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EXEMPT FROM FILING FEES UNDER GOVERNMENT CODE SECTION 6103

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES – CENTRAL DISTRICT

ANTELOPE VALLEY GROUNDWATER CASES

Included Actions:
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., Superior Court of California, County of Los Angeles, Case No. BC 325201;
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., Superior Court of California, County of Kern, Case No. S-1500-CV-254-348;
Wm. Bolthouse Farms, Inc. v. City of Lancaster, Diamond Farming Co. v. City of Lancaster, Diamond Farming Co. v. Palmdale

Judicial Council Coordination Proceeding No. 4408

CLASS ACTION

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

DECLARATION OF ADAM ARIKI IN SUPPORT OF OPPOSITION TO ANTELOPE VALLEY EAST – KERN WATER AGENCY'S MOTION TO DISQUALIFY BEST BEST & KRIEGER AS LEGAL COUNSEL IN

Water Dist., Superior Court of California, County of Riverside, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668
Rebecca Lee Willis v. Los Angeles County Waterworks District No. 40, et al., Superior Court of California, County of Los Angeles, Case No. BC364533
Richard Wood v. Los Angeles County Waterworks District No. 40, et al., Superior Court of California, County of Los Angeles, Case No. BC391869

ANTELOPE VALLEY GROUNDWATER CASES

Date: December 7, 2016
Time: 10:00 a.m.
Dept.: Room 222

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DECLARATION OF ADAM ARIKI

I, Adam Ariki, declare:

1. I am an Assistant Deputy Director with the County of Los Angeles Department of Public Works and head the division which oversees and operates Los Angeles County Waterworks District No. 40 ("District No. 40") pursuant to an agreement between the County and District No. 40. I have personal knowledge of each fact herein and would testify competently thereto under oath.

District No. 40 Would Be Prejudiced If Best Best & Krieger ("BB&K") Is Disqualified

2. On January 25, 2001, Wm. Bolthouse Farms, Inc. ("Bolthouse") filed a complaint in the Riverside County Superior Court (Case No. RIC 353840) against District No. 40 and others. This lawsuit brought District No. 40 into what would become these coordinated and consolidated complex proceedings known as the Antelope Valley Groundwater Adjudication ("Adjudication").

3. In or about November 2003, District No. 40 first retained Best Best &Krieger LLP to represent District No. 40 in cases in the Antelope Valley groundwater litigation. Since then, Best Best & Krieger LLP has represented District No. 40 for over 10 years in the Adjudication.

4. District No. 40 is one of the largest groundwater producers in the Antelope Valley region and the region's primary urban water supplier. District No. 40 and its outside counsel, Best Best &Krieger LLP, have taken the lead roles in litigating this matter and negotiating the settlement. Moreover, District No. 40 wants Best Best &Krieger to take a lead role in defending the court judgment on appeal.

5. For the past thirteen years, BB&K has represented District No. 40 in mediation, settlement, six phases of trial, countless motions, and now the appeals of the final judgment in the Adjudication. District No. 40 has invested significant time and resources in Best Best &Krieger throughout this 13 year time period. Specifically, District No. 40 has collectively spent thousands of hours working closely with Best Best & Krieger attorneys and educating them as to: (a) District No. 40's operations, various water-related agreements, and water rights; and (b)

historical, current, and potential future use of water in Antelope Valley region, uses of water by other parties, and highly technical aspects of the geology, hydrology and sophisticated computer modeling of the Antelope Valley Groundwater Basin. Consultants retained by Best Best & Krieger LLP and whose professional services costs and expenses were paid for by District No. 40, have also spent hundreds of hours working with Jeffrey Dunn, Eric Garner, Wendy Wang and former Best Best & Krieger LLP attorney Stefanie Morris on complex technical issues concerning the Basin's present and long overdraft conditions. Knowledge gained by Best Best & Krieger LLP attorneys is not only necessary for the litigation, but is also important in management of the Basin and in addressing future legal issues.

6. District No. 40 would be severely prejudiced if BB&K were disqualified and District No. 40 were forced to retain new outside counsel to represent it in the complex Adjudication. Even assuming that the knowledge and expertise of attorneys at BB&K are replaceable, it would be extremely expensive and time consuming to bring a new law firm up to speed in this exceedingly complicated and lengthy matter. Based on my experience in this litigation, I estimate that it would cost at least $2 million to have a new law firm represent District No. 40.

7. A particular concern is the pending appeals to overturn the court judgment in the Adjudication. To properly prepare for the appeal and to continue to represent District No. 40 in ongoing matters, new counsel would minimally have to review most of the written products that Best Best &Krieger LLP prepared in this matter as well as thousands of filings, discovery responses, orders, and deposition, hearing and trial transcripts. Moreover, District No. 40 would have to spend significant time educating its new counsel on matters that Best Best &Krieger LLP learned over the past thirteen years, including the operations of, and water use by, District No. 40 and other parties.

8. I am quite doubtful that the knowledge and expertise of the attorneys at BB&K are replaceable given their unmatched experience and success in groundwater litigation, especially since many communications with Best Best &Krieger LLP attorneys over the years were over the telephone, during meetings of all types including mediation and settlement discussions.

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No Adversity Exists Between AVEK and District No. 40

9. I am unaware and do not believe any conflict of interest exists between Antelope Valley East Kern Agency ("AVEK") and District No. 40 in these consolidated proceedings or any other matter.

10. AVEK and District No. 40 have a long history of working collaboratively in securing water for the Antelope Valley region and in protecting District No. 40's rights to the groundwater supply. In fact, AVEK is contractually obligated to collaborate with District No. 40 in these matters.

11. On July 17, 1970, AVEK and District No. 40's predecessors entered into a water service agreement, under which District No. 40 and their predecessors may purchase imported State Water Project water from AVEK. A true and correct copy of the written agreement is attached hereto as Exhibit "A." This agreement provides: "groundwater supplies are seriously depleted" and that **"[i]n the event there is an adjudication of the basin or any of its sub-units, the [AVEK] will assist [District No. 40 and other AVEK retail customers including Rosamond CSD] *if the latter so desire*, in retaining their rights to the groundwater supply**." (Ex. A at pp. 1 & 7 [emphasis added].)

12. In December 7, 2004, AVEK and District No. 40 entered into a "Memorandum of Understand To Secure and Firm Up Water Supplies in the Antelope Valley." This agreement requires AVEK to "work in concert with the District and with other customers of AVEK to secure and firm up water supplies for the current and future needs of the Antelope Valley region through the development and implementation of an Urban Water Management Plan." A true and correct copy of this written agreement is attached hereto as Exhibit "B."

