Michael Duane Davis, SBN 093678 Marlene L. Allen-Hammarlund, SBN 126418 GRESHAM SAVAGE NOLÁN & 2 TILDEN, A Professional Corporation 3750 University Avenue, Suite 250 3 Riverside, CA 92501-3335 (951) 684-2171 Telephone: 4 Facsimile: (951) 684-2150 5 Attorneys for Cross-Defendant, 6 HEALY ENTERPRISES, INC. 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 IN AND FOR THE COUNTY OF LOS ANGELES 10 Coordination Proceeding 11 Judicial Council Coordination Special Title (Rule 1550(b)) Proceeding No. 4408 12 ANTELOPE VALLEY GROUNDWATER Santa Clara Case No. 1-05-CV-049053 13 CASES Assigned to the Honorable Jack Komar Department 17 14 **Including Actions:** ANSWER OF HEALY ENTERPRISES. 15 Los Angeles County Waterworks District No. INC. TO CROSS-COMPLAINT OF 40 v. Diamond Farming Co. MUNICIPAL PURVEYORS FOR Superior Court of California, County of Los 16 DECLARATORY AND INJUNCTIVE Angeles, Case No. BC 325 201 RELIEF AND ADJUDICATION OF 17 WATER RIGHTS Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. 18 Superior Court of California, County of Kern, 19 Case No. S-1500-CV-254-348 Wm. Bolthouse Farms, Inc. v. City of 201 Lancaster 21 Diamond Farming Co. v. City of Lancaster Diamond Farming Co. v. Palmdale Water Dist. Superior Court of California, County of 22 Riverside, consolidated actions, Case Nos. RIC 23 353 840, RIC 344 436, RIC 344 668 24 ROSAMOND COMMUNITY SERVICES DISTRICT; 25 LOS ANGÉLES COUNTY WATERWORKS DISTRICT NO. 40; 26 PALMDALE WATER DISTRICT: CITY OF LANCASTER; 27 CITY OF PALMDALE; LITTLEROCK CREEK IRRIGATION 28

