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December 21, 2007

2455-2

Via E-Filing

To All Counsel

Re: Antelope Valley Groundwater Litigation
Santa Clara County Superior Court Case No. 1-05-CV-049053
Judicial Council Coordination Proceeding No. 4408

Dear Counsel:

This correspondence is to follow up on our meeting following the Case Management Conference on December 18, 2007.

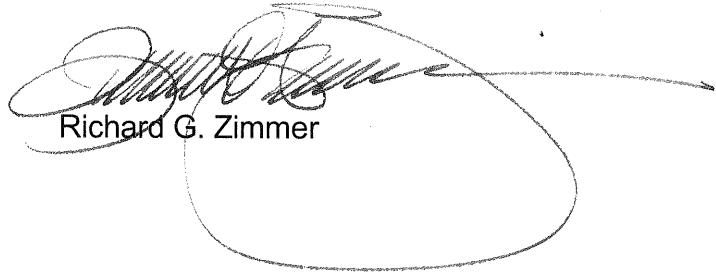
The parties agreed to have the mediator, Bill Dendy, attend the settlement meeting with both purveyor and landowner attorneys present. The parties additionally agreed to allow Mr. Dendy access to Technical Committee data and/or reports. All parties agreed that all communications with Mr. Dendy are confidential and cannot be disclosed to the Court or any other third party. Pursuant to our discussion and the Confidentiality Agreement, all reports, writings, opinions and conclusions of the Technical Committee continue to remain confidential without unanimous agreement to the contrary. Additionally, all parties agreed that any information obtained by Mr. Dendy, or reports and/or writings obtained by Mr. Dendy or other materials and/or input obtained by Mr. Dendy from the Technical Committee, remain confidential settlement communications and work produce, and cannot be disclosed by Mr. Dendy or by any other attorney or party to the Court or to any third party.

The Confidentiality Agreement continues to remain in place. We have clarified the Agreement to include all work being done by Mr. Dendy. All attorneys present agreed to proceed in this fashion. If there is any party or attorney that has a differing opinion, such opinion should be voiced immediately to avoid any confusion or disagreement at a later time.

To All Counsel
Re: *Antelope Valley Groundwater Litigation*
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I appreciate your courtesy and attention to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Richard G. Zimmer', is written over a large, faint, oval-shaped watermark or background graphic. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Richard G. Zimmer

RGZ/nm

BL/ANTELOPE VALLEY/SANTA MARIA/ALL COUNSEL-05