13. To the extent any real adversity ever existed between AVEK and District No. 40 in these consolidated proceedings, that adversity ended when AVEK and District No. 40 settled their dispute by stipulating to a physical solution that is now part of the judgment in the Adjudication. Paragraph 5 of the stipulation provides that AVEK and District No. 40 "will cooperate in good faith and take any and all necessary and appropriate actions to support the Judgment until such

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time as this Judgment is entered by the Court, and appeals, if any, are final . . . ." True and correct copies of the excerpts from the stipulation are attached hereto as Exhibit "C."

14. Additionally, as part of their settlement, AVEK and District No. 40 entered into an agreement, under which District No. 40 is to lease AVEK's overlying production water rights under the physical solution and judgment. A true and correct copy of the lease is attached hereto as Exhibit "D." This lease agreement and the judgment bind AVEK and District No. 40's interest in these consolidated proceedings.

15. As it has for the past thirteen years in this matter, District No. 40 expects its counsel to take a lead role in defending the judgment on appeal. As the judgment provides District No. 40 and AVEK with water rights, both parties stand to benefit from defending the judgment on appeal. Moreover, I believe it is very much in AVEK's best interests to have BB&K—which has been successfully litigating the Adjudication for thirteen years and has significant knowledge of the legal and factual issues of this case—to continue to defend the judgment and the agreements between District No. 40 and AVEK.

Executed this 22nd day of November, 2016, at Alhambra, California.

Adam Ariki

Adam Ariki

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EXHIBIT A

WATER SERVICE AGREEMENT

BETWEEN

ANTELOPE VALLEY-EAST KERN WATER AGENCY

AND

LOS ANGELES COUNTY WATERWORKS DISTRICTS NOS. 4 AND 34 FOR WATER SERVICE

DATED JUL 17 1970

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WATER SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____ 19__, by and between the Antelope Valley-East Kern Water Agency, established by Chapter 2146 of the 1959 Statutes of the State of California, hereinafter referred to as the "Agency" and Los Angeles County Waterworks Districts Nos. 4 and 34, hereinafter referred to as the "Consumer;"

W I T N E S S E T H:

WHEREAS, water is needed within the Agency to supplement existing water supplies and for new areas requiring water supplies; and

WHEREAS, groundwater supplies within the Agency are seriously depleted; and

WHEREAS, the Agency and the State of California entered into an agreement entitled "Water Supply Contract Between the State of California, Department of Water Resources, and Antelope Valley-East Kern Water Agency," dated September 20, 1962, as amended by Amendment No. 1, dated September 22, 1964; Amendment No. 2, dated August 24, 1965; Amendment No. 3, dated February 16, 1967; and Amendment No. 4, dated May 11, 1967, whereby the State of California will furnish a water supply to the Agency; and

WHEREAS, the Agency desires to make available under terms and conditions which, as far as practicable and consistent with the ultimate use of water made available pursuant to said Contract and Amendments, shall be fair and equitable; and

WHEREAS, the inhabitants and lands of the Consumer are in need of additional water for beneficial uses; and

WHEREAS, the Consumer desires to contract with the Agency for a water supply to be for the use and benefit of the Consumer, and for which Consumer will make payment to the Agency upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED by and between the parties hereto as follows:

Article 1. Definitions

When used in this Agreement, the following terms shall have the meanings hereinafter set forth:

(a) "Agency" as used herein shall mean Antelope Valley-East Kern Water Agency.

(b) "Consumer" as used herein shall mean any public body, including the United States of America and the State of California, and any of their agencies and departments empowered to contract, counties, cities, districts, local agencies or political subdivisions of the State of California; corporations, public utility water companies, mutual water companies or persons; or any other entity or individual able to and which does execute a Water Service Agreement with the Agency for a water supply; but shall not include any party with whom the Agency may contract to deliver water for a term of years and under special provisions which require the joint use of facilities for the particular benefit of said party and the Agency.

(c) "Agreement" as used herein shall mean this agreement for water service between Agency and Consumer.

(d) "Master Contract" shall mean the contract entitled "Water Supply Contract between the State of California Department of Water Resources and the Antelope Valley-East Kern Water Agency," dated September 20, 1962, as amended by Amendment No. 1, dated September 22, 1964, Amendment No. 2, dated August 24, 1965, Amendment No. 3, dated February 16, 1967, and Amendment No. 4, dated May 11, 1967, and any revisions, amendments or supplements thereto hereafter made.

(e) "Agency Law" shall mean the Antelope Valley-East Kern Water Agency Law, Chapter 2146, Statutes of 1959 of the State of California, as

amended and as the same may be hereafter amended, supplemented, re-enacted, or codified.

(f) "Project Water" shall mean water made available to the Agency by the State of California pursuant to the terms of the Master Contract.

(g) "Treatment and Distribution System" means all fixed installations owned and operated by the Agency having the purpose of treatment, conveyance, control, measurement, spreading and delivery of water.

(h) "Rules and Regulations" means the Rules and Regulations for Distribution of Water, Antelope Valley-East Kern Water Agency, as they may be amended and supplemented from time to time by the Board of Directors of the Agency. The Rules and Regulations set forth the conditions under which water will be distributed to the Consumer.

(i) "Year" means the same as the term "Year" means in the Master Contract.

Article 2. Term of Agreement

This Agreement shall become effective on the date first above written and shall remain in effect during the period necessary to repay any bonds designed to finance the Agency's water system.

Article 3. Relationship to Master Contract, and Application of Agency Law

(a) Consumer acknowledges having read the Master Contract and having general familiarity with its terms and that Agency's ability to supply water is governed by said Master Contract and any subsequent modification and supplements thereof.

(b) Consumer also agrees that this Agreement and the rights and obligations of the parties hereunder shall be subject to the Agency Law as it now exists and as it may be hereafter amended or codified by the Legislature of the State of California.

Article 3a. Water Rights

Because it may be necessary that consumer maintain and operate his own wells to provide for his own system peak demands and as an emergency reserve water supply, it is advisable that consumer retain and protect his rights to groundwater.

In the event there is an adjudication of the groundwater basin or any of its sub-units, the Agency will assist the Consumers, if the latter so desire, in retaining their rights in the groundwater supply.

Those Consumers who wish the assistance of the Agency, in the event there is an adjudication of the groundwater basin or any of its sub-units, shall submit evidence of the amount of water pumped from each individual well during at least the preceding five-year period and longer if the information is available. This information may be submitted to the Agency at the time of execution of this Agreement or to the State Water Resources Control Board. The Consumer shall also keep continuous records of the amount of water pumped from each individual well for each year following execution of this Agreement. Each year the Consumer may file this information in writing with the Agency, or with the State Water Resources Control Board.

