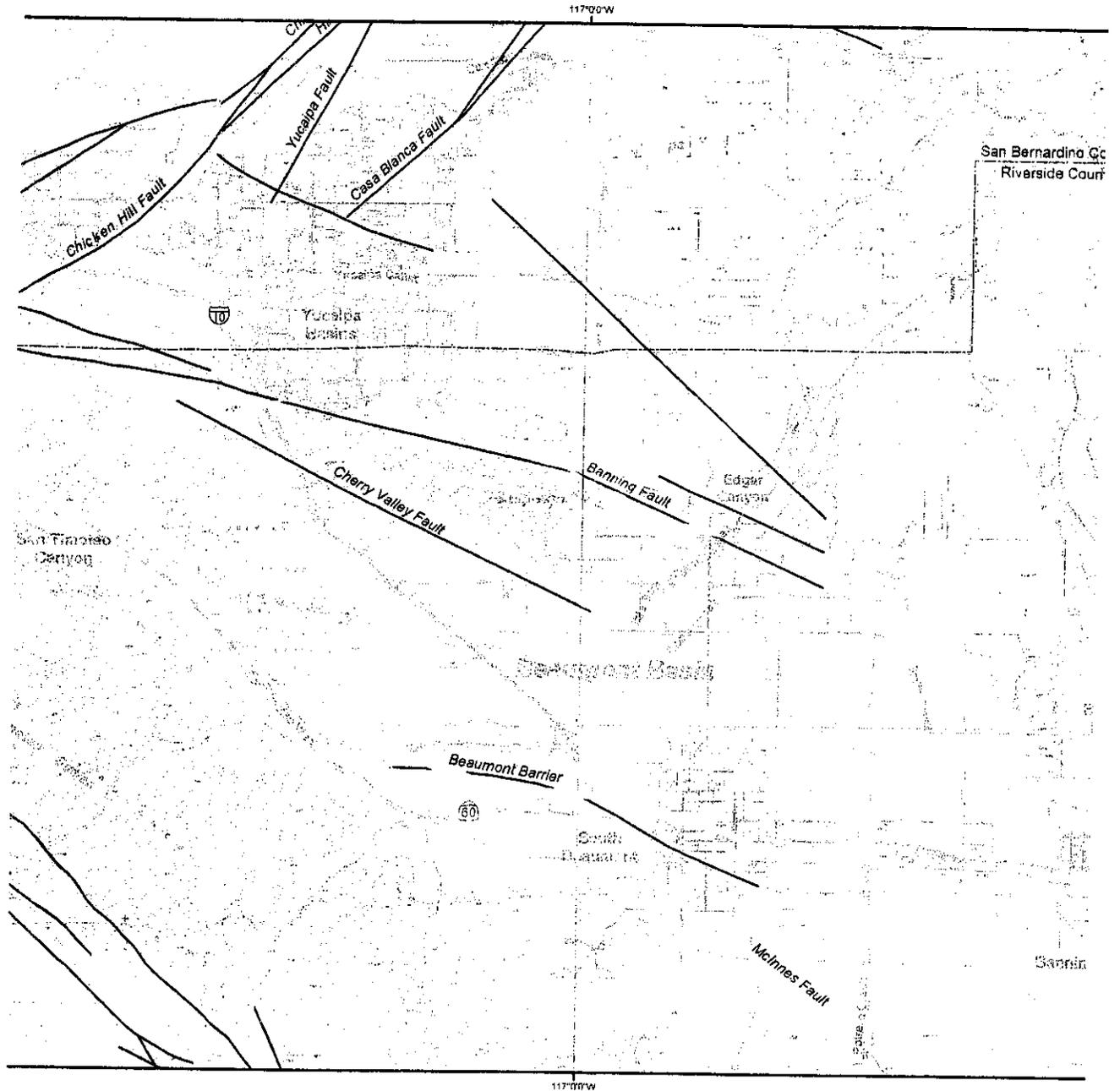


APPENDIX P

Beaumont Basin Watermaster



Stipulation

ORIGINAL COPY

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GOVERNMENT CODE, SEC. 6103

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

FEB - 4 2004

1 JOSEPH S. AKLUFI (Bar No. 68619)
AKLUFI AND WYSOCKI
2 3403 Tenth Street, Suite 610
Riverside, California 92501
3 (909)682-5480 Office
(909)682-2619 Fax