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DISTRICT:
    PALM RANCH IRRIGATION DISTRICT:
    QUARTZ HILL DISTRICT; and
    CALIFORNIA WATER SERVICE
 3
    COMPANY,
 41
          Cross-Complainants,
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    VS.
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    DIAMOND FARMING COMPANY;
    WM. BOLTHOUSE FARMS, INC.;
    BOLTHOUSE PROPERTIES LLC: ABC
    WILLIAMS ENTERPRISES LP:
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    ACEH CAPITAL LLC;
    JACQUELINE ACKERMANN;
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    CENON ADVINCULA;
    OLIVA M. ADVINCULA;
    MASHALLAH AFSHAR;
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    ANTONIO U. AGUSTINÉS;
    AIRTRUST SINGAPORE PŔIVATE
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    LIMITED:
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    MARWAN M. ALDAIS:
    ALLEN ALEVY;
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    ALLEN ALEVY AND ALEVY FAMILY
    TRUST:
    GEORGINE J. ARCHER;
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    GEORGINE J. ARCHER AS TRUSTEE FOR
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    THE GEORGINE J. ARCHER TRUST:
    A V MATERIALS, INC.;
    GUSS A. BARKS, JR.;
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    PETER G. BARKS:
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    ILDEFONSO S. BAYANI;
    NILDA V. BAYANI;
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    BIG WEST CORP.;
    RANDALL Y. BLAYNEY;
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    MELODY S. BLOOM;
    BOLTHOUSE PROPERTIES, INC.;
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    DAVID L. BOWERS;
    RONALD E. BOWERS:
    LEROY DANIEL BRONSTON;
    MARILYN BURGESS:
    LAVERNE C. BURROUGHS;
LAVERNE C. BURROUGHS, TRUSTEE OF
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    THE BURROUGHS FAMILY
    IRREVOCABLE TRUST DATED
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    AUGUST 1, 1995; BRUCE BURROWS;
    JOHN & B. CALANDRI 2001 TRUST;
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    CALIFORNIA PORTLAND CEMENT
    COMPANY;
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    CALMAT LAND CO.;
    MELINDA E. CAMERON:
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    CASTLE BUTTE DEV CORP.;
    CATELLUS DEVELOPMENT
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    CORPORATION:
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BONG S. CHANG;
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    JEANNA Y. CHANG:
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    MOON S. CHANG:
    JACOB CHETRIT:
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    FRANK S. CHIODO;
    LEE S. CHIOU;
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    M S CHUNG;
    CITY OF LOS ANGELES:
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    CAROL K. CLAYPOOL;
    CLIFFORD N. CLAYPOOL;
    W. F. CLUNEN, JR.;
    W. F. CLUNEN, JR., AS TRUSTEE FOR
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    THE P C REV INTER VIVOS TRUST:
    CONSOLIDATED ROCK PRODUCTS CO.:
 8
    COUNTY SANITATION DISTRICT NO. 14
    OF LOS ANGELES COUNTY:
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    COUNTY SANITATION DISTRICT NO. 20
    OF LOS ANGELES COUNTY;
101
    RUTH A. CUMMING:
    RUTH A. CUMMING, AS TRUSTEE OF
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    THE CUMMING FAMILY TRUST;
    CATHARINE M. DAVIS;
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    MILTON S. DAVIS;
    DEL SUR RANCH LLC;
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    DIAMOND FARMING COMPANY;
    SARKIS DJANIBEKYAN;
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    HONG DONG:
    YING X. DONG:
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    DOROTHY DREIER;
    GEORGE E. DREIER;
    EDWARDS AIR FORCE BASE, CA;
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    MORTEZA M. FOROUGHI;
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    MORTEZA M. FOROUGHI, AS TRUSTEE
    OF THE FOROUGHI FAMILY TRUST;
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    LEWIS FREDRICHSEN;
    LEWIS FREDRICHSEN, AS TRUSTEE OF
    THE FREDRICHSEN FAMILY TRUST;
    JOAN A. FUNK;
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    EUGENE GABRYCH:
    MARIAN GABRYCH;
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    AURORA P. GABUYA;
    RODRIGO L. GABUYA:
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    GGF LLC;
    GENUS LP:
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    BETTY GLUCKSTEIN:
    JOSEPH H. GLUCKSTEIN;
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    FORREST G. GODDE;
    FORREST G. GODDE, AS TRUSTEE OF
    THE FORREST G. GODDE TRUST;
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    LAWRENCE A. GODDE;
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    LAWRENCE A. GODDE AND GODDE
    TRUST;
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    MARIA B. GORRINDO;
    MARIA B. GORRINDO, AS TRUSTEE FOR
    THE M. GORRINDO TRUST;
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WENDELL G. HANKS:
    ANDREAS HAUKE;
    MARILYN HAUKE:
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    HEALY ENTERPRISES, INC.;
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    WALTER E. HELMICK;
    DONNA L. HIGELMIRE:
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    MICHAEL N. HIGELMIRE;
    DAVIS L. AND DIANA D. HINES FAMILY
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    TRUST;
    HOOSHPACK DEV INC.;
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    CHI S. HUANG;
    SUCHU T. HUANG;
    JOHN HUI;
    HYPERICUM INTERESTS LLC:
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    DARYUSH IRANINEZHAD:
    MINOO IRANINEZHAD:
    ESFANDIAR KADIVAR;
    ESFANDIAR KADIVAR, AS TRUSTEE OF
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    THE KADIVAR FAMILY TRUST:
    A. DAVID KAGON;
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    A. DAVID KAGON, AS TRUSTEE FOR THE
    KAGON TRUST;
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    JACK D. KAHLO:
    CHENG LIN KANG;
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    HERBERT KATZ;
    HERBERT KATZ, AS TRUSTEE FOR THE
    KATZ FAMILY TRUST;
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    MARIANNE KATZ;
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    LILIAN S. KAUFMAN;
    LILIAN S. KAUFMAN, AS TRUSTEE FOR
    THE KAUFMAN FAMILY TRUST;
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    KAZUKO YOSHIMATSU;
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    BARBARA L. KEYS;
    BARBARA L. KEYS, AS TRUSTEE OF THE
    BARBARA L. KEYS FAMILY TRUST;
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    BILL H. KIM;
    ILLY KING;
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    ILLY KING, AS TRUSTEE OF THE ILLY
    KING FAMILY TRUST;
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    KOOTENAI PROPERTIES, INC.;
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    KUTU INVESTMENT CO.;
    GAILEN KYLE;
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    GAILEN KYLE, AS TRUSTEE OF THE
    KYLE TRUST:
    JAMES W. KYLE;
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    JAMES W. KYLE, AS TRUSTEE OF THE
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    KYLE FAMILY TRUST:
    JULIA KYLE;
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    WANDA E. KYLE;
    FARES A. LAHOUD;
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    EVA LAI;
    PAUL LAI:
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    YING WAH:
    LAND BUSINESS CORPORATION:
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    RICHARD E. LANDFIELD:
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RICHARD E. LANDFIELD, AS TRUSTEE
    OF THE RICHARD E. LANDFIELD TRUST;
 2
    LAWRENCE CHARLES TRUST;
    WILLIAM LEWIS:
 3
    MARY LEWIS:
    PEI CHI LIN;
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    MAN C. LO;
    SHIUNG RU LO:
    LYMAN C. MILES;
    LYMAN C. MILES, AS TRUSTEE FOR THE
    MILES FAMILY TRUST:
    MALLOY FAMILY PARTNERS LP;
    MISSION BELL RANCH DEVELOPMENT:
    BARRY S. MUNZ;
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    KATHLEEN M. MUNZ;
    TERRY A. MUNZ;
    M. R. NASIR;
    SOUAD R. NASIR:
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    EUGENE B. NEBEKER;
    SIMIN C. NEMAN;
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    HENRY NGO;
    FRANK T. NGUYEN:
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    JUANITA R. NICHOLS:
    OLIVER NICHOLS;
    OLIVER NICHOLS, AS TRUSTEE OF THE NICHOLS FAMILY TRUST;
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    OWL PROPERTIES, INC.:
    PALMDALE HILLS PROPERTY LLC:
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    NORMAN L. POULSEN:
    MARILYN J. PREWOZNIK;
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    MARILYN J. PREWOZNIK, AS TRUSTEE
    OF THE MARILYN J. PREWOZNIK TRUST:
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    ELIAS QARMOUT:
    VICTORIA RAHIMI;
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    R AND M RANCH, INC.;
    PATRICIA A. RECHT;
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    VERONIKA REINELT:
    REINELT ROSENLOECHER CORP. PSP;
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    PATRICIA J. RIGGINS;
    PATRICIA J. RIGGINS, AS TRUSTEE OF
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    THE RIGGINS FAMILY TRUST:
    EDGAR C. RITTER;
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    PAULA E. RITTER;
    PAULA E. RITTER, AS TRUSTEE OF THE
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    RITTER FAMILY TRUST;
    ROMAN CATHOLIC ARCHBISHOP OF
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    LOS ANGELES:
    ROMO LAKE LOS ANGELES
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    PARTNERSHIP:
    ROSEMOUNT EQUITIES LLC SERIES:
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    ROYAL INVESTORS GROUP;
    ROYAL WESTERN PROPERTIES LLC;
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    OSCAR RUDNICK;
    REBECCA RUDNICK:
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    SANTA MONICA MOUNTAINS
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CONSERVANCY:
    MARYGRACE H. SANTORO;
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    MARYGRACE H. SANTORO, AS TRUSTEE
    FOR THE MARYGRACE H. SANTORO
 3
    REV TRUST;
    SAN YU ENTERPRISES, INC.;
    DANIEL SAPARZEDEH;
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    HELEN STATHATOS:
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    SAVAS STATHATOS;
    SAVAS STATHATOS, AS TRUSTEE FOR
 61
    THE STATHATOS FAMILY TRUST;
    SEVEN STAR UNITED LLC;
    MARK H. SHAFRON;
    ROBERT L. SHAFRON;
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    KAMRAM S. SHAKIB;
    DONNA L. SIMPSON;
    GARETH L. SIMPSON;
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    GARETH L. SIMPSON, AS TRUSTEE OF
    THE SIMPSON FAMILY TRUST;
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    SOARING VISTA PROPERTIES, INC.;
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    STATE OF CALIFORNIA;
    GEORGE C. STEVENS, JŔ.;
GEORGE C. STEVENS, JR., AS TRUSTEE
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    OF THE GEORGE C. STEVENS, JR. TRUST:
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    GEORGE L. STIMSON, JR.;
    GEORGE L. STIMSON, JR., AS TRUSTEE
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    OF THE GEORGE L. STIMSON, JR. TRUST:
    TEJON RANCHCORP:
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    MARK E. THOMPSON A P C PROFIT
    SHARING PLAN:
    TIERRA BONITA RANCH COMPANY;
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    TIONG D. TIU;
    BEVERLY J. TOBIAS;
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    BEVERLY J. TOBIAS, AS TRUSTEE OF
    THE TOBIAS FAMILY TRUST;
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    JUNG N. TOM:
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    WILLIAM BOLTHOUSE FARMS, INC.;
    WILMA D. TRUEBLOOD;
    WILMA D. TRUEBLOOD, AS TRUSTEE OF
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    THE TRUEBLOOD FAMILY TRUST;
21
    UNISON INVESTMENT CO., LLC;
    DELMAR D. VAN DAM;
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    GERTRUDE J. VAN DAM:
    KEITH E. WALES:
23
    E C WHEELER LLC;
    ALEX WODCHIS:
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    ELIZABETH WONG;
    MARY WONG:
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    MIKE M. WU;
    MIKE M. WU, AS TRUSTEE OF THE WU
    FAMILY TRUST;
26
    STATE OF CALIFORNIA 50<sup>TH</sup> DISTRICT
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    AND AGRICULTURAL ASSOCIATION;
    THE UNITED STATES OF AMERICA:
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    U. S. BORAX, INC.;
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Cross-Defendants.