Agency agrees that in the event of such an adjudication as is mentioned in this Article, the evidence of groundwater use of the basin by the Consumers as may have been filed with the Agency will be presented to the Court or other reviewing officer in aid of the Consumers' retention of their rights in the groundwater supply.

This section is not intended in any way to relieve Consumer of any rights or responsibilities it may have under the Recordation Act of 1955 (Water Code, Sec. 4999, et seq.).

Article 4. Delivery of Water

Agency will deliver water to Consumer through the Agency's treatment and distribution system at water service connections. Water delivered pursuant to this Agreement will be delivered to Consumer in accordance with the conditions and procedures set forth in the Rules and Regulations. Consumer shall make application for water delivery turn-ons and shut-offs in accordance with the procedures set forth in the Rules and Regulations. Consumer agrees to be bound by such Rules and Regulations insofar as the same pertain to the subject matter of this Agreement and by any subsequent amendments or supplements thereof that may be adopted by the Board of Directors of the Agency hereafter from time to time. Agency agrees that amendments or supplements to said Rules and Regulations shall not be made without providing Consumer at least 45 days prior written notice of each such proposed amendment or supplement and of the meeting of the Board at which such amendment or supplement is to be acted upon by said Board.

Despite the foregoing provisions and other terms and conditions contained in other Articles of this Agreement, it is understood and acknowledged that Agency's obligations to deliver water pursuant to this Agreement is conditioned upon its being able to provide a water distribution system with which Consumer can be served and that if Agency is unable to provide such a water system, neither it nor its officers, directors or agents shall have any liability to provide water to Consumer nor be subject to any claims, demands or causes of actions on such account.

Article 5. Water Service Connection(s)

Consumer shall make application to Agency for water service connections through which all or a portion of the water to be delivered pursuant to this Agreement shall be delivered to Consumer. Consumer agrees to pay any and all costs incurred by Agency for the design, construction, inspection, operation and maintenance of water service connection(s) serving Consumer. Application and payment for water service connections shall be in accordance with the procedures set forth in the Rules and Regulations. After the same have been constructed, Agency shall own the water service connections and all appurtenances and facilities a part thereof and related thereto. The water service connection, appurtenances and facilities do not include any portion of consumer's water delivery system designed, constructed, acquired or otherwise owned, operated and maintained by Consumer.

Article 6. Water Delivery Schedules

On or before August 1 of each year, Consumer shall submit in writing to the Agency its requested water deliveries by month from each water service connection for the succeeding five years. All requests shall be submitted in the manner set forth in the Rules and Regulations. All water orders, emergency turnoff, and any other request by Consumer which may alter the requested water delivery schedule shall be reported to Agency so that Agency can revise its delivery schedule with the State pursuant to the Master Contract. Because of the fact that the Agency anticipates being in a position to first deliver water in 1972, a Schedule 1 is attached hereto and hereby made a part hereof by reference whereby Consumer indicates its requested water deliveries by month from each water service connection for the succeeding five-year period, such requests, if this contract is dated before 1972, being shown as zero for each of the months involved prior to 1972. If the contract is entered into after the Agency is in a position to deliver water then the requested water deliveries will reflect Consumer's anticipated water requirements for the entire five-year period. Consumer agrees to take from the Agency when the latter is in a position to deliver water to Consumer, the water requested for the first year of service, and the Agency agrees to deliver such water to the Consumer, subject to the other provisions contained in this Agreement and to the Agency's Rules and Regulations.

Article 7. Measurement

All water furnished pursuant to this Agreement shall be measured by the Agency at each water service connection established pursuant to Article 5 hereof with equipment satisfactory to the Agency. Said equipment shall be installed, owned, operated and maintained by the Agency. All determinations relative to the measuring of water shall be made by the Agency and upon request by the Consumer, the accuracy of such measurement shall be investigated by the Agency in the manner set forth in the Rules and Regulations. Any error appearing therein will be adjusted pursuant to conditions set forth in the Rules and Regulations. The Agency will install, or cause to be installed, backflow prevention devices in connection with such measuring devices to prevent water delivered to the Consumer or other consumers from returning to the Agency's treatment and distribution system.

Article 8. Limitations on Obligation of Agency to Furnish Water.

(a) Notwithstanding any provisions of this Agreement to the contrary, the obligation of the Agency to furnish water hereunder shall be limited to the times and to the extent that water and facilities necessary for furnishing the same are available to the Agency pursuant to the Master Contract with the State of California.

(b) The Agency shall not be liable for the failure to perform any portion of this Agreement to the extent that such failure is caused by the failure of the State of California to perform any obligation imposed on the State of California by the Master Contract; provided, however, that the Agency shall diligently and promptly pursue all rights and remedies available to it to enforce the rights of the Agency, the Consumer and other consumers against the State of California under the Master Contract relative to such failure to perform.

Article 9. Water Shortages

(a) No Liability for Shortages.

Neither the Agency, nor any of its officers, agents or employees, shall be liable for any damage, direct or indirect, arising from any shortages which may occur from time to time in the amount of water to be made available for delivery to the Consumer pursuant to the Master Contract or any other cause beyond the control of the Agency.

(b) Allocation of Water in Times of Shortage.

The Agency reserves the right in the event that at any time the quantity of water available to the Agency pursuant to the Master Contract is less than the aggregate of the requests of all consumers to allocate the quantity of water available to the Agency to the extent permitted by law.

Article 10. Curtailment of Delivery for Maintenance Purposes

The Agency may temporarily discontinue or reduce the amount of water to be furnished to the Consumer for purposes of maintaining, repairing, replacing and investigating or inspecting, any of the facilities necessary for the furnishing of such water to the Consumer. Insofar as it is feasible the Agency will give the Consumer due notice in advance of any such temporary discontinuance or reduction, except in the case of emergency, in which case no notice need be given. In the event of such discontinuance or reduction, the Agency will make available upon resumption of service, as nearly as may be feasible, and to the extent water is available to it, the quantity of water which would have been available to the Consumer in the absence of such discontinuance or reduction.

Article 11. Responsibilities for Delivery and Distribution of Water Beyond Water Service Connection(s)

After such water has passed the Water Service Connection(s) established in accordance with Article 5, neither the Agency nor its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, distribution or changes occurring in the quality of such water supplied to the Consumer or for claim of damages of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, distribution or changes occurring in the quality of such water beyond said Water Service Connection; and the Consumer shall indemnify and hold harmless the Agency and its officers, agents, and employees from any such damages or claims of damages, and including reasonable attorneys' fees incurred as against the unsuccessful party in defending against any claims or actions for damages on such account.

