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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

<b>ANTELOPE VALLEY</b>	)	Judicial Council Coordination Proceeding No.
<b>GROUNDWATER CASES</b>	)	4408
Included Actions:	)	
	)	Santa Clara Case No. 1-05-CV-049053
Los Angeles County Waterworks District No. 40	)	Assigned to The Honorable Jack Komar
v. Diamond Farming Co.	)	
Superior Court of California	)	<b>TEJON RANCHCORP'S CASE</b>
County of Los Angeles, Case No. BC 325 201	)	<b>MANAGEMENT STATEMENT</b>
	)	
Los Angeles County Waterworks District No. 40	)	Date: July 20, 2007
v. Diamond Farming Co.	)	Time: 9:30 a.m.
Superior Court of California, County of Kern,	)	Department: 1
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 Water Dist.	)	
Superior Court of California, County of Riverside,	)	
consolidated actions, Case Nos.	)	
RIC 353 840, RIC 344 436, RIC 344 668	)	

Tejon Ranchcorp makes the following case management proposals:

**I. PHASE 2 TRIAL RE PRESCRIPTION – EARLY 2008.**

At the May 21, 2007 Case Management Conference, Tejon Ranchcorp proposed that the Phase 2 trial should commence by the end of this year to adjudicate the key issues in this case – the purveyors' claims that they have established prescriptive rights against the landowners. This litigation is several years old and has become mired in issues regarding joinder of parties and class certification. Meanwhile, the progress of the litigation and the parallel mediation efforts require that the case move

1 forward toward a resolution. Scheduling the Phase 2 trial in early 2008 should give the parties sufficient  
2 time to conduct discovery and prepare for trial.

3 To clarify this proposal, we would exclude from the prescription trial only the  
4 landowners' affirmative defense of "Self Help" for three reasons:

5 (1) It would be a waste of time to present evidence regarding self help unless and until purveyors  
6 have established prescriptive rights for specified years against one or more landowners.

7 (2) Given the enormous number of landowners in this litigation, proof of self help could be  
8 exceedingly time consuming. Excluding self help, we estimate a trial of approximately 15-20 days,  
9 consisting largely of expert testimony. Including self help could add months of percipient witness  
10 testimony to this trial.

11 (3) If the Court made findings of prescriptive rights, the parties may negotiate stipulations regarding  
12 self help.

## 13 II. DEADLINES FOR SERVICE, CLASS NOTICE, ETC.

14 We request that the Court schedule deadlines to complete the steps necessary to bring all  
15 necessary parties before the Court within the next few months, including orders re: personal service  
16 upon all landowners owning over 100 acres; if a landowner class is certified, procedures and a deadline  
17 for notice to all class members; and a deadline for appearances of all parties.

## 18 III. ORDER RE JURISDICTION OVER TRANSFEREES.

19 Prior to the May 21, 2007 Case Management Conference, the Court asked us to brief the  
20 question of how best to obtain jurisdiction over transferees of Antelope Valley land so that the Court's  
21 judgment will be binding on them. In our brief dated May 11, 2007, we discussed these issues,  
22 including the inadvisability of relying on a lis pendens; and we recommended that the Court order the  
23 following:

- 24 "1. That landowners parties (individuals and class members) do the  
25 following:  
26 (a) post notice of transfer on the Court website within 10 days  
27 after any transfer of their property, stating the name, address, and other  
28 contact information of the transferee; and  
(b) notify their transferees of this litigation and provide them a  
copy of the public water suppliers' Cross-Complaint; and  
2. That the public water suppliers promptly serve their Cross-  
Complaint on transferees, substituting the transferees as cross-defendants  
per CCP § 368.5."

1           At the May 21, 2007 Case Management Conference, the Court noted that no party had  
2 objected to or opposed these recommendations, but the Court deferred making any rulings on this  
3 subject. We propose that the Court issue the above order, subject to any further discussion and  
4 proposals the Court deems appropriate.

5  
6 Dated: July 17, 2007

NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP  
FREDRIC A. FUDACZ  
HENRY S. WEINSTOCK

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8  
9 By: 

HENRY S. WEINSTOCK

Attorneys for Tejon Ranchcorp

1 **PROOF OF SERVICE**

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3 The undersigned declares:

4 I am employed in the County of , State of California. I am over the age of 18 and am not a party  
5 to the within action; my business address is c/o Nossaman, Guthner, Knox & Elliott, LLP, 445 S.  
6 Figueroa Street, 31st Floor Los Angeles, California 90071-1602.

7 On **July 17, 2007**, I served the foregoing **TEJON RANCHCORP'S CASE MANAGEMENT**  
8 **STATEMENT** on all interested parties:

9 (X) (By U.S. Mail) On the same date, at my said place of business, said correspondence was sealed  
10 and placed for collection and mailing following the usual business practice of my said employer.  
11 I am readily familiar with my said employer's business practice for collection and processing of  
12 correspondence for mailing with the United States Postal Service, and, pursuant to that practice,  
13 the correspondence would be deposited with the United States Postal Service, with postage  
14 thereon fully prepaid, on the same date at Los Angeles, California, addressed to:

15  
16 Honorable Jack Komar  
17 Judge of the Superior Court of California  
18 County of Santa Clara  
19 191 North First Street, Department 17C  
20 San Jose, CA 95113

21 (X) (By E-Filing) I posted the document(s) listed above to the Santa Clara County Superior Court  
22 website in regard to the Antelope Valley Groundwater matter in compliance with the Court's  
23 electronic posting instructions and the Court's Clarification Order dated October 27, 2005.

24 ( ) (By Federal Express) I served a true and correct copy by Federal Express or other overnight  
25 delivery service, for delivery on the next business day. Each copy was enclosed in an envelope  
26 or package designated by the express service carrier; deposited in a facility regularly maintained  
27 by the express service carrier or delivered to a courier or driver authorized to receive documents  
28 on its behalf; with delivery fees paid or provided for; addressed as shown on the accompanying  
service list.

Executed on **July 17, 2007** at Los Angeles, California.

(X) (STATE) I declare under penalty of perjury under the laws of the State of California that the  
foregoing is true and correct.

( ) (FEDERAL) I declare under penalty of perjury under the laws of the United States of America  
that the foregoing is true and correct.

\_\_\_\_\_  
Mitchi Shibata