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7 Defendants if Case No. MC021281 only.

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

10  
11 Coordination Proceeding Special Title  
12 (Rule 1550 (b))

13 ANTELOPE VALLEY GROUNDWATER  
14 CASES

15 Included Consolidated Actions:

16 Los Angeles County Waterworks District No.  
17 40 v. Diamond Farming Co., Superior Court of  
California, County of Los Angeles, Case No.  
BC 325201

18 Los Angeles County Waterworks District No.  
19 40 v. Diamond Farming Co., Superior Court of  
California, County of Kern, Case No. S-1500-  
CV-254348

20 Wm. Bolthouse Farms, Inc. v. City of  
21 Lancaster  
22 Diamond Farming Co. v. City of Lancaster  
Diamond Farming Co. v. Palmdale Water Dist.  
Superior Court of California, County of River-  
23 side, consolidated actions, Case Nos. RIC  
353840, RIC 344436, RIC 344668

24 Willis v. Los Angeles County Waterworks  
25 District No. 40, Superior Court of California,  
County of Los Angeles, Case No. BC 364553

26 Wood v. Los Angeles County Waterworks  
27 District No. 40, Superior Court of California,  
County of Los Angeles, Case No. BC 391869  
28

Judicial Council Coordination Case No. 4408

Los Angeles County Superior Court, Lead  
Case No. BC 325201

(For E-Posting/E-service Purposes Only, Santa  
Clara County Case No. 1-05-CV-049053)

Assigned to the Honorable Jack Komar

**NOTICE OF RELATED CASE GIVEN BY  
TEJON RANCHCORP**

Tejon Ranchcorp gives notice under California Rules of Court rule 3.300 of the following case (hereinafter, the “Burrows Case”) which is related to the cases referenced above (hereinafter, the “Groundwater Cases”).<sup>1</sup>

#### **A. Burrows Case Particulars**

Title: Bruce Burrows, et al. v. Tejon Ranchcorp, et al.

Case No.: MC 021281

Court: Superior Court of California, County of Los Angeles, North District

Dept.: A-11

Judicial Officer: Hon. Randolph A. Rogers

Case Type: Unlimited Civil

Filing Date: February 11, 2010

Status: After law and motion practice, plaintiffs have filed on August 27, 2010 the “Second Amended Complaint” (for the convenience of both Courts, Exhibit “A” hereto). Concurrently with the filing of this notice, defendants have filed their “Answer to Second Amended Complaint” (for the convenience of both courts, Exhibit “B” hereto).

Plaintiffs: Bruce Burrows and 300 A 40 H, LLC (hereinafter “Burrows Plaintiffs”). 300 A 40 H, LLC, and allegedly Burrows, own overlying land in the western part of Antelope Valley which is within the jurisdictional boundaries determined by this Court. The Burrows Plaintiffs are represented by the firms of (a) Harrison Law and Mediation; and (b) Brownstein, Hyatt, Farber, Schreck, LLP. As set forth more fully hereinafter, both plaintiffs have been named as Doe or Roe defendants/cross-defendants in one or more cross-complaints filed by the Purveyor Parties in the Adjudication.

Defendants: The named defendants are Tejon Ranchcorp, its parent company (Tejon Ranch Company), and Centennial Founders, LLC (“Centennial”). Tejon Ranchcorp is a member and manager of Centennial. Tejon Ranchcorp owns land overlying the western

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<sup>1</sup> Defendants urged the plaintiffs to file the required notice, and plaintiffs declined to do so.

1 portion of the Antelope Valley Groundwater Basin (hereinafter the “Basin”), as well as  
2 other land outside the Basin; produces water from the Basin for beneficial use on its land;  
3 and also imports and stores imported water within the Basin. Neither Tejon Ranch  
4 Company nor Centennial owns any land within the Basin. However, Centennial is  
5 pursuing land entitlements from the County of Los Angeles to enable Centennial to  
6 develop a portion of Tejon Ranchcorp’s land, including land within the Basin. The  
7 defendants in the Burrows Case are represented by LeBeau - Thelen, LLP.