Article 12. Water Quality

The quality of water delivered by the Agency to the Consumer pursuant to this Agreement shall depend upon the quality of the water furnished to the Agency under the Master Contract, except as the same may be modified by the Agency's local treatment of water. The Agency undertakes no responsibility to Consumer to furnish water pursuant to this Agreement of any particular quality except as may result from the above-mentioned source of supply and any treatment provided by the Agency.

Article 13. Payments

Payment of all charges shall be made at the rates, times and in the manner provided for in the "Rules and Regulations for Distribution of Water, Antelope Valley-East Kern Water Agency," as the same may be amended and supplemented from time to time by the Board of Directors of the Agency. On or before July 1st of each year, the Agency shall adopt by resolution of the Board of Directors the water rate in dollars per acre-foot which will be charged for water to be delivered in the next succeeding year. At this time, the Agency shall make available to the Consumers the estimated water rates in dollars per acre-foot to be charged for water to be delivered in the second and third succeeding years.

Article 14. Excess Lands

The provisions of Article 30 of the Master contract to the extent applicable shall be binding upon Consumer, and Consumer agrees to obtain and furnish to the Agency such certifications and information as are required to be furnished by the Agency to the State of California by said Article 30.

Article 18. Default

In the event of default by the Consumer in payment to the Agency of any money required to be paid hereunder and pursuant to the Rules and Regulations, the Agency may in its discretion, and in accordance with the Rules and Regulations, suspend delivery of water to the Consumer during the period that the latter is delinquent in its payments.

Article 16. Interest on Overdue Payments.

Upon each charge to be paid by the Consumer to the Agency pursuant to this Agreement which shall remain unpaid after the same shall have become due and payable, interest shall accrue at the rate of one-half of one percent (1/2%) per month of the amount of such delinquent payment from and after the date when the same becomes due until paid, and the Consumer hereby agrees to pay such interest. In no event shall such interest be compounded.

Article 17. Changes in Organization of Consumer

The Consumer will furnish the Agency with maps showing the territorial limits of the Consumer and the service area or areas of its water distribution system. Throughout the term of this Agreement, the Consumer will promptly notify the Agency of any changes, either by inclusion or exclusion, in said territorial limits and service area or areas. Consumer agrees to conform to the requirement of Article 15(a) of the Master Contract that any water wholly or partly delivered by the Agency to Consumer will not be delivered outside of the territorial boundaries of the Agency without written consent having first been obtained.

Article 18. Remedies Not Exclusive

Remedies provided in this Agreement for enforcement of its terms are intended and shall be construed as cumulative rather than exclusive and shall not be deemed to deprive the party using the same from also using any other remedies provided by this Agreement or by law.

Article 19. Amendments

This Agreement may be amended or supplemented at any time by mutual written agreement of the parties in any manner that may be consistent with the applicable law. In amending or supplementing this Agreement, however, the Agency will bear in mind that substantial uniformity of Agreements between the various Consumers of the Agency is thought to be desirable as to the main contracting concepts and principles that are to be used and therefore will attempt to maintain uniformity between the various Consumers' Agreements in such respects.

Article 20. Opinions and Determinations

Where the terms of this Agreement provide for action to be based upon opinion, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable. In the event legal action is brought to enforce or determine the rights of either party under this agreement, the prevailing party in such action shall be entitled to court costs and reasonable attorney's fees.

Article 21. Waiver of Rights

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other breach, default or matter.

Article 22. Notices

All notices that are required either expressly or by implication to be given by any party to the other under this Agreement shall be signed for the Agency and for the Consumer by such officers and persons as they may, from time to time, authorize in writing to so act. All such notices shall be deemed to have been given and delivered if delivered personally or if enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses as shown on the signature page of this Agreement.

Article 23. Assignment

The provisions of this Agreement shall apply to and bind the successors and assigns of the respective parties, but no assignment or transfer of this Agreement, nor any part hereof nor interest herein by the Consumer shall be valid until and unless approved by the Agency, except an assignment to an affiliate of the Consumer, or to a party or parties, which by merger, consolidation, dissolution, purchase or otherwise, shall succeed to substantially all of the assets and business of the Consumer. Affiliate, as used herein, shall mean a corporation that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the assigning party.

Article 24. Inspection of Books and Records

The proper officers or agents of the Consumer shall have full and free access at all reasonable times to the account books and official records of the Agency insofar as the same pertain to the matters and things provided for in this Agreement, with the right at any time during office hours to make copies thereof at the Consumer's expense, and the proper representatives of the Agency and designated personnel and agents shall have similar rights in respect to the account books and records of the Consumer.

Article 25. Validation

At any time after the execution of this Agreement, either party may if it so desires submit this Agreement to a Court of competent jurisdiction for a determination of its validity, and whichever party elects to follow such a procedure the other party agrees to cooperate therein to any extent that may be necessary or advisable and that shall be requested by the plaintiff. The plaintiff shall bear the costs and attorneys' fees incurred in such a proceeding.

Article 26. Uniformity of Provisions

It is intended by the parties that this Agreement shall be uniform as to form and content as between the Agency and the various Consumers entering into this Agreement with the Agency and for this reason any subsequent amendments and supplements hereof that may be entered into that will substantially affect the interests of Agency's Consumers generally in the Agency's opinion shall as provided in Article 19 hereof be made available to all Consumers entering into this Agreement with the Agency on an equal basis.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

Approved as to Form and Sufficiency

By: _____
Attorney for Agency

ATTEST:

BY: _____
Secretary

Antelope Valley-East Kern Water Agency

ANTELOPE VALLEY-EAST KERN WATER AGENCY
554 West Lancaster Boulevard
Lancaster, California 93534
(805) 942-8439

By: _____
President

DISTRICTS:

LOS ANGELES COUNTY WATERWORKS DISTRICTS NOS. 4 AND 34

(SEAL)

ERNEST E. DEBS
Chairman of the Board of Supervisors of the County of Los Angeles, State of California, as the governing body of said Districts.

JUL 17 1970
Date Executed

Approved as to Form:

John D. Maharg, County Counsel

By: _____
Deputy

(SEAL)

Attest:

James S. Mize, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: FRANCES L. HUSBY
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

50 JUL 14 1970

JAMES S. MIZE
EXECUTIVE OFFICER

EXHIBIT B

MEMORANDUM OF UNDERSTANDING TO SECURE AND FIRM UP WATER SUPPLIES IN THE ANTELOPE VALLEY

This MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into this 7th day of December, 2004 by and between the Los Angeles County Waterworks District No. 40, Antelope Valley ("District") and the Antelope Valley East Kern Water Agency ("AVEK").

RECITALS.

