agreement, the Settling Parties agree this  
15 Agreement does not restrict, compromise or otherwise prohibit Settling Defendants' rights to seek  
16 contribution for Small Pumper Class counsel's fees and costs, if such fees and costs are awarded  
17 to Class Counsel. The Settling Defendants hereby expressly reserve their rights to seek  
18 contribution for such fees and costs.

19           2.       Settling Defendants understand that Class Counsel shall continue to  
20 represent the interests of the Class as required by California law, including, for example, litigating  
21 issues in the Coordinated Action that occur prior to the Effective Date of this Agreement.  
22 Agreement in no way limits the rights of Plaintiff and Class counsel to recover attorneys' fees and  
23 costs as permitted by applicable law.

24           3.       Settling Defendants shall continue to be responsible for satisfying their  
25 respective financial obligations to the Court-appointed expert until such time as the Court enters  
26 an order relieving any of them of their respective duties.

27           D.       Incentive Award to Richard Wood.

28           Contemporaneously with the filing of this Agreement and the Stipulation of Judgment,

1 Richard Wood intends to apply for an incentive award to compensate him for his time serving as  
2 class representative. He has elected to request the right to pump an additional 2 acre-feet per  
3 Year free of Replacement Water Assessment, and if granted, it shall be in lieu of the customary  
4 monetary payment, for reasonable and beneficial use on his parcel. Richard Wood's election has  
5 been incorporated into the Stipulation of Judgment and Section 5.1.3.8 of the Judgment and  
6 Physical Solution. The Settling Defendants will not object to this request. As against the Settling  
7 Defendants, Richard Wood shall not request or be entitled to any further or additional incentive  
8 award, unless he is not granted the additional two acre-feet as set forth above, in this paragraph.

9 E. Retention of Jurisdiction and Post-Judgment Duties of Counsel.

10 1. The Court shall retain jurisdiction over the implementation, enforcement,  
11 and performance of this Stipulation, and shall have exclusive jurisdiction over any suit, action,  
12 proceeding, or dispute arising out of or relating to this Stipulation or the applicability of this  
13 Stipulation.

14 2. It is anticipated that the continuing jurisdiction of the Court and/or the  
15 implementation of a Physical Solution may continue for many years or, potentially, in perpetuity.  
16 The Settling Parties understand and agree that, after the entry of the Small Pumper Judgment and  
17 the Judgment and Physical Solution and to the extent consistent with applicable law, the Small  
18 Pumper Class counsel shall not have continuing obligations to represent the Small Pumper Class,  
19 after finality of the Small Pumper Class Judgment, including without limitation, providing notice  
20 to the Class of post-judgment proceedings. The Court or its appointed watermaster shall establish  
21 a means of providing notice to the Class of post-judgment proceedings as required by and  
22 consistent with all applicable law, but providing at least 30-days written notice by first class mail  
23 prior to any filing deadlines or hearing dates, unless the statutory deadlines for notice or service  
24 are less than 30 days for any such filing or hearing. Upon consent from individual Class  
25 Members, such notice may be provided electronically. The class notice addressed in Section V.B,  
26 above, shall include notice of this provision of the Agreement.

1 F. Choice of Law.

2 This Stipulation shall be governed and construed by the substantive laws of the State of  
3 California.

4 G. Finality.

5 This Stipulation shall be effective on the Effective Date. In the event that (i) the Court  
6 refuses to approve this Stipulation or any material part hereof, or (ii) if such approval is materially  
7 modified or set aside on appeal, or (iii) if the Small Pumper Judgment is entered in accordance  
8 with this Stipulation and appellate review is sought and the Small Pumper Judgment is not  
9 affirmed as to all material parts, then any of the Settling Parties to the Stipulation have the option  
10 to rescind this Stipulation in its entirety. Notice of the exercise of any such right to rescind shall  
11 be made according to the terms of Paragraph VII.K below.

12 H. Integrated Agreement.

13 This Stipulation, including its exhibits, constitute the entire, complete and integrated  
14 agreement among the Settling Parties, and supersede all prior or contemporaneous undertakings  
15 of the Settling Parties in connection herewith. This Stipulation may not be modified or amended  
16 except in writing executed by the Settling Parties and approved by the Court. It shall be  
17 construed and interpreted to effectuate the intent of the Settling Parties which is to provide,  
18 through this Stipulation and its exhibits, for a complete resolution of the relevant claims between  
19 the Settling Parties on the terms provided in this Stipulation.