#### 8 **B. Burrows Case Issues**

9 The initial complaint in the Burrows Case was bottomed on a claim that Tejon Ranchcorp and  
10 the other defendants had misrepresented the Burrows Plaintiffs’ water rights to the County of Los  
11 Angeles in the course of pursuing land entitlements. The complaint also concerned the nature of the  
12 water rights which the Burrows Plaintiffs retained and received in an exchange of land with Tejon  
13 Ranchcorp, which land lies within the basin. On August 27, 2010, the Burrows Plaintiffs filed a Second  
14 Amended Complaint which expands the scope of the action.

15 In their Fourth Cause of Action, the Burrows Plaintiffs seek a judicial declaration that their  
16 overlying rights are senior to rights on which the Tejon defendants allegedly rely to support the public  
17 water supply needs of future residents and businesses in Centennial’s project. In their Fifth Cause of  
18 Action, the Burrows Plaintiffs seek a judicial declaration of the parties’ respective rights concerning the  
19 use of storage space within the groundwater basin. In particular, the Burrows Plaintiffs contended that  
20 their right to use storage space within the Basin to support their reasonable and beneficial use of water  
21 on overlying properties is paramount to each Tejon defendant’s right to use storage space within the  
22 basin for storage of banked imported water and return flows of imported water. The Burrows Plaintiffs  
23 also dispute the quantity of banked imported water that the Tejon defendants could recapture and reuse.

24 The Second Amended Complaint added the following allegation (in paragraph 41):

25 “Plaintiffs further allege that the actions of [Tejon] Ranchcorp and Does  
26 in operating the Tejon Water Bank and attempting to rely on rights to  
27 store and recapture Banked Imported Water and Banked Return Flows  
28 has created a situation detrimental to Burrows and/or [300 A 40 H, LLC].  
In particular, the local groundwater Basin has limited space within which  
it can hold naturally recharged, native groundwater supplies. If not  
managed properly use of the local groundwater Basin to store Banked

1 Imported Water and Banked Return Flows may displace or interfere with  
2 the availability of the Basin's capacity to hold naturally recharged, native  
3 groundwater supplies. Interference with the native groundwater supplies  
4 in this manner could severely impact the availability and reliability of  
5 Basin water supplies for: a) Plaintiffs' current uses of Basin groundwater  
for its overlying uses; b) Plaintiffs' expanded uses of Basin groundwater  
for its overlying uses; and c) Plaintiffs' reliance on Basin groundwater to  
support development proposed for the NAP Parcels and the 160 Acre  
Parcel."<sup>2</sup>

6 The Second Amended Complaint, which was filed on August 27, 2010, is the operative pleading  
7 in the Burrows Case.<sup>3</sup>

8 **C. Relationship of the Burrows Case to the Groundwater Cases.**

9 **1. The Burrows Case Involves the Same Parties and is Based on the Same or Similar Claims.**

10 **a. The Burrows Plaintiffs and Tejon Ranchcorp are Parties to the Groundwater**  
11 **Cases.**

12 Burrows is a named cross-defendant in cross-complaints filed by water purveyors in the  
13 Groundwater Cases. (*First Amended Cross-Complaint of Public Water Suppliers for Declaratory and*  
14 *Injunctive Relief and Adjudication of Water Rights*, dated January 20, 2007 (hereinafter, the "Primary  
15 Cross-Complaint"), at ¶ 11, p. 5:10; *Cross-Complaint of Palmdale Water District and Quartz Hill Water*  
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17  
18 <sup>2</sup> The Burrows Plaintiffs defined "Basin" in paragraph 11 of their First Amended  
19 Complaint to mean "a common groundwater basin ("Basin") from which Plaintiffs and  
Defendants do currently rely . . . ."

20 <sup>3</sup> The First Cause of Action of the Second Amended Complaint asserts a claim against  
21 Tejon Ranchcorp for breach of the written contract which provided for the exchange, based  
22 on the allegations of paragraph 41 and allegations in paragraph 40 that Tejon Ranchcorp  
"claim[ed] that [Burrows Plaintiffs] hold no groundwater rights in the Basin, and/or . . . that  
23 Defendants have title to water rights which were transferred to [300 A 40 H, LLC] . . . ."  
24 The Second Cause of Action alleges that Tejon Ranchcorp committed an anticipatory  
repudiation of the contract "by, *inter alia*, stating that it did not, in fact transfer to [300 A  
25 40 H, LLC] the right to use, and otherwise exercise dominion and control over those  
quantities of groundwater that have historically been put, and are continuing to be put, to  
26 beneficial use on the 160 Acre Parcel, and that [300 A 40 H, LLC] does not have the water  
rights transferred or reserved in the 2006 Agreement and the 2007 Grand Deeds." The  
27 Third Cause of Action seeks a judicial declaration that 300 A 40 H, LLC "holds all rights as  
expressly provided in the 2007 Grant Deeds" exchanged pursuant to the contract. Finally,  
28 the Sixth Cause of Action, which purports to be fore "Estoppel," makes claims concerning  
the formation of the contract.