WHEREAS, AVEK obtains its water through a service contract with the State of California Department of Water Resources which enables AVEK to deliver water from the State Water Project to a variety of customers, including retail water providers within the boundaries of AVEK; and

WHEREAS, the District obtains its water supplies from AVEK and also from the local groundwater basin; and

WHEREAS, AVEK's State Water Project allocation from the State in any given year is subject to fluctuations based on weather conditions; and

WHEREAS, the District's supply of water from AVEK is therefore unreliable because it is subject to fluctuations from year to year depending on said allocation of water to AVEK from the State; and

WHEREAS, the District's local groundwater supply is limited; and

WHEREAS, the District needs greater reliability in its water supplies to serve the District's current customers and to plan for future customers; and

WHEREAS, AVEK and the District wish to institute the measures contained in this MOU to help secure and firm up water supplies for the District and the Antelope Valley in general, including to plan and allow for future customers.

TERMS AND CONDITIONS.

NOW, THEREFORE, the parties hereby agree that:

I. AVEK will work in concert with the District and with other customers of AVEK to secure and firm up water supplies for the current and future needs of the Antelope Valley region through the development and implementation of an Urban Water Management Plan ("UWMP") that will include, but not be limited to:

   A. increasing water supplies;

   B. promoting conjunctive use of groundwater and imported water supplies;

C. increasing water treatment plant capacity;

D. promoting and expanding the use of recycled water;

E. implementing water conservation best management practices by all users;

F. increasing water storage capabilities;

G. increasing availability of groundwater supplies by recharging the groundwater basin; and

H. developing a water banking system whereby the District and other AVEK customers will be able to purchase and store imported water during "wet" years and retrieve it during "dry" years.

II. AVEK will continue to supply the imported water needs of the District and AVEK's other customers by:

A. To the extent allowed by law, providing the District and other AVEK customers with their pro-rata share of State Water Project water allocated to AVEK each year, based upon their previous year's use of State Water Project water allocated to AVEK. The foregoing applies in the event that AVEK is not able to obtain sufficient imported water to supply all requests for such water by AVEK customers in any year;

B. Using best efforts to secure additional water supplies as may be needed by the District and other AVEK customers from sources other than AVEK's State Water Project allocation. It is understood that the District and other AVEK customers will reimburse AVEK for AVEK's additional costs of securing the additional water; and

C. Making available to the District and to other AVEK customers AVEK's unused State Water Project allocation and other water obtained by AVEK after the annual requested consumptive needs of AVEK's customers have been satisfied. If customer requests for such water in any year exceed the available supply, the unused water will be apportioned among those customers.

III. AVEK, the District and other AVEK customers will be responsible for developing and implementing rate/fee schedules to satisfy the needs identified in the UWMP.

IV. The understandings set forth in this Memorandum are declarative of AVEK's policy to be applied equitably to all of AVEK's customers.

V. This Memorandum shall have a term of five years, unless earlier extinguished or extended by written instrument executed by both the District and AVEK.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their respective officers, duly authorized by Los Angeles County Waterworks District No. 40, Antelope Valley, on _____, 2004, and by the Antelope Valley-East Kern Water Agency on 12-7, 2004.

AVEK:

ANTELOPE VALLEY-EAST KERN WATER AGENCY

By _____
President

DISTRICT:

LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY

By _____
Chair, Board of Supervisors of the County of Los Angeles, governing body thereof

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer of the
Board Of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By _____

EXHIBIT C

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT

Coordination Proceeding Special Title (Rule 1550 (b)) **ANTELOPE VALLEY GROUNDWATER CASES**	Judicial Council Coordination Proceeding No. 4408 [Assigned to The Honorable Jack Komar, Judge Santa Clara County Superior Court, Dept. 17] Santa Clara Court Case No. 1-05-CV-049053 **AMENDED STIPULATION FOR ENTRY OF JUDGMENT AND PHYSICAL SOLUTION**

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

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

a. The Judgment is a determination of all rights to Produce and store Groundwater in the Basin.

b. The Judgment resolves all disputes in this Action among the Stipulating Parties.

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

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

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

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

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

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

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

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

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

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

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

a. Producing evidentiary testimony and documentation in support thereof;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 40

By: _____ Date: 2/24/15
Gail Farber
Director of Public Works

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

By: _____
Warren R. Wellen
Principal Deputy County Counsel

Approved as to form by: Eric L. Garner

By: _____
~~Eric L. Garner~~ Jeffrey V. Dunn and Eric L. Garner
Best Best & Krieger

ANTELOPE VALLEY-EAST KERN WATER AGENCY

BY: _____
FRANK S. DONATO, Director, Div. 3

BRUNICK, McELHANEY & KENNEDY

Date: 1/13/2015

BY: _____
WILLIAM J. BRUNICK
Attorneys for Cross-Complainant,
ANTELOPE VALLEY-EAST KERN WATER AGENCY

EXHIBIT D

AGREEMENT FOR LEASE OF OVERLYING PRODUCTION WATER RIGHTS

This Agreement is made and entered by and between the Antelope Valley-East Kern Water Agency, a California Water Agency (hereinafter referred to as "AVEK") and Los Angeles County Waterworks District No. 40 (hereinafter referred to as "District No. 40") as of the effective date provided herein. AVEK and District No. 40 individually may be referred to herein as a "Party" and collectively may be referred to herein as the "Parties."

RECITALS

A. California's water law and policy, Article X, Section 2 of the California Constitution requires that all uses of the State's water be both reasonable and beneficial. Specifically, this section of the Constitution states in part, "It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare."

B. AVEK Water Agency Law codified as California Water Code Appendix 98-49 et seq. specifically provides for AVEK to sell and deliver or use water under the control of the agency for the beneficial use or uses and protection of the Agency and its inhabitants.

C. The Urban Water Management Planning Act (California Water Code Section 10610 et. seq.) requires California's urban water suppliers to ensure adequate water supplies are available to meet existing and future water demands. Every urban water supplier that either provides over 3,000 acre-feet of water annually or serves 3,000 or more connections is required to assess the reliability of its water sources over a twenty year planning horizon considering normal, dry and multiple dry years.

D. The Parties recognize that this Agreement for District No. 40 to lease water from AVEK will: (1) increase certainty for District No. 40 thereby enabling better water resource planning in the future; (2) support the ability of District No. 40 to establish community specific policies and goals based on consistent delivery of water; (3) promote improved water management since imported water will enable District No. 40 to implement and directly benefit from specific policies related to sustainability, dual plumbing and conjunctive use; and (4) improve coordination between District No. 40 and AVEK.