20 I. Waiver

21 The waiver by any Settling Party of its rights under any provision of this Stipulation or of  
22 any breach of this Stipulation shall not be deemed a waiver of any other provision or subsequent  
23 breach of this Stipulation.

24 J. Intended Beneficiaries.

25 This Stipulation shall be binding upon, and inure to the benefit of, the heirs, successors  
26 and assigns of the Settling Plaintiffs and Settling Defendants. Without limiting the generality of  
27 the foregoing, and to the extent consistent with California law, this Stipulation shall bind each and  
28 every subsequent property owner who acquires property in the Basin from a Small Pumper Class

1 Member as well as persons who subsequently acquire such properties.

2 K. Interpretation and Construction.

3 The terms of this Stipulation have been arrived at by negotiation and mutual agreement,  
4 with consideration of and participation by all Settling Parties and with the advice of counsel.  
5 Neither Settling Plaintiffs nor Settling Defendants shall be considered to be the drafter of this  
6 Stipulation or any of its provisions for the purpose of any statute, case law, or rule of  
7 interpretation or construction that would or might cause any provision to be construed against the  
8 drafter of this Stipulation (including but not limited to Civil Code section 1654). The descriptive  
9 headings of any paragraphs or sections of this Stipulation are inserted for convenience only and  
10 do not constitute a part of this Stipulation.

11 L. Notices.

12 Where this Stipulation requires either party to provide notice or any other communication  
13 or document to the other, such notice shall be in writing, and such notice, communication, or  
14 document shall be provided by personal delivery, facsimile transmission, overnight delivery, or  
15 letter sent by United States mail with delivery confirmation. Notice may be provided to the  
16 Settling Parties through their counsel of record at the following addresses:

18 California Water Service Company:	Attn: President California Water Service Company 1720 North First Street San Jose, California 95112
21 <i>with a copy to:</i>	John Tootle California Water Service Company 2632 West 237th Street Torrance, California 90505
24 City of Palmdale:	Attn: City Manager 38300 Sierra Highway Palmdale, California 93550
27 <i>with a copy to:</i>	James Markman Richards, Watson & Gerson 355 South Grand Avenue, 40th Floor Los Angeles, California 90071

1	Littlerock Creek Irrigation District:	Attn: General Manager 35141 87th Street East Littlerock, California 93543
2		
3	<i>with a copy to:</i>	Wayne Lemieux Lemieux & O'Neill 4165 E. Thousand Oaks Blvd., Suite 350 Westlake Village, California 91362
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6	Los Angeles County Waterworks District No. 40:	Attn: Director 260 East Avenue K-8 Lancaster, California 93535
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9	<i>with a copy to:</i>	Michael Moore Los Angeles County Counsel Office 648 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012
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12		
13	<i>with a copy to:</i>	Warren R. Wellen Los Angeles County Counsel Office 648 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012
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17	<i>with a copy to:</i>	Eric L. Garner Best Best & Krieger LLP 3390 University Avenue, 5th Floor P.O.B. 1028 Riverside, California 92502
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21	Palm Ranch Irrigation District:	Attn: General Manger 4871 West Avenue M. (Colombia Way) Quartz Hill, California 93536
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23	<i>with copy to:</i>	Wayne Lemieux Lemieux & O'Neill 2393 Townsgate Rd., Suite 201 Westlake Village, California 91361
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1	Quartz Hill Water District:	Attn: General Manager 42141 N. 50th Street West Quartz Hill, California 93536
2		
3	<i>with copy to:</i>	Bradley Weeks Charlton Weeks LLP 1007 West Avenue M-14, Suite A Palmdale, California 93551
4		
5		
6	Desert Lake Community Services District	Attn: General Manager 12200 Deloro Street Boron, CA 93516
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8		
9	<i>with copy to:</i>	Wayne Lemieux Lemieux & O'Neill 4165 E. Thousand Oaks Blvd., Suite 350 Westlake Village, California 91362
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11		
12	Small Pumper Class:	Michael D. McLachlan Law Offices of Michael D. McLachlan 44 Hermosa Avenue Hermosa Beach, California 90254
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14		
15	Small Pumper Class:	Daniel M. O'Leary Law Office of Daniel M. O'Leary 2300 Westwood Boulevard, Suite 105 Los Angeles, California 90064
16		
17		

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20 or to such other address as any Settling Party shall, from time to time, specify in the manner  
21 provided herein.