1 *District for Declaratory and Injunctive Relief*, dated November 28, 2005.)<sup>4</sup> Burrows was substituted  
2 for Doe 18 by amendment to one or both of the complaints filed by Los Angeles County Waterworks  
3 District No. 40. (*Amendment to Complaint* (Oct. 26, 2005), p. 3) 300 A 40 H, LLC, was substituted for  
4 Roe 231 by amendment to the Primary Cross-Complaint. (*Amendment to First Amended Cross-*  
5 *Complaint* (dated and filed July 13, 2007), p. 3.) Neither of the Burrows Plaintiffs has entered an  
6 appearance in the Groundwater Cases. This Court ordered that Burrows be served by publication.  
7 (*Order for Publication* (dated and filed Nov. 25, 2008), p. 1 of Exhibit A, col. 1 [Primary Cross-  
8 Complaint].)<sup>5</sup> To date, no default has been taken. Both are indispensable parties.

9 Tejon Ranchcorp is an active defendant, cross-complainant, and cross-defendant in the  
10 Groundwater Cases.

11 **b. The Same or Similar Claims are Being Made in Both Cases.**

12 The plaintiffs' claims in the Burrows Case include claims concerning the relative priority of (i)  
13 overlying rights, (ii) rights to recapture return flows of imported water, (iii) rights to recapture imported  
14 water added to the Basin through water banking, and (iv) rights to use storage space within the western  
15 portion of the Basin.

16 In its order for transfer and consolidation of all coordinated cases this Court observed:

17 The Complaints and Cross-Complaints all include, in one form or other,  
18 declaratory relief causes of action seeking determination of the right to  
19 draw groundwater from the Antelope Valley basin. These claims are  
20 central to every action pending before the Court.

21 (*Order Transferring and Consolidating Actions for All Purposes* (Feb. 19, 2010), p. 2:16-18.)

22 The Court previously determined that the boundaries of the Basin are the jurisdictional boundaries of  
23 the Groundwater Cases, and that the western sub-basin, which contains lands owned by one or more of

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24  
25 <sup>4</sup> Unless otherwise indicated, all pleadings and other papers cited in this Notice that  
26 pertain to the Groundwater Cases were e-filed pursuant to the Court's order for electronic  
filing and service.

27 <sup>5</sup> The records maintained on-line by the California Secretary of State show that Burrows is  
28 300 A 40 H, LLC's agent for service of process, and may be found at 915 Wilshire Blvd.,  
Suite 1760, Los Angeles, CA 90017.



1 the Burrows Plaintiffs and Tejon Ranchcorp, is hydrologically connected with the eastern sub-basin.<sup>6</sup>  
2 The United States is a party to the Groundwater Cases; the Court has acknowledged that the United  
3 States' waiver of sovereign immunity under the McCarran Amendment (43 U.S.C. § 666) applies if and  
4 only if there is a *comprehensive* adjudication of all rights in a river or other water source.<sup>7</sup>

5 The Primary Cross-Complaint seeks a judicial determination of rights to all water within the  
6 jurisdictional boundaries, a comprehensive adjudication of those rights, and ongoing administration of  
7 them by means of a physical solution. Among other things, the Primary Cross-Complaint places in issue  
8 the right to use available storage space and the right to recapture return flows of imported water. It seeks  
9 a judicial determination of the safe yield, quantity of surplus water available, correlative overlying rights  
10 to the safe yield, and the rights between or among themselves of persons with overlying, appropriative,  
11 and prescriptive rights to pump water from the Basin. (Primary Cross-Complaint, ¶¶ 1, 15, 52, 57, 67,  
12 69, 73 & 75.) The complaints filed by Los Angeles County Waterworks District No. 40 seek the same  
13 determination.<sup>8</sup> The cross-complaint by the Palmdale and Quartz Hill water districts seeks a judicial  
14 declaration as to the nature, extent and priority of the rights of each party, including Burrows and Tejon  
15 Ranchcorp, to produce groundwater from and store groundwater in the Basin, as well as a physical  
16 solution. (*Cross-Complaint of Palmdale Water District and Quartz Hill Water District for Declaratory*  
17 *and Injunctive Relief* (Nov. 28, 2005), ¶¶ 10, 11 & 15 and pp. 2:1 and 3:22.)

