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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF LOS ANGELES**

10 **ANTELOPE VALLEY GROUNDWATER
CASES:**

11 **Included Actions:**

12 Los Angeles County Waterworks District No.
40 v. Diamond Farming Co.
13 Superior Court of California
County of Los Angeles, Case No. BC325201

14 Los Angeles County Waterworks District No.
15 40 v. Diamond Farming Co.
Superior Court of California
16 County of Kern, Case No. S-1500-CV-254-
348

17 Wm. Bolthouse Farms, Inc. v. City of
18 Lancaster
Diamond Farming Co. v. City of Lancaster
19 Diamond Farming Co. v. Palmdale Water Dist.
Superior Court of California
20 County of Riverside, consolidated actions
Case Nos. RIC 353840, RIC 344436,
21 RIC 344668

Judicial Council Coordination
Proceeding No. 4408

Santa Clara Case No. 1-05-CV-049053
Assigned to the Honorable Jack Komar

**STIPULATION AND [PROPOSED]
ORDER TO THE WITHDRAWAL OF
LEWIS BRISBOIS BISGAARD & SMITH,
LLP AS COUNSEL OF RECORD FOR
ANAVERDE, LLC**

Date: N/A

Time: N/A

Location: LASC, Dept. 1

RECITALS

WHEREAS, Anaverde, LLC (“Anaverde”) owned a master-planned development in and around the City of Palmdale, California, (the “Anaverde Development”), *prior* to June 14, 2010;

WHEREAS, the groundwater underlying the Anaverde Development was and continues to be at issue in the pending groundwater adjudication action (the “Groundwater Adjudication”);

WHEREAS, Anaverde retained Lewis Brisbois Bisgaard & Smith, LLP (“LBBS”) to represent its interests in the Groundwater Adjudication, and on March 15, 2007, LBBS filed a Motion to Intervene on behalf of Anaverde in an effort to protect its rights to water underlying the Anaverde Development;

WHEREAS, Anaverde filed an Answer to the operative complaint in the Groundwater Adjudication and filed and served a related Cross-Complaint on June 20, 2007;

WHEREAS, on January 15, 2010, Anaverde filed a voluntary petition for relief under Chapter 11 of Title 11 of the Bankruptcy Code, in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Petition”);

WHEREAS, Anaverde continued to operate its businesses as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code after filing the Bankruptcy Petition;

WHEREAS, on June 14, 2010, the United States Bankruptcy Court for the District of Delaware approved Anaverde’s sale of its real property (i.e., the Anaverde Development) to New Anaverde, LLC, pursuant to Bankruptcy Code section 363, at a public sale process and auction;

WHEREAS, in connection with the sale of the Anaverde Development, the Bankruptcy Court determined that New Anaverde LLC is neither a successor to nor a continuation of Anaverde, and that there is no continuity of enterprise between Anaverde and New Anaverde LLC;

WHEREAS, Anaverde disposed of all rights to and interests in the Anaverde Development, including but not limited to, the groundwater underlying the Anaverde Development, on June 14, 2010;

WHEREAS, counsel for the Anaverde Liquidating Trust (the “Trust”) instructed LBBS to

1 immediately stop all work on the Groundwater Adjudication effective June 14, 2010, in
2 anticipation of closing the Bankruptcy sale;

3 WHEREAS, LBBS ceased all work on behalf of Anaverde in the Groundwater
4 Adjudication pursuant to the Trust's instructions;

5 WHEREAS, Anaverde has not participated in the Groundwater Adjudication since June
6 14, 2010;

7 WHEREAS, LBBS declined to represent New Anaverde after June 14, 2010;

8 WHEREAS, on or about September 23, 2010, New Anaverde LLC retained the law firm,
9 Pircher, Nichols & Meeks, as legal counsel in the Groundwater Adjudication;

10 AND WHEREAS, on October 1, 2010, Pircher, Nichols & Meeks filed a Motion to
11 Substitute New Anaverde LLC for Anaverde as a party to the Groundwater Adjudication, and to
12 permit filing and service of the Supplemental Cross-Complaint on behalf of New Anaverde LLC
13 as the Cross-Complainant.

14 Pursuant to the foregoing and for purposes of providing the requisite consent described in
15 Code of Civil Procedure section 284(1),¹ and the notice of a Section 284 change required by
16 Section 285,² LBBS and the Trust hereby stipulate as follows:

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23 ¹ Code of Civil Procedure Section 284(1) provides: "The attorney in an action or special
24 proceeding may be changed at any time before or after judgment of final determination, as
25 follows: [¶] 1. Upon the consent of both client and attorney, filed with the clerk, or entered upon
the minutes . . ."

26 ² Code of Civil Procedure Section 285 provides: "When an attorney is changed, as provided in
27 the last section [284], written notice of the change and of the substitution of a new attorney, or of
28 the appearance of the party in person, must be given to the adverse party. Until then he must
recognize the former attorney."

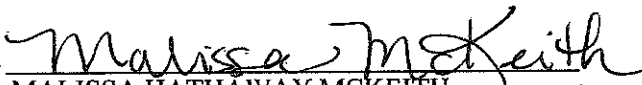
STIPULATION

- 1) Anaverde is not and has not been a party to the Groundwater Adjudication since June 14, 2010;
- 2) LBBS agrees and hereby does withdraw as counsel of record for Anaverde in the Groundwater Adjudication; and
- 3) The Trust consents to LBBS' withdrawal as counsel of record for Anaverde in the Groundwater Adjudication.

DATED: October 6, 2010

LEWIS BRISBOIS BISGAARD & SMITH
MALISSA HATHAWAY MCKEITH
KARA E. GRANOWITZ


By:


MALISSA HATHAWAY MCKEITH
Attorneys for Lewis Brisbois Bisgaard & Smith, LLP

DATED: October 6, 2010

CROSS & SIMON, LLC
KEVIN S. MANN

By:


KEVIN S. MANN
Attorneys for the Anaverde Liquidating Trust

[PROPOSED] ORDER

Upon consideration of the Stipulation by and between Lewis Brisbois Bisgaard & Smith, LLP (“LBBS”), former special litigation counsel to Anaverde, LLC (“Anaverde”), and the Anaverde Liquidating Trust (the “Trust”), the Court hereby issues the following order:

- 1) Anaverde, LLC is not and has not been a party to the subject groundwater adjudication titled, *Antelope Valley Groundwater Cases* (JCCP No. 4408) (the “Groundwater Adjudication”) since June 14, 2010;
- 2) LBBS has completely withdrawn as counsel of record for Anaverde in the Groundwater Adjudication; and
- 3) The Trust consents to LBBS’ withdrawal as counsel of record for Anaverde in the Groundwater Adjudication.

SO ORDERED.

Dated: _____, 2010

Hon. Jack Komar
Judge of the Superior Court