22 M. No Admissions.

23 Neither this Stipulation, nor any act performed or document executed pursuant to or in  
24 furtherance of this Stipulation, is or may be deemed to be or may be used as an admission of, or  
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1 evidence of, (i) the validity of any claim or defense; or (ii) the appropriateness or  
2 inappropriateness of any Small Pumper Class Member or other representational capacity, whether  
3 contemporaneously with this Stipulation or at any time in the future.

4 N. Execution.

5 This Stipulation may be executed in counterparts by Settling Plaintiffs and Settling  
6 Defendants, and a facsimile signature shall be deemed an original signature for purposes of  
7 executing this Stipulation. Each of the undersigned persons represents that he or she is fully  
8 authorized to enter into the terms and conditions of and to execute this Stipulation by the party for  
9 which he or she has signed the Stipulation.

10 IN WITNESS HEREOF, the undersigned being duly authorized, have executed this  
11 Stipulation on the dates shown below.

12 Approved as to form by:  
13 Michael McLachlan

14 By: Richard A. Wood  
15 Richard Wood  
16 2/21/2015

By: \_\_\_\_\_

17 California Water Service

Approved as to form by:  
18 John Tootle

19  
20 By: \_\_\_\_\_

By: \_\_\_\_\_

21  
22 City of Palmdale

Approved as to form by:  
23 James Markman

24  
25 By: \_\_\_\_\_

By: \_\_\_\_\_

1 evidence of, (i) the validity of any claim or defense; or (ii) the appropriateness or  
2 inappropriateness of any Small Pumper Class Member or other representational capacity, whether  
3 contemporaneously with this Stipulation or at any time in the future.

4 N. Execution.

5 This Stipulation may be executed in counterparts by Settling Plaintiffs and Settling  
6 Defendants, and a facsimile signature shall be deemed an original signature for purposes of  
7 executing this Stipulation. Each of the undersigned persons represents that he or she is fully  
8 authorized to enter into the terms and conditions of and to execute this Stipulation by the party for  
9 which he or she has signed the Stipulation.

10 IN WITNESS HEREOF, the undersigned being duly authorized, have executed this  
11 Stipulation on the dates shown below.

12 Approved as to form by:  
13 Michael McLachlan

14 By: \_\_\_\_\_  
15 Richard Wood

By: \_\_\_\_\_

16  
17 California Water Service

Approved as to form by:  
18 John Tootle

19  
20 By: *Francis Spencer*  
21 *Vice President*

By: *John Tootle*

22 City of Palmdale

Approved as to form by:  
23 James Markman

24  
25 By: \_\_\_\_\_

By: \_\_\_\_\_

26  
27  
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1 evidence of, (i) the validity of any claim or defense; or (ii) the appropriateness or  
2 inappropriateness of any Small Pumper Class Member or other representational capacity, whether  
3 contemporaneously with this Stipulation or at any time in the future.

4 N. Execution.

5 This Stipulation may be executed in counterparts by Settling Plaintiffs and Settling  
6 Defendants, and a facsimile signature shall be deemed an original signature for purposes of  
7 executing this Stipulation. Each of the undersigned persons represents that he or she is fully  
8 authorized to enter into the terms and conditions of and to execute this Stipulation by the party for  
9 which he or she has signed the Stipulation.

10 IN WITNESS HEREOF, the undersigned being duly authorized, have executed this  
11 Stipulation on the dates shown below.

12 Approved as to form by:  
13 Michael McLachlan

14 By: \_\_\_\_\_  
15 Richard Wood

By: \_\_\_\_\_

16  
17 California Water Service

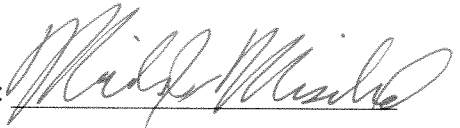
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18 John Tootle


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20 By: \_\_\_\_\_

By: \_\_\_\_\_

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22 City of Palmdale

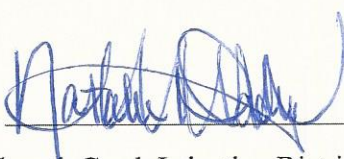
Approved as to form by:  
23 James Markman

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Desert Lake Community Services District

By: 

Little Rock Creek Irrigation District

By: \_\_\_\_\_

Los Angeles County Waterworks District No. 40

By: \_\_\_\_\_  
Chair, Board of Supervisors

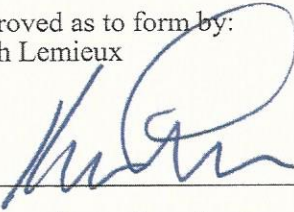
Attest:  
Sachi A. Hamai  
Executive Officer-Clerk Of the Board of Supervisors