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Comes now, Cross-Defendant, Healy Enterprises, Inc., ("this Answering Cross-Defendant"), and for itself and for no other, answers the Cross-Complaint ("Cross Complaint") filed by Cross-Complainants, Rosamond Community Services District ("Rosamond CSD"), Los Angeles County Waterworks District No. 40 ("LACWD No. 40"), Palmdale Water District ("Palmdale WD"), City Of Lancaster ("Lancaster"), City Of Palmdale ("Palmdale"), Littlerock Creek Irrigation District ("Littlerock CID"), Palm Ranch Irrigation District ("Palm Ranch ID"), Quartz Hill District ("Quartz Hill"), and California Water Service Company (individually "California WSD" and all collectively "Cross-Complainants"), and admits, denies, and alleges as follows:

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#### ANSWER

#### **Preliminary Statements**

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A. LASC Case No. BC325201. This Answering Cross-Defendant was previously served with a Complaint for Declaratory and Injunctive Relief and Adjudication of Water Rights (the "Complaint") that was filed by LACWD No. 40, in Los Angeles County Superior Court Case No. BC325201. Though this Answering Cross-Defendant was thereafter informed by counsel for the LACWD No. 40 that it would be receiving service of an Order re Case Management Dates and Motions in which it would be directed not to answer the aforementioned Complaint, the Order that was eventually served on it was unclear in that regard. This Answering Cross-Defendant has now been served with the "Cross-Complaint" in the instant action, to which this Answer is made. To the extent necessary and appropriate, this Answering Cross-Defendant intends this Answer to also constitute an answer to the Complaint.

B. Paragraph 20 Allegations regarding Interconnected Sub-Basins. Though not alleged in the *Complaint*, Cross-Complainants now allege, in Paragraph 20 of the *Cross-Complaint*, that the Antelope Valley Basin is divided into an unspecified number of sub-basins,

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which Cross-Complainant alleges are "sufficiently hydrologically connected to justify treating them as a single source of water for purposes of adjudicating the parties' water rights." As this Answering Cross-Defendant's response to this specific allegation in Paragraph 20 is sufficiently central to its responses to a number of other allegations in the Cross-Complaint, this Answering Cross-Defendant chooses to preliminarily state its response to that specific allegation at this point. This Answering Cross-Defendant is informed and believes and thereon alleges that some or all of said basins and sub-basins over which this Answering Cross-Defendant owns properties, and the water production facilities as situated, may be, to some presently unknown extent, separate and independent from some or all of the remaining groundwater basins and sub-basins from which Cross-Complainants produce water and in which Cross-Complainants store water. While this Answering Cross-Defendant admits the existence of sub-basins, it lacks sufficient information and belief to enable it to admit or deny the number, physical locations, compositions, dimensions and hydrologic interconnections between and amongst the various sub-basins, and must thereon deny the allegation that the sub-basins are sufficiently hydrologically connected to justify treating them as a single source of water for purposes of adjudicating the parties' water rights. Further, Cross-Complainants have not alleged any facts from which this Answering Cross-Defendant can ascertain the number and location of Cross-Complainants' production facilities, or the production capacities and histories of Cross-Complainants' wells and other production facilities, and must therefore deny that any present, historic or future production from this Answering Cross-Defendant's facilities have, are, or will have, any adverse impacts on Cross-Complainants' abilities to meet their reasonable requirements from their unidentified production facilities. Finally, Cross-Complainants have not alleged any facts from which this Answering Cross-Defendant can ascertain the number, location, characteristics and/or capacity of the sub-basins in which Cross-Complainants allege they have stored imported and other water, as well as the amounts, quality and disposition of the water allegedly stored therein, and must therefore deny that any present, historic or future production from this Answering Cross-Defendant's water production facilities have, are, or will have, any adverse impacts on the waters allegedly stored by some or all of Cross-Complainants

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in said sub-basins. This Answering Cross-Defendant further intends this response to be applicable to its response to the other paragraphs in the Cross-Complaint, which are dependent, either in whole or in part, upon this allegation in the Cross-Complaint.