5 Attorneys for Plaintiff, SAN TIMOTEO
WATERSHED MANAGEMENT AUTHORITY

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF RIVERSIDE, RIVERSIDE COURT

11 SAN TIMOTEO WATERSHED)
MANAGEMENT AUTHORITY, a public)
12 agency,)
13)
Plaintiff,)
14 vs.)

CASE NO. RIC 389197

STIPULATION FOR ENTRY OF
JUDGMENT ADJUDICATING
GROUNDWATER RIGHTS IN THE
BEAUMONT BASIN

15 CITY OF BANNING, a municipal)
corporation; BEAUMONT-CHERRY VALLEY)
16 WATER DISTRICT, an irrigation)
district; YUCAIPA VALLEY WATER)
17 DISTRICT, a county water district;)
PLANTATION ON THE LAKE LLC, a)
18 California limited liability)
company; SHARONDALE MESA OWNERS)
19 ASSOCIATION, an unincorporated)
association; SOUTH MESA MUTUAL)
20 WATER COMPANY, a mutual water)
company; CALIFORNIA OAK VALLEY)
21 GOLF AND RESORT LLC, a California)
limited liability company; OAK)
22 VALLEY PARTNERS LP, a Texas limited)
partnership; SOUTHERN CALIFORNIA)
23 SECTION OF THE PROFESSIONAL GOLFERS)
ASSOCIATION OF AMERICA, a)
24 California corporation; SUNNY-CAL)
EGG AND POULTRY COMPANY, a)
25 California corporation; MANHEIM,)
MANHEIM & BERMAN, a California)
26 General Partnership; WALTER M.)
BECKMAN, individually and as)
27 Trustee of the BECKMAN FAMILY TRUST)
dated December 11, 1990; THE ROMAN)
28 CATHOLIC BISHOP of San Bernardino,)

AKLUFI, WYSOCKI
3403 TENTH ST. SUITE 610
RIVERSIDE, CA. 92501
(909) 682-5480

3403 TENTH I
T. SUITE 610
RIVERSIDE, CALIFORNIA 92501
(909) 682-5480

1 a California corporation; MERLIN)
PROPERTIES, LLC; LEONARD M.)
2 STEARNS and DOROTHY D. STEARNS,)
individually and as Trustees of the)
3 LEONARD M. STEARNS FAMILY TRUST OF)
1991; and DOES 1 through 500,)
4 inclusive,)
5 Defendants.)

6
7 I. STIPULATING PARTIES IDENTIFIED

8 The following parties, and each of them, agree to the terms
9 of this Stipulation:

10 Plaintiff:

11 SAN TIMOTEO WATERSHED MANAGEMENT AUTHORITY

12 Overlying Defendants:

- 13 1. SHARONDALE MESA OWNERS ASSOCIATION, an unincorporated
association
- 14 2. CALIFORNIA OAK VALLEY GOLF AND RESORT LLC, a California
limited liability company
- 15 3. OAK VALLEY PARTNERS LP, a Texas limited partnership
- 16 4. SOUTHERN CALIFORNIA SECTION OF THE PROFESSIONAL GOLFERS
ASSOCIATION OF AMERICA, a California corporation
- 17 5. SUNNY-CAL EGG AND POULTRY COMPANY, a California
corporation
- 18 6. MANHEIM, MANHEIM & BERMAN, a California general
partnership
- 19 7. WALTER M. BECKMAN, individually, and as Trustee of the
BECKMAN FAMILY TRUST dated December 11, 1990
- 20 8. THE ROMAN CATHOLIC BISHOP of San Bernardino, a
California corporation
- 21 9. MERLIN PROPERTIES, LLC
- 22 10. LEONARD M. STEARNS and DOROTHY D. STEARNS, individually
and as Trustees of the LEONARD M. STEARNS FAMILY TRUST
OF 1991
- 23 11. PLANTATION ON THE LAKE LLC, a California limited
liability company