E. AVEK and District No. 40 are parties to the action entitled Antelope Valley Groundwater Cases (Santa Clara County Case No. 1-05-CV-049053). The Overlying Production Rights allocated to AVEK in the Judgment in this matter will allow AVEK to produce 3,550 acre feet of water from the Basin on an annual basis or in such amount as is determined from time to time by the Watermaster. As of the effective date, AVEK's Overlying Production Rights as defined in the Judgment are believed to be 3,550 acre feet for the water year. This agreement is subject to and conditioned upon the execution by District No. 40 and AVEK

of the Stipulation for Entry of Judgment and Physical Solution substantially in the form that was circulated to the Parties on December 23, 2014, the entry of Judgment in the above captioned case ("Judgment"), and confirmation thereof by the Appellate Courts if appealed by any Party.

F. This Agreement entered into by AVEK with District No. 40 will allow AVEK and District No. 40 to settle in the Antelope Valley Groundwater Cases and allows AVEK and District No. 40 to execute the Stipulation for Entry of Judgment.

MUTUAL PROMISES

AVEK and District No. 40 wish to enter into a lease that will contribute to the long term groundwater stability and sustainability of the Antelope Valley Groundwater Basin ("Basin").

The lease provisions herein entitles District No. 40 to the use, through this lease only, the water available to AVEK based upon AVEK's Overlying Production Rights. AVEK retains and does not convey to District No. 40 any other rights associated with AVEK's said production right.

AGREEMENT

IN CONSIDERATION of the foregoing recitals, which are incorporated herein as part of this Agreement, and the mutual promises set forth herein, AVEK and District No. 40 agree as follows:

1. **AVEK Water Agency Law, AVEK's Ordinances, Rules and Regulations and Board Policies.** This Agreement is subject to AVEK Water Agency Law (Water Code Appendix 98-49 et seq.), AVEK's Ordinances, Rules and Regulations and Board Policies. As of the effective date described in Paragraph 5, this Agreement is consistent with AVEK Water Agency Law, AVEK's Ordinances, Rules and Regulations and Board Policies.

2. **Leasing of Production Rights.** As described in more particularity herein, AVEK hereby leases to District No. 40 and District No. 40 lease from AVEK up to 3,550 acre-feet annually of AVEK's Overlying Production Rights as defined in the Judgment. This agreement does not impact any existing obligations or agreements between District No. 40 and AVEK relating to water AVEK delivers from the State Water Project.

3. **Annual Allocation of Leased Water.** As described in more particularity herein, the portion of the up to 3,550 acre feet of AVEK's Overlying Production Rights that AVEK shall lease annually to District No. 40 and that District No. 40 leases from AVEK shall be calculated by multiplying (a) 3,550 by (b) the average of the prior two years of District No. 40's purchases of AVEK's water taken as a percentage of the total amount of AVEK's treated water sold in those years to entities listed in Exhibit C that have existing contracts with AVEK for water service as of the effective date ("Existing AVEK Customers"). For example, if in each of the prior two years AVEK has sold 50,000 acre feet of treated water to Existing AVEK Customers, and in each year District No. 40 has purchased 35,000 acre feet of that 50,000 acre feet of treated water from

AVEK, District No. 40's average purchases would be 70% and District No. 40 would be entitled to 70% of the 3,550 acre feet or 2,485 acre feet.

4. **Carryover of Unused Lease Production Rights.** Any Overlying Production Rights that are leased pursuant to Paragraph 2 and are not used in the year in which they are leased shall be carried over and accrue over time. For example, if in each of the prior two years AVEK has sold 50,000 acre feet of AVEK's treated water to Existing AVEK Customers, and in each year District No. 40 has purchased 35,000 acre feet of that 50,000 acre feet of treated water from AVEK, District No. 40's average purchases would be 70% and District No. 40 would be entitled to carry over, accrue and subsequently lease 70% of the 3,550 acre feet or 2,485 acre feet from that accrual year. At the end of each year in which AVEK's Overlying Production Rights are leased pursuant to Paragraph 2 but are not used in that year, AVEK shall: (1) notify the Watermaster the amount of AVEK's Overlying Production Rights leased to District No. 40 that were not pumped; and (2) take all necessary steps to ensure that such unused and accrued carry over water is transferred to District No. 40 for District No. 40's use as Carry Over water as defined in the Judgment and pursuant to Section 15.3 of the Judgment.

5. **Effective Date.** This Agreement shall become effective and binding upon the Parties on the first day of the month following the execution of the Agreement by District No. 40 and AVEK and entry of the Judgment by the Superior Court. If the Judgment should be overturned at any level, this Agreement shall become null and void.

6. **Term.** The term of this Agreement shall commence at the effective date as described in Paragraph 5 and be in effect so long as AVEK is allocated water under contract with the State of California or any of its subdivisions or via statute for purchase and/or delivery of water.

7. **Lease Rate, Payment, and Adjustment.**

7.1 The rental amount payable under this Agreement shall be $50 per acre foot, in addition to the actual direct costs incurred by AVEK, if any, for any portion of the lease water not pumped by District No. 40 that requires the use of AVEK groundwater pumping and distribution system to deliver the leased water to District No. 40

On July 1, 2017, and each July 1st thereafter, the rental amount provided for in Paragraph 7.1 shall be increased by the percentage change in the Consumer Price Index (All Urban Consumer Index set forth for the Los Angeles-Riverside-Orange County area), for the prior calendar year (e.g., 2016 on July 1, 2017.)

7.2 The annual rental amount shall be paid by District No. 40 when water is pumped and upon receipt of an invoice for the full amount from AVEK.

7.3 All payments due AVEK pursuant to this Lease shall be made and sent as follows:

AVEK
6500 West Avenue N
Palmdale, CA 93551

8. **Agreement regarding Basin Watermaster.**

8.1 AVEK agrees to execute and deliver to District No. 40 all documents which, from time to time, may be required by the Watermaster to reflect the lease to District No. 40 of the Overlying Productions Rights which are the subject of this Agreement. All such documents shall be in such form and substance as shall be reasonably satisfactory to AVEK, District No. 40, and Watermaster.

8.2 District No. 40 shall, at its expense, prepare and submit all reports required by the Watermaster in connection with the exercise by District No. 40 of its allocation pursuant to this Agreement.

8.3 This Agreement entitles District No. 40 to lease the water associated with AVEK's Overlying Production Right. AVEK retains and does not convey to District No. 40 any other rights associated with its Overlying Production Right.

8.4 District No. 40 shall pay any and all Watermaster assessments and County of Los Angeles charges which may be levied against the portion of AVEK's aforesaid Overlying Productions Rights that District No. 40 leased, as additional rent.

General Provisions

9. Definition. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to such terms in the Judgment.

10. Termination. This agreement shall terminate only upon mutual written consent of both Parties.

11. Amendments. This Agreement may be modified or amended only upon mutual written consent of both Parties.

12. No Assignments. This Agreement and the rights, duties and benefits contained in it, may not be assigned.

13. Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the Parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

14. Governing Law. This Agreement shall be governed by the laws of the State of California.

15. Successors. This Agreement shall inure to the benefit of and be binding on the parties to this Agreement and their respective successors.