#### Introduction

1. Answering Paragraph 1 of the "Introduction" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant acknowledges that the action purports to seek a judicial determination of all rights to groundwater within an area described as the "Antelope Valley Groundwater Basin (the 'Basin')"; and, except therefor, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

#### Cross-Complainants

- 2. Answering Paragraph 2 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 3. Answering Paragraph 3 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant admits the first sentence commencing with the name "Los Angeles" on line 8 of page 8, through the word "Valley" on line 11 of page 8; and, except therefore, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the remaining allegations

contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

- 4. Answering Paragraph 4 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 5. Answering Paragraph 5 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 6. Answering Paragraph 6 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.
- 7. Answering Paragraph 7 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant admits the first sentence commencing with the word "The" on line 25 of page 8, through the word "uses" on line 27 of page 8; and, except therefore, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 8. Answering Paragraph 8 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with

reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

- 9. Answering Paragraph 9 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 10. Answering Paragraph 10 of the "Cross-Complainants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

#### **Cross-Defendants**

11. Answering Paragraph 11 of the "Cross-Defendants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant admits that it is the fee owner of the real properties (collectively "Cross-Defendant's Properties") described on the attached Exhibit "A", which is incorporated herein, by this reference, and which properties are situated in that portion of the State of California, County of Los Angeles, that is described in Paragraph 19 of the *Cross Complaint*.

Further answering said Paragraph 11, this Answering Cross-Defendant admits that it claims some right, title or interest to some of the water in the groundwater basins and/or sub-basins underlying Cross-Defendant's Properties, and to the underflow of the washes to which

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Cross-Defendant's Properties are riparian, and that it produces water from said groundwater basins and/or sub-basins, and from the underflow of said washes, that it owns the groundwater and wells located on the Cross-Defendant's Properties, and that it owns rights with regard to the water flowing from the California Aqueduct. Further answering said Paragraph 11, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph as to all named Cross-Defendants save and except this Answering Cross-Defendant, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein as to the other named Cross-Defendants.

12. Answering Paragraph 12 of the "Cross-Defendants" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

## The United States is a Necessary Party to this Action

- 13. Answering Paragraph 13 of the "The United States is a Necessary Party to this Action" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein as to the other named Cross-Defendants.
- 14. Answering Paragraph 14 of the "The United States is a Necessary Party to this Action" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the

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VERSIDE, CA 92501-3335

allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein as to the other named Cross-Defendants.

- Action" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant admits the application of 43 U.S.C. § 666 (the "McCarran Amendment"); and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- Action" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant admits the application of the McCarran Amendment; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein as to the other named Cross-Defendants.
- Action" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to Preliminary Statement B, above, this Answering Cross-Defendant admits the application of the McCarran Amendment; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein as to the other named Cross-Defendants.

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#### The History of the Antelope Valley Groundwater Basin

- 18. Answering Paragraph 18 of "The History of the Antelope Valley Groundwater Basin" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.
- 19. Answering Paragraph 19 of "The History of the Antelope Valley Groundwater Basin" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that the Basin is located in an arid valley in the Mojave Desert, about fifty miles northeast of the City of Los Angeles; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- Answering Paragraph 20 of "The History of the Antelope Valley Groundwater 20. Basin" portion of the preliminary allegations to the Cross-Complaint of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that the Antelope Valley Groundwater Basin is divided into a number of sub-basins, but lacks sufficient knowledge or information to form a belief as to the truth of the allegations that the sub-basins are "sufficiently hydrologically connected to justify treating them as a single source of water for purposes of adjudicating the parties' water rights," and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein with respect to that specific allegation. Further answering said Paragraph 20, this Answering Cross-Defendant is informed and believes and thereon alleges that some or all of said basins and sub-basins over which the Cross-Defendant's Properties and water production facilities are situated may be, to some presently unknown extent, separate and independent from some or all of the remaining groundwater basins and sub-basins from which Cross-Complainants produce water and in which Cross-Complainants store water. Further answering said Paragraph 20, this Answering Cross-Defendant lacks sufficient

knowledge or information to form a belief as to the physical locations, compositions, dimensions and hydrologic interconnections between and amongst the various sub-basins, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein with respect to that specific allegation that the sub-basins are sufficiently hydrologically connected to justify treating them as a single source of water for purposes of adjudicating the parties' water rights. Further answering said Paragraph 20, Cross-Complainants have not alleged any facts from which this Answering Cross-Defendant can ascertain the number and location of Cross-Complainants' production facilities, or the production capacities and histories of Cross-Complainants' wells and other water production facilities, and must therefore deny that any present, historic or future production from this Answering Cross-Defendant's facilities have, are, or will have, any adverse impacts on Cross-Complainants' abilities to meet their reasonable water requirements from their unidentified production facilities. Finally, Cross-Complainants have not alleged any facts from which this Answering Cross-Defendant can ascertain the number, location, characteristics and/or capacity of the sub-basins in which Cross-Complainants allege they have stored imported and other water, as well as the amounts, quality and disposition of the water allegedly stored therein, and must therefore deny that any present, historic or future production from this Answering Cross-Defendant's facilities have, are, or will have, any adverse impacts on the waters allegedly stored by some or all of Cross-Complainants in said sub-basins.