24 Appropriating Defendants:

- 25 1. CITY OF BANNING, a municipal corporation
- 26 2. BEAUMONT-CHERRY VALLEY WATER DISTRICT, an irrigation
district
- 27 3. SOUTH MESA MUTUAL WATER COMPANY, a mutual water company
- 28 4. YUCAIPA VALLEY WATER DISTRICT, a county water district

///

AKELU WYSOCKI
3403 W. 11th St.
RIVERVIEW, MI 48150
(313) 882-8480

1 II. RECITALS

2 WHEREAS, plaintiff is a joint powers public agency, formed
3 in 2001 for the purpose, among others, of preparing and
4 implementing a Water Resources Management Plan for the San
5 Timoteo Watershed and the waters tributary thereto, including the
6 Beaumont Basin, in order to conserve local water supplies,
7 improve surface and subsurface water quality and quantity, and to
8 protect and enhance groundwater storage, for the benefit of the
9 public;

10 WHEREAS, the Beaumont Basin, also known as the Beaumont
11 Storage Unit, is the common source of water supply for
12 appropriate water uses within the communities of Banning,
13 Beaumont, Cherry Valley and Calimesa, and for various overlying
14 uses including, but not limited to, golf courses and related
15 facilities and agricultural production, including egg production
16 and related agricultural irrigation uses;

17 WHEREAS, the maximum quantity of water which can be produced
18 from the Beaumont Basin, at safe yield, is currently estimated to
19 be 8650 acre feet per year, and the total groundwater production
20 from the Beaumont Basin has exceeded and continues to exceed its
21 safe yield;

22 WHEREAS, much of the land area within and adjacent to the
23 Beaumont Basin is proposed to be intensively developed with
24 residential, commercial and industrial uses, which will place
25 additional demands on local water resources;

26 WHEREAS, it is estimated that the Beaumont Basin has the
27 capability of storing more than 200,000 acre feet of water for
28 overlying and appropriate use by water users within and

3403 TENTH ST., SUITE 810
RIVERSIDE, CALIFORNIA 92501
(909) 852-5480

1 adjacent to the Beaumont Basin;

2 WHEREAS, the plaintiff proposes to invest substantial public
3 funds to construct facilities that will enable the storage of
4 water within the Beaumont Basin, in addition to the storage that
5 occurs naturally;

6 WHEREAS, the Overlying and Appropriating Defendants wish to
7 secure the provision and availability of a reliable, affordable,
8 long-term water supply for the area within plaintiff's
9 jurisdiction, making reasonable and beneficial use of the native
10 groundwater in the Beaumont Basin, and other local water
11 resources, promoting the importation of water into the area, and
12 storage of such water, and local surface waters, in the Beaumont
13 Basin;

14 WHEREAS, the Overlying Defendants believe that it is in
15 their best interest to enter into this Stipulation and be subject
16 to the attached Judgment, rather than continue to litigate the
17 safe yield of the Beaumont Basin, the quantity of their overlying
18 rights, both historical and unexercised, the rights they may have
19 to use the storage volume existing beneath their respective
20 lands, and other issues;

21 WHEREAS, in order to protect existing overlying and
22 appropriative uses and to justify and protect the public
23 investment necessary to utilize the available groundwater storage
24 capacity in the Beaumont Basin, it is necessary to adjudicate the
25 Beaumont Basin and to define the respective water rights of the
26 overlying and appropriative producers of groundwater.

27 NOW, THEREFORE, the undersigned parties, and each of them,
28 hereby agree to the following Stipulated Terms.

3400 1EN. WEST, SUITE 810
RIVERSIDE, CALIFORNIA 92501
(909) 882-5480

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: 1/6/04 By [Signature]
9 President, Board of Directors

10 CITY OF BANNING

11 Dated: 12/23/03 By [Signature]
12 Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: _____ By _____
16 President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18 Dated: _____ By _____
19 President, Board of Directors

20 PLANTATION ON THE LAKE LLC

21 Dated: _____ By _____
22 President, Board of Directors

23 SHARONDALE MESA OWNERS
24 ASSOCIATION

25 Dated: _____ By _____
26 President, Board of Directors
27
28

WYSOCKI
3403 TENTH ST, SUITE 610
RIVERSIDE, CALIFORNIA 92501
(909) 882-5480

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: _____ By _____
9 President, Board of Directors