By: \_\_\_\_\_

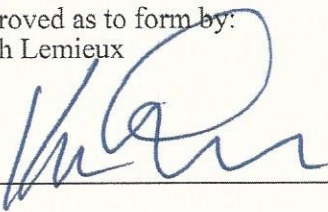
North Edwards Water District

By: \_\_\_\_\_

Approved as to form by:  
Keith Lemieux

By: 

Approved as to form by:  
Keith Lemieux

By: 

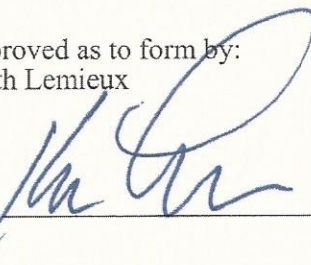
Approved as to form by:  
Mark J. Saladino, County Counsel

By: \_\_\_\_\_  
Warren R. Wellen, Principal Deputy  
County Counsel

Approved as to form by:  
Best Best & Krieger, by Eric L. Garner

By: \_\_\_\_\_  
Eric L. Garner

Approved as to form by:  
Keith Lemieux

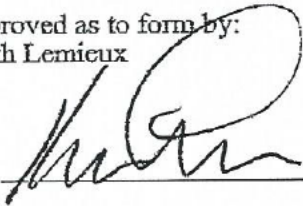
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Desert Lake Community Services District

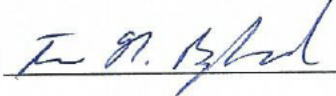
Approved as to form by:  
Keith Lemieux

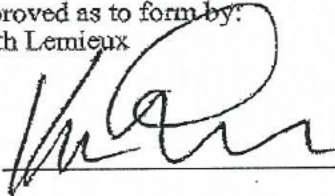
By: \_\_\_\_\_

By:  \_\_\_\_\_

Littlerock Creek Irrigation District

Approved as to form by:  
Keith Lemieux

By:  \_\_\_\_\_

By:  \_\_\_\_\_

Los Angeles County Waterworks  
District No. 40

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

By: \_\_\_\_\_  
Chair, Board of Supervisors

By: \_\_\_\_\_  
Warren R. Wellen, Principal Deputy  
County Counsel

Approved as to form by:  
Best Best & Krieger, by Eric L. Garner

By: \_\_\_\_\_  
Eric L. Garner

Attest:  
Sachi A. Hamai  
Executive Officer-Clerk Of the Board of  
Supervisors

By: \_\_\_\_\_

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

13  
14 By: Eric L. Garner Jeffrey V. Dunn and Eric L. Garner  
15 Best Best & Krieger

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Desert Lake Community Services District

Approved as to form by:  
Keith Lemieux

By: \_\_\_\_\_

By: \_\_\_\_\_

Littlerock Creek Irrigation District

Approved as to form by:  
Keith Lemieux

By: \_\_\_\_\_

By: \_\_\_\_\_

Los Angeles County Waterworks  
District No. 40

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

By: Gail Farber  
Gail Farber  
Director of Public Works

By: Warren R. Wellen  
Warren R. Wellen, Principal  
Deputy County Counsel

Approved as to form by:  
Best Best & Krieger, by Eric L. Garner

By: Jeffrey V. Dunn  
~~Eric L. Garner~~  
Jeffrey V. Dunn  
Eric L. Garner

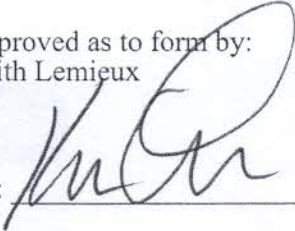


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Palm Ranch Irrigation District

Approved as to form by:  
Keith Lemieux

By: 



Quartz Hill Water District

Approved as to form by:  
Bradley Weeks

By: \_\_\_\_\_

By: \_\_\_\_\_

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Palm Ranch Irrigation District

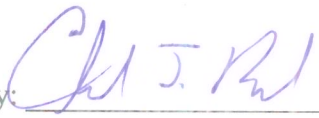
Approved as to form by:  
Keith Lemieux

By: \_\_\_\_\_

By: \_\_\_\_\_

Quartz Hill Water District

Approved as to form by:  
Bradley Weeks

By: 

By: 