Answering Paragraph 21 of "The History of the Antelope Valley Groundwater Basin" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant states that it lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein. Further answering said Paragraph 21, this Answering Cross-Defendant states that the groundwater basin and/or sub-basins under the Cross-Defendant's Properties do not appear to have suffered a destroyed groundwater level equilibrium or a

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systematic long-term decline in groundwater levels and storage, but rather appear to experience seasonal water level fluctuations.

- 22. Answering Paragraph 22 of "The History of the Antelope Valley Groundwater Basin" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that portion of the second sentence in said Paragraph commencing with the word "urbanization" at line 24 through the word "water" at line 25, all on page 13; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 23. Answering Paragraph 23 of "The History of the Antelope Valley Groundwater Basin" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- Answering Paragraph 24 of "The History of the Antelope Valley Groundwater Basin" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that land subsidence is the general sinking of the Earth's surface and that some of the harmful effects of land subsidence can include a loss of groundwater storage space, cracks and fissures in the Earth's surface and damage to real property; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein. Further answering said Paragraph 24, this Answering Cross-Defendant states that the

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Nolan & Tilden,
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groundwater basin and/or sub-basins under the Cross-Defendant's Properties appear to have suffered no chronic declines in groundwater levels, and said properties appear to have suffered no land subsidence.

25. Answering Paragraph 25 of "The History of the Antelope Valley Groundwater Basin" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that declining groundwater levels, diminished groundwater storage and land subsidence can damage any groundwater basin; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein. Further answering said Paragraph 24, this Answering Cross-Defendant states that the groundwater basin and/or subbasins under the Cross-Defendant's Properties appear to have suffered no declines in groundwater levels and no diminished groundwater storage, and the Cross-Defendant's Properties appear to have suffered no land subsidence.

## Public Water Suppliers Supplement and Commingle Their Supplemental Supply of Water With Basin Water

- 26. Answering Paragraph 26 of the "Public Water Suppliers Supplement and Commingle Their Supplemental Supply of Water With Basin Water" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that State Project water generally originates in Northern California; and save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 27. Answering Paragraph 27 of the "Public Water Suppliers Supplement and Commingle Their Supplemental Supply of Water With Basin Water" portion of the preliminary

allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

28. Answering Paragraph 28 of the "Public Water Suppliers Supplement and Commingle Their Supplemental Supply of Water With Basin Water" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

## The Basin Has Been in a State of Over-Draft for Over Five Years

- 29. Answering Paragraph 29 of "The Basin Has Been in a State of Over-Draft for Over Five Years" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 30. Answering Paragraph 30 of "The Basin Has Been in a State of Over-Draft for Over Five Years" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph, as to this Answering Cross-Defendant alone and no other, commencing with the word "cross-defendants" on line 21 through the word "water" on line 23, all on page 15; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the

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Answering Paragraph 31 of "The Basin Has Been in a State of Over-Draft for 31.

jointly and severally, each and every other allegation contained therein.

allegations contained in said paragraph, and on that basis, denies, generally and specifically,

- Over Five Years" portion of the preliminary allegations to the Cross-Complaint of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph, as to this Answering Cross-Defendant alone and no other, commencing with the word "claims" on line 26 through the word "water" on line 27, all on page 15; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 32. Answering Paragraph 32 of "The Basin Has Been in a State of Over-Draft for Over Five Years" portion of the preliminary allegations to the Cross-Complaint of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 33. Answering Paragraph 33 of "The Basin Has Been in a State of Over-Draft for Over Five Years" portion of the preliminary allegations to the Cross-Complaint of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

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# There is a Dispute Among the Parties Regarding The Extent and Priority of Their Respective Water Rights

- 34. Answering Paragraph 34 of the "There is a Dispute Among the Parties Regarding the Extent and Priority of Their Respective Water Rights" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 35. Answering Paragraph 35 of the "There is a Dispute Among the Parties Regarding the Extent and Priority of Their Respective Water Rights" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph, as to this Answering Cross-Defendant alone and no other, commencing with the word "cross-defendants" on line 18 through the word "water" on line 19, all on page 16; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 36. Answering Paragraph 36 of the "There is a Dispute Among the Parties Regarding the Extent and Priority of Their Respective Water Rights" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that public water suppliers generally have appropriative rights to produce water for the public they serve; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

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Answering Paragraph 37 of the "There is a Dispute Among the Parties Regarding the Extent and Priority of Their Respective Water Rights" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

38. Answering Paragraph 38, including subparagraphs A through D, of the "There is a Dispute Among the Parties Regarding the Extent and Priority of Their Respective Water Rights" portion of the preliminary allegations to the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

#### First Cause of Action

# (Declaratory Relief - Prescriptive Rights - Against All Cross-Defendants Except the United States and Other Public Entity Cross-Defendants)

- 39. Answering Paragraph 39 of the First Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant realleges and reincorporates its Preliminary Statements and its answers and allegations to Paragraphs 1 through 38, inclusive.
- 40. Answering Paragraph 40 of the First Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "For" on line 7½ through the word "rights" on line 8½, all on page 18; and, save and except therefor, lacks sufficient knowledge or information to

form a belief as to the truth of the remaining allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

- 41. Answering Paragraph 41 of the First Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 42. Answering Paragraph 42 of the First Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.
- 43. Answering Paragraph 43 of the First Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.