16. Covenants, Conditions or Remedies. The waiver by one Party of the performance of any covenant, condition or promise, or of the time for performing any act, under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required, under this Agreement. The remedies set forth in this Agreement are cumulative and not exclusive to any other legal or equitable remedy available to a party. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other consistent remedies unless they are expressly excluded.

17. Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement whether or not actually attached. The following exhibits are attached to this Agreement:

- **Exhibit "A"** - AVEK Boundaries
- **Exhibit "B"** - District No. 40 Service area
- **Exhibit "C"**

18. Counterparts. This agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

19. Legal Advice. Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions. The provisions of this Agreement shall be construed as to the fair meaning and not for or against any party based upon preparation of the document, or any attribution of such party as the sole source of the language in question.

20. All notices and demands (collectively "Notices") of any kind shall be made in writing and personally served or sent by registered or certified mail, postage prepaid to the following:

AVEK
6500 West Avenue N
Palmdale, CA 93551

Los Angeles County Waterworks District No. 40
900 South Fremont Avenue
Alhambra, CA 91803

Any Notice personally served shall be effective upon service. Any Notice sent by mail, and properly addressed, shall be effective upon date or receipt, or refusal as indicated on the return

receipt. Either party may change its address for Notices by Notice to the other given in a manner provided in this Paragraph.

21. Each Party shall, upon request of the other party, take such further actions and execute and deliver such further instruments as shall be reasonably required to carry out the purpose and intent of this Agreement.

22. This Agreement is executed in the State of California and shall be governed by and construed in accordance with California law. Venue for any action arising out of or related to this Agreement shall be placed in any court of the State of California with appropriate jurisdiction and located in the County of Los Angeles, with service of process to be in accordance with the then provisions of the California Code of Civil Procedure.

23. The paragraph headings contained in this Agreement are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.

Antelope Valley East Kern Water Agency

By: _____
Frank Donato
Director

Date: 2-10-15

APPROVED AS TO FORM

By: _____
William J. Brunick
Agency Special Counsel

Date: 2-10-15

Los Angeles County
Waterworks District No. 40

By: _____
Gail Farber
Director of Public Works

Date: 2/24/15

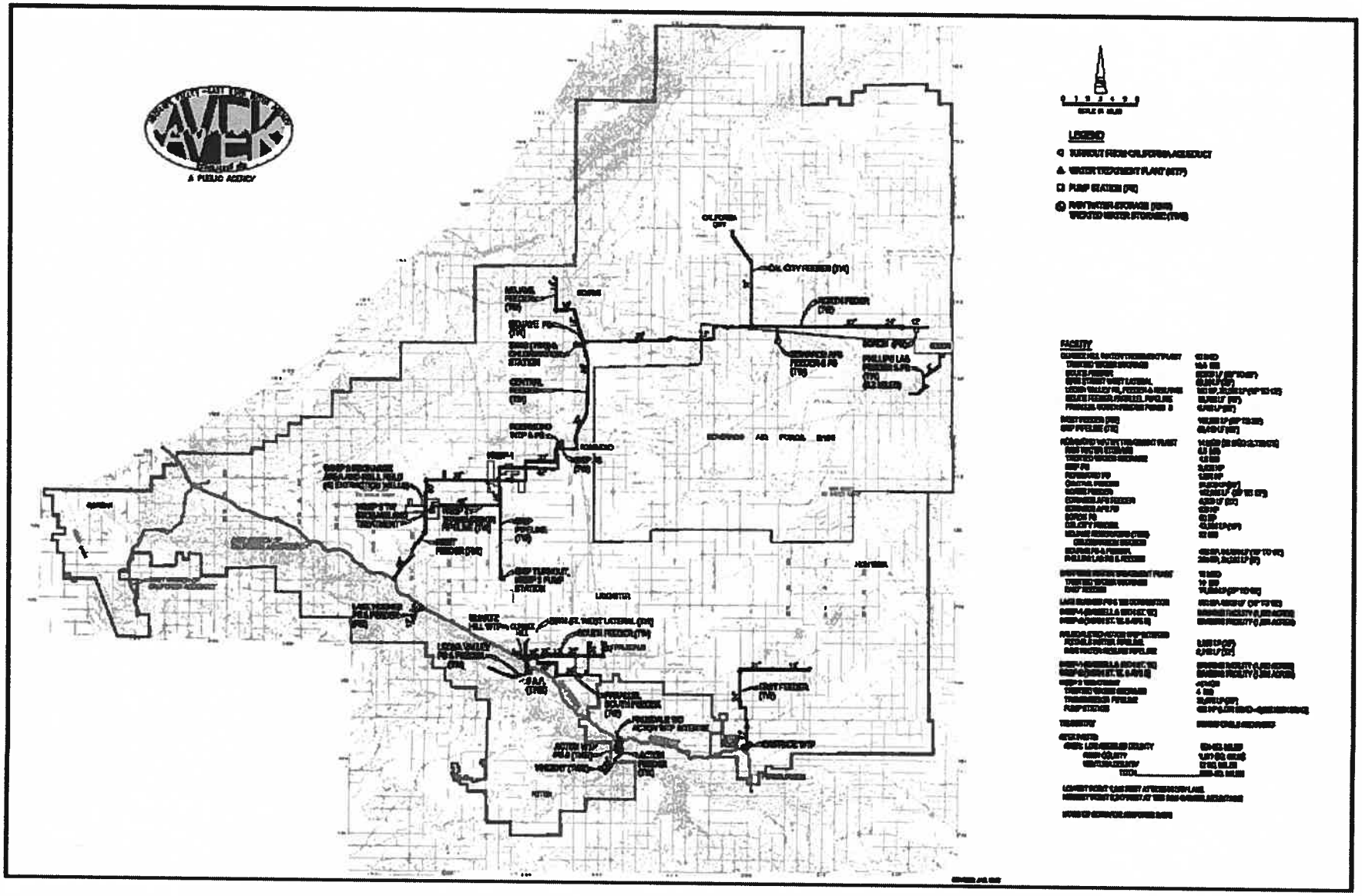
APPROVED AS TO FORM by Mark J. Saladino, County Counsel