18 Thus, claims being asserted in the Burrows Case are closely similar, if not identical, to claims  
19 being made in the Groundwater Cases.

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23 <sup>6</sup> *Order After Phase II Trial on Hydrologic Nature of Antelope Valley* (Nov. 6, 2008);  
24 *Revised Order After Hearing on Jurisdictional Boundaries* (March 12, 2007). Tejon  
25 Ranchcorp respectfully disagrees with the ruling as to the hydrological connection between  
the sub-basins.

26 <sup>7</sup> See *ibid.*

27 <sup>8</sup> *Complaint for Declaratory and Injunctive Relief and Adjudication of Water Rights* (Nov.  
28 24, 2004), ¶¶ 1, 28, 39, 44, 54, 56, 60 & 62. The District's other complaint, which was  
filed in Kern County, is substantively the same.

1   **2.     The Cases Involve Claims Against and Title to the Same Property.**

2         Both cases involve claims of rights to extract groundwater and use storage space within the  
3 Basin.

4   **3.     The Cases are Likely to Require Substantial Duplication of Judicial Resources if Heard by**  
5         **Different Judges.**

6         The issues tendered in the Fourth and Fifth Causes of Action in the Burrows Case are a subset  
7 of the issues being litigated in the Groundwater Cases. Rather than appearing and asserting these issues  
8 in the Groundwater Cases, the Burrows Plaintiffs are litigating them on the side. If allowed, this would  
9 require that two courts resolve and determine the same issues, resulting in duplication of resources and  
10 potentially inconsistent outcomes and possible judgments incompatible with a Basin-wide,  
11 comprehensive adjudication of groundwater and storage rights, necessitating the expenditure of  
12 additional private and judicial resources to eliminate the inconsistency.

13                     **D. Conclusion.**

14         Given that the Coordinated and now Consolidated Antelope Valley Groundwater Cases are the  
15 “earliest filed case” (Cal. Rules of Court, Rule 3.300(h)(1)(A).), the Honorable Jack Komar “. . . must  
16 determine whether the cases must be ordered related and assigned to his . . . department.” (Cal. Rules  
17 of Court, Rule 3.300(h)(1)(A).)

18  
19 Dated: September 28, 2010

LeBEAU • THELEN, LLP

20  
21 By: 

22         BOB H. JOYCE  
23         Attorneys for TEJON RANCHCORP., et al.,  
24         Defendants if Case No. MC021281 only  
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**PROOF OF SERVICE**

ANTELOPE VALLEY GROUNDWATER CASES  
JUDICIAL COUNCIL PROCEEDING NO. 4408  
CASE NO.: 1-05-CV-049053

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I am a citizen of the United States and a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within action; my business address is: 5001 E. Commercenter Drive, Suite 300, Bakersfield, California 93309. On September 28, 2010, I served the within **NOTICE OF RELATED CASE GIVEN BY TEJON RANCHCORP<sup>1</sup>**

■ **(BY POSTING)** I am "readily familiar" with the Court's Clarification Order. Electronic service and electronic posting completed through www.scefiling.org ; All papers filed in Los Angeles County Superior Court and copy sent to trial judge and Chair of Judicial Council.

Los Angeles County Superior Court  
111 North Hill Street  
Los Angeles, CA 90012  
Attn: **Department 1**  
(213) 893-1014

Chair, Judicial Council of California  
Administrative Office of the Courts  
Attn: Appellate & Trial Court Judicial Services  
(Civil Case Coordinator)  
Carlotta Tillman  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688  
Fax (415) 865-4315

□ **(BY MAIL)** 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 at Bakersfield, California, in the ordinary course of business.

■ **(STATE)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct, and that the foregoing was executed on September 28, 2010, in Bakersfield, California.

  
LEQUETTA HANSEN

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<sup>1</sup>  
Notice of Related Action in the Burrows v. Tejon case (Case No. MC021281) was concurrently filed in the Los Angeles County Superior Court - North District, Lancaster on this date.