#### Second Cause of Action

## (Declaratory Relief - Appropriative Rights - Against All Cross-Defendants)

- 44. Answering Paragraph 44 of the Second Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant realleges and reincorporates its answers and allegations to Paragraphs 1 through 43, inclusive.
- 45. Answering Paragraph 45 of the Second Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its

denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that public water suppliers generally have appropriative rights to produce water for the public they serve; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

- 46. Answering Paragraph 46 of the Second Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant denies, generally and specifically, jointly and severally, each and every allegation contained therein as an oversimplification of the law in California concerning appropriative rights.
- 47. Answering Paragraph 47 of the Second Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant generally admits those portions of said paragraph commencing with the word "safe" on line 11½ through the word "subsidence" on line 15½, all on page 19; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.
- 48. Answering Paragraph 48 of the Second Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that all uses of water in California are subject to the "reasonable and beneficial" requirements of Article X, Section 2 of the *California Constitution* and the Reasonable Use Doctrine; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 49. Answering Paragraph 49 of the Second Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its

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denials in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained in the first sentence thereof; and save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in said paragraph, and on that basis, denies, generally and specifically, jointly and severally, each and every other allegation contained therein.

50. Answering Paragraph 50 of the Second Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.

#### **Third Cause of Action**

#### (Declaratory Relief - Physical Solution - Against All Cross-Defendants)

- 51. Answering Paragraph 51 of the Third Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant realleges and reincorporates its answers and allegations to Paragraphs 1 through 50, inclusive.
- 52. Answering Paragraph 52 of the Third Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "cross-defendants" on line 8½ through the word "pumping" on line 10½, all on page 20, as the allegations relate to this Answering Cross-Defendant alone and to no others; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 53. Answering Paragraph 53 of the Third Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant denies, generally and specifically, jointly and severally, each and every allegation contained therein, as the allegations

relates to this Answering Cross-Defendant alone and to no others. Further answering said Paragraph 53, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.

- 54. Answering Paragraph 54 of the Third Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "California" on line 22½ through the word "capable" on line 27½, all on page 20, as the allegation relates to this Answering Cross-Defendant alone and to no others, and to the extent that the mechanism of a physical solution has the potential for providing a practical solution if it is properly developed and implemented; and excepting therefore, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 55. Answering Paragraph 55 of the Third Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein. Further answering said Paragraph 55, this Answering Cross-Defendant admits that a physical solution may, but need not, contain the factors identified in said Paragraph 55.

## Fourth Cause of Action

## (Declaratory Relief - Municipal Priority - Against All Cross-Defendants)

56. Answering Paragraph 56 of the Fourth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant realleges and reincorporates its answers and allegations to Paragraphs 1 through 55, inclusive.

57. Answering Paragraph 57 of the Fourth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "It" on line 17½ through the citation to "*Water Code* § 106" on line 19½, all on page 21; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.

- 58. Answering Paragraph 58 of the Fourth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits that the quote is a portion of "*Water Code* § 106.5"; denies that it is the entirety of said Section 106.5; and further denies that it is an accurate reflection of the will and actions of the California Legislature relative to the water rights of a public water supplier.
- 59. Answering Paragraph 59 of the Fourth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 60. Answering Paragraph 60 of the Fourth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "An" on line 1 through the word "cross-defendants" on lines 1 and 2, all on page 22; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 61. Answering Paragraph 61 of the Fourth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials

in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.

#### Fifth Cause of Action

## (Declaratory Relief - Storage of Imported Water - Against All Cross-Defendants)

- 62. Answering Paragraph 62 of the Fifth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant realleges and reincorporates its answers and allegations to Paragraphs 1 through 61, inclusive.
- 63. Answering Paragraph 63 of the Fifth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the first word "State" on line 19½ through the word "Basin" on line 20½, all on page 22; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 64. Answering Paragraph 64 of the Fifth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 65. Answering Paragraph 65 of the Fifth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.

66. Answering Paragraph 66 of the Fifth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "An" on line 7 through the word "cross-defendants" on lines 7 and 8, all on page 23; re-alleges and re-incorporates its answers to Paragraphs 1 through 39 of the *Cross-Complaint* of Cross-Complainants on file in the instant action; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.

67. Answering Paragraph 67 of the Fifth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.

#### Sixth Cause of Action

#### (Declaratory Relief - Recapture of Return Flows

## from Imported Water Stored in the Basin - Against All Cross-Defendants)

- 68. Answering Paragraph 68 of the Sixth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant realleges and reincorporates its answers and allegations to Paragraphs 1 through 67, inclusive.
- 69. Answering Paragraph 69 of the Sixth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 70. Answering Paragraph 70 of the Sixth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge

or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.

- 71. Answering Paragraph 71 of the Sixth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- Answering Paragraph 72 of the Sixth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "An" on line 6 through the word "cross-defendants" on lines 6 and 7, all on page 24; re-alleges and re-incorporates its answers to Paragraphs 1 through 43 of the *Cross-Complaint* of Cross-Complainants on file in the instant action; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 73. Answering Paragraph 73 of the Sixth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.

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#### Seventh Cause of Action

# (Unreasonable Use of Water – Against All Cross-Defendants Except Public Entity Cross-Defendants)

- 74. Answering Paragraph 74 of the Seventh Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant realleges and reincorporates its answers and allegations to Paragraphs 1 through 73, inclusive.
- 75. Answering Paragraph 75 of the Seventh Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the first word "The" on line 20½ through the word "case" on line 23½, all on page 24; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 76. Answering Paragraph 76 of the Seventh Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant denies, generally and specifically, jointly and severally, each and every allegation contained therein, as for itself and for no others; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein as to the other named cross-defendants, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 77. Answering Paragraph 77 of the Seventh Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "An" on line 4 through the word "cross-defendants" on lines 4 and 5, all on page 25; re-alleges and re-incorporates its answers to Paragraphs 1 through 43 of the *Cross-Complaint* of Cross-Complainants on file in the instant

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action; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.

78. Answering Paragraph 78 of the Seventh Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.

Note: There are no paragraphs numbered 79 through 90 in the copies of the *Cross-Complaint* of Cross-Complainants on file in the instant action that were served on this Answering Cross-Defendant.