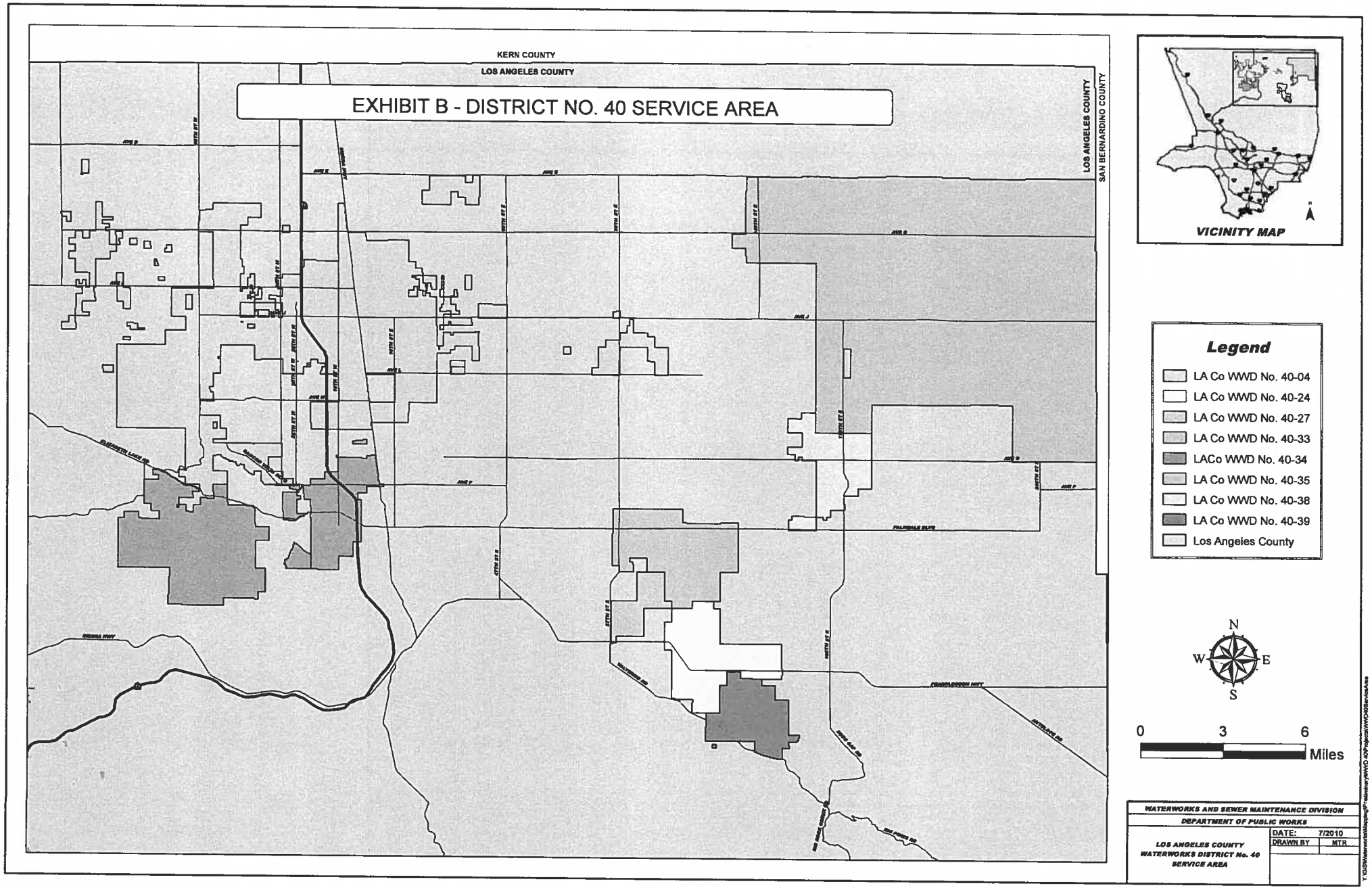
By: _____
Warren R. Wellen
Principal Deputy County Counsel

Date: 2/24/15

EXHIBIT A

AVEK Boundary Map




KERN COUNTY
LOS ANGELES COUNTY
EXHIBIT B - DISTRICT NO. 40 SERVICE AREA
LOS ANGELES COUNTY
SAN BERNARDINO COUNTY
VICINITY MAP
Legend
LA Co WWD No. 40-04
LA Co WWD No. 40-24
LA Co WWD No. 40-27
LA Co WWD No. 40-33
LACo WWD No. 40-34
LA Co WWD No. 40-35
LA Co WWD No. 40-38
LA Co WWD No. 40-39
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WATERWORKS AND SEWER MAINTENANCE DIVISION
DEPARTMENT OF PUBLIC WORKS
LOS ANGELES COUNTY
WATERWORKS DISTRICT No. 40
SERVICE AREA
DATE: 7/2010
DRAWN BY MTR

Exhibit C

AVEK Treated Water Customers

Alan Nishino
Allen Copeland
Antelope Valley Country Club
Association of Irrigation Water Users
Boron CSD
California Water Service
City of California City
Daniel Castronova
Darik Bolin
Desert Lake CSD
Desert Sage Apartments
Earl Jaques
Edgemont Acres MWC
Edwards AFB
Frances Lane
Frank Cosola
Frank Lane
George Lane
Gary Shafer
Karelskint-Cum , Inc.
Keith Miller
Kirkpatrick
LA County Waterworks Districts
Landale MWC
Les Kuete
Mojave PUD
Palm Ranch Irrigation District
Pat Kellerman
Quartz Hill Water District
Rancho Colima
Rio Tinto/US Borax
Rosamond CSD
Shadow Acres MWC
Sunnyside Farms MWC
Terry Milford
White Fence Farms #3 MWC
White Fence Farms MWC

LAW OFFICES OF
BEST BEST & KRIEGER LLP
18101 VON KARMAN AVENUE, SUITE 1000
IRVINE, CALIFORNIA 92612

PROOF OF SERVICE

I, Kerry V. Keefe, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Best Best & Krieger LLP, 18101 Von Karman Avenue, Suite 1000, Irvine, California, 92612. On November 22, 2016, I served the within document(s):

DECLARATION OF ADAM ARIKI IN SUPPORT OF OPPOSITION TO ANTELOPE VALLEY EAST – KERN WATER AGENCY'S MOTION TO DISQUALIFY BEST BEST & KRIEGER AS LEGAL COUNSEL IN ANTELOPE VALLEY GROUNDWATER CASES

☒ by posting the document(s) listed above to the Santa Clara County Superior Court website in regard to the Antelope Valley Groundwater matter.

☐ by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Irvine, California addressed as set forth below.

☐ by causing personal delivery by ASAP Corporate Services of the document(s) listed above to the person(s) at the address(es) set forth below.

☐ by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.

☐ I caused such envelope to be delivered via overnight delivery addressed as indicated on the attached service list. Such envelope was deposited for delivery by Federal Express following the firm's ordinary business practices.

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 U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on November 22, 2016, at Irvine, California.

Kerry V. Keefe