#### **Eighth Cause of Action**

#### (Declaratory Relief re Boundaries of Basin)

- 91. Answering Paragraph 91 of the Eighth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant realleges and reincorporates its answers and allegations to Paragraphs 1 through 78, inclusive.
- 92. Answering Paragraph 92 of the Eighth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials in Preliminary Statement B, above, this Answering Cross-Defendant admits those portions of said Paragraph commencing with the word "An" on line 18½ through the word "Basin" on line 20½, all on page 25; re-alleges and re-incorporates its answers to Paragraphs 1 through 38 of the *Cross-Complaint* of Cross-Complainants on file in the instant action; and, save and except therefor, lacks sufficient knowledge or information to form a belief as to the truth of the allegations contained therein, and on that basis, denies, generally and specifically, jointly and severally, each and every allegation contained therein.
- 93. Answering Paragraph 93 of the Eighth Cause of Action of the *Cross-Complaint* of Cross-Complainants on file in the instant action, and with reference to and subject to its denials

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in Preliminary Statement B, above, this Answering Cross-Defendant admits the allegations contained therein.

#### AFFIRMATIVE DEFENSES

As and for affirmative defenses to the causes of action purported to be set forth against it in the *Cross-Complaint* of Cross-Complainants on file in the instant action, this Answering Cross-Defendant alleges as follows:

#### FIRST AFFIRMATIVE DEFENSE

(Failure to State Cause of Action)

As and for a first, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges that the *Cross-Complaint*, and each cause of action thereof, fails to state a cause of action against this Answering Cross-Defendant upon which the Court can grant relief.

## SECOND AFFIRMATIVE DEFENSE

(Estoppel)

As and for a second, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant is informed and believes, and on that basis alleges, that Cross-Complainants are estopped from asserting each and every cause of action against this Answering Cross-Defendant by reason of the facts that, there are a number of groundwater basins and sub-basins situated in that portion of the State of California generally described in the *Cross-Complaint* as the Antelope Valley Groundwater Basin; that the physical locations, composition, dimensions and interconnections between and amongst those groundwater basins and sub-basins has not been sufficiently alleged by Cross-Complainants to state a cause of action against this Answering Cross-Defendant; that some or all of said basins and sub-basins over which this Answering Cross-Defendant's Properties and water production facilities are situated may be, to some presently unknown extent,

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separate and independent from some or all of the remaining groundwater basins and sub-basins; and that Cross-Complainants have failed to specifically identify the locations of each and every of the wells that they allege to have drilled, equipped, operated and maintained.

#### THIRD AFFIRMATIVE DEFENSE

(Reasonable and Beneficial Use)

As and for a third, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges that Cross-Complainants' use of water, both presently and in the future, is limited by the reasonable and beneficial use limitations set forth in Article X, Section 2 of the *California Constitution* and *Water Code* § 100.

#### FOURTH AFFIRMATIVE DEFENSE

(Riparian Rights)

As and for a fourth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant claims contract rights to a take water from any and all riparian water sources on this Answering Cross-Defendant's properties, whether from surface water bodies or the underflow of such water courses as may, from time to time, flow on or traverse this Answering Cross-Defendant's properties; and, to which extent, this Answering Cross-Defendant alleges that Cross-Complainants are barred from the relief sought on each and every cause of action against this Answering Cross-Defendant.

## FIFTH AFFIRMATIVE DEFENSE

(Contract Rights)

As and for a fifth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant claims contract rights to a portion of the water flowing in the California Aqueduct, as it traverses

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this Answering Cross-Defendant's properties; and, to that extent, this Answering Cross-Defendant alleges that Cross-Complainants are barred from the relief sought on each and every cause of action against this Answering Cross-Defendant.

#### SIXTH AFFIRMATIVE DEFENSE

(Credit for Percolating Water)

As and for a sixth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant claims credit for the contract State Water Project water that it receives from the California Aqueduct, as it traverses this Answering Cross-Defendant's properties, which this Answering Cross-Defendants allows to and which does percolate into the groundwater basis and/or subbasins underlying this Answering Cross-Defendant's properties.

## SEVENTH AFFIRMATIVE DEFENSE

(Appropriative Rights)

As and for a seventh, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant claims the appropriative rights to produce water from the basins and sub-basins over which this Answering Cross-Defendant's Properties and water production facilities are situated; and, to the extent that the basins and sub-basins over which Cross-Complainants' water production facilities are situated are separate and independent from the basins and sub-basins over which this Answering Cross-Defendant's Properties and water production facilities are situated, this Answering Cross-Defendant alleges that Cross-Complainants are barred from the relief sought on each and every cause of action against this Answering Cross-Defendant.

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## EIGHTH AFFIRMATIVE DEFENSE

(Permitted Rights to Extract)

As and for an eighth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges that it has permitted rights to extract water from the basins and sub-basins over which this Answering Cross-Defendant's Properties and water production facilities are situated, with the Division of Water Rights of the State Water Resources Control Board for the State of California.

#### NINTH AFFIRMATIVE DEFENSE

(Waiver)

As and for a ninth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges that even if the facts alleged in the *Cross-Complaint* are true, and this Answering Cross-Defendant denies the same, Cross-Complainants have engaged in conduct and activities that they knew or should have known that this Answering Cross-Defendant would, in fact, rely on to its prejudice and detriment, sufficient to constitute a waiver of any claims and demands against this Answering Cross-Defendant; and, accordingly, Cross-Complainants are barred from the relief sought on each and every cause of action against this Answering Cross-Defendant.

## TENTH AFFIRMATIVE DEFENSE

(Failure to Mitigate Damages)

As and for a tenth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant is informed and believes and on that basis alleges that Cross-Complainants failed to take reasonable, prudent, and necessary steps to diminish, control and/or mitigate the damages allegedly suffered by Cross-Complainants, if any.

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(951) 684-2171

#### **ELEVENTH AFFIRMATIVE DEFENSE**

(Failure to Do Equity)

As and for an eleventh, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant is informed and believes and on that basis alleges that Cross-Complainants' ability to obtain relief as prayed in the *Cross-Complaint* is or may be limited by reason of Cross-Complainants' failure to do equity in the matters alleged in the *Cross-Complaint* filed herein.

## TWELFTH AFFIRMATIVE DEFENSE

(Comparative Fault)

As and for a twelfth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant is informed and believes and on that basis alleges that Cross-Complainants failed to exercise ordinary care, caution and prudence in connection with their water production and the use of water by their customers; and that Cross-Complainants' lack of care, caution and prudence was independent of and unrelated to the actions, if any, of this Answering Cross-Defendant; and to that extent, Cross-Complainants' production and uses are unreasonable and beneficial, and Cross-Complainants' remedies and recovery, if any, should be proportionately reduced.

## THIRTEENTH AFFIRMATIVE DEFENSE

(Doctrine of Laches)

As and for a thirteenth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges that some, or all, of Cross-Complainants' claims are barred by the doctrine of laches.

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FOURTEENTH AFFIRMATIVE DEFENSE

(Excuse)

As and for a fourteenth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges that any purported misconduct on its part, which is denied but alleged herein solely for the purpose of asserting this affirmative defense, has been excused by some or all of Cross-Complainants' own misconduct.

FIFTEENTH AFFIRMATIVE DEFENSE

(Justification)

As and for a fifteenth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges that this Answering Cross-Defendant's productions and use of water is and has been justified.

SIXTEENTH AFFIRMATIVE DEFENSE

(Good Faith)

As and for a sixteenth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges a good faith belief that it had the rights to produce and use water it has produced and used.

## SEVENTEENTH AFFIRMATIVE DEFENSE

(Lack of Good Faith)

As and for a seventeenth, separate and affirmative defense to said *Cross-Complaint*, and each cause of action thereof, whether considered separately or apart, this Answering Cross-Defendant alleges that some or all of Cross-Complainants failed to act in good faith and to deal

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- 3. For costs of suit herein incurred; and
- 4. For such other and further relief as the Court deems just and proper.

Dated: November 6, 2006

GRESHAM SAVAGE NOLAN & TILDEN, A Professional Corporation

By:

Michael Duane Davis

Marlene L. Allen-Hammarlund Attorneys for Cross-Defendant,

Healy Enterprises, Inc.

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VERIFICATION 2 3 STATE OF CALIFORNIA COUNTY OF RIVERSIDE 4 5 6 I have read the foregoing ANSWER OF HEALY ENTERPRISES, INC. TO CROSS-71 COMPLAINT OF MUNICIPAL PURVEYORS FOR DECLARATORY AND INJUNCTIVE RELIEF AND ADJUDICATION OF WATER RIGHTS and know its 81 9 contents. 10 CHECK APPLICABLE PARAGRAPH 11 I am a party to this action. The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, 12 and as to those matters I believe them to be true. 13 I am \_\_\_\_\_\_ of \_\_\_\_\_, a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for 14 that reason. 15 I am informed and believe and on that ground allege that the matters stated 16 in the foregoing document are true. 17 The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and 18 belief, and as to those matters I believe them to be true. 19 I am one of the attorneys for HEALY ENTERPRISES, INC., a party to this action. Such  $|\mathbf{X}|$ 20 party is absent from the aforesaid county where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and 21 believe and on that ground allege that the matters stated in the foregoing document are 22 true. 23 Executed on November 7, 2006, at Riverside, California. 24 I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. 25 26 27 MICHAEL DUANE DAVIS 28

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| 1           | PROOF OF SERVICE<br>STATE OF CALIFORNIA, COUNTY OF RIVERSIDE   |
|-------------|--|
| 2           | STATE OF CALIFORNIA, COUNTY OF RIVERSIDE   |
| 3           | Re: ANTELOPE VALLEY GROUNDWATER CASES  Los Angeles County Superior Court Judicial Council Coordinated  Proceedings No. 4408; Santa Clara County Superior Court Case No. 1-05-CV-049053   |
| 5           | I am employed in the County of Riverside, State of California. I am over the age of 18 years and not a party to the within action; my business address is: 3750 University Avenue, Suite 250, Riverside, CA 92501-3335.  |
| 7<br>8<br>9 | On November 13, 2006, I served the foregoing document(s) described as ANSWER OF HEALY ENTERPRISES, INC. TO CROSS-COMPLAINT OF MUNICIPAL PURVEYORS FOR DECLARATORY AND INJUNCTIVE RELIEF AND ADJUDICATION OF WATER RIGHTS on the interested parties in this action in the following manner:   |
| 10<br>11    | (X) <b>BY ELECTRONIC SERVICE</b> – I posted the document(s) listed above to the Santa Clara County Superior Court website, <a href="http://www.scefiling.org">http://www.scefiling.org</a> , in the action of the Antelope Valley Groundwater Cases,   |
| 12          | (X) BY MAIL - I served a true copy of the document(s) listed above in a sealed envelope and placed for collection and mailing following the usual business practice of the Firm. I am "readily familiar" with the Firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the United States Postal Service with postage thereon fully prepaid at Riverside, California, on the same day in the ordinary course of business, addressed as follows: |
| 13          |  |
| 14<br>15    |  |
| 16          | Honorable Jack Komar<br>Santa Clara County Superior Court<br>191 North First Street, Dept. 17C   |
| 17          | San Jose, CA 95113   |
| 18          | Original Document(s) to be filed at this location:   |
| 19          | Superior Court of California County of Los Angeles Stanley Mosk Courthouse, Dept. 1, Room 534 111 North Hill Street  |
| 20          |  |
| 21          | Los Angeles, CA 90012  |
| 22          | I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.   |
| 23          | Executed on November 13, 2006, at Riverside, California.   |
| 24          | bi Allacha   |
| 25          | Lri Lallagher<br>TERID. GALLAGHER  |
| 26          |  |
| 27          |  |

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