10 CITY OF BANNING

11 Dated: _____ By _____
12 Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: July 3, 2003 By [Signature]
16 President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18 Dated: _____ By _____
19 President, Board of Directors

20 PLANTATION ON THE LAKE LLC

21 Dated: _____ By _____
22 President, Board of Directors

23 SHARONDALE MESA OWNERS
24 ASSOCIATION

25 Dated: _____ By _____
26 President, Board of Directors

2403 TENTH ST, SUITE 810
RIVERSIDE, CA 92504
(951) 522-5480

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: _____ By _____
9 President, Board of Directors

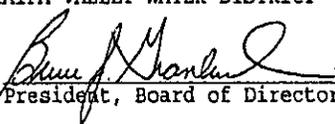
10 CITY OF BANNING

11 Dated: _____ By _____
12 Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: _____ By _____
16 President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18 Dated: 10/1/03 By 
19 President, Board of Directors

20 PLANTATION ON THE LAKE LLC

21 Dated: _____ By _____
22 President, Board of Directors

23 SHARONDALE MESA OWNERS
24 ASSOCIATION

25 Dated: _____ By _____
26 President, Board of Directors

AKLUPF WYSOCKI
30101 11111
RIVERSIDE, CA 92501
1999 882-3000

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: _____ By _____
9 President, Board of Directors

10 CITY OF BANNING

11 Dated: _____ By _____
12 Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: _____ By _____
16 President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18 Dated: _____ By _____
19 President, Board of Directors

20 PLANATION ON THE LAKE LLC

21 Dated: 7/30/03 By [Signature]
22 President, Board of Directors
23 Manager of Meadows Management
24 Company LLC, Manager

25 SHARONDALE MESA OWNERS
26 ASSOCIATION

27 Dated: _____ By _____
28 President, Board of Directors

RIVERSIDE, CA CRANIA 52501
(909) 662-3440

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: _____ By _____
9 President, Board of Directors

10 CITY OF BANNING

11 Dated: _____ By _____
12 Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: _____ By _____
16 President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18 Dated: _____ By _____
19 President, Board of Directors

20 PLANTATION ON THE LAKE LLC

21 Dated: _____ By _____
22 President, Board of Directors

23 SHARONDALE MESA OWNERS
24 ASSOCIATION

25 Dated: June 27, 2003 By Lena Jo Alexander
26 President, Board of Directors
27
28

AKLUFJ
3403 TENTH
RIVERSIDE, CA
92501
MYSOCKI
ET. SUITE 810
CORNIA 92301
(909) 882-3480

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SOUTH MESA MUTUAL WATER COMPANY

Dated: 6-27-03

By *Scott J. ...*
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND RESORT LLC

Dated: _____

By _____
President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated: _____

By _____
D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE PROFESSIONAL GOLFERS ASSOCIATION OF AMERICA

Dated: _____

By _____
President, Board of Directors

SUNNY-CAL EGG AND POULTRY COMPANY

Dated: _____

By _____
President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated: _____

By _____

RIVERSIDE, CALIFORNIA 92501
(909) 982-3480

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SOUTH MESA MUTUAL WATER COMPANY

Dated: _____ By _____
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND
RESORT LLC

Dated: 7-31-2003 By [Signature]
President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated: _____ By _____
D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE
PROFESSIONAL GOLFERS ASSOCIATION
OF AMERICA

Dated: _____ By _____
President, Board of Directors

SUNNY-CAL EGG AND POULTRY COMPANY

Dated: _____ By _____
President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated: _____ By _____

WYSOCKI
3403 TENT
RIVERSIDE,
CALIFORNIA 92501
(909) 482-5480

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SOUTH MESA MUTUAL WATER COMPANY

Dated: _____ By _____
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND
RESORT LLC

Dated: _____ By _____
President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated: _____ By 
D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE
PROFESSIONAL GOLFERS ASSOCIATION
OF AMERICA

Dated: _____ By _____
President, Board of Directors

SUNNY-CAL EGG AND POULTRY COMPANY

Dated: _____ By _____
President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated: _____ By _____

RIVERSIDE, CALIFORNIA 92501-2540

SOUTH MESA MUTUAL WATER COMPANY

Dated: _____ By _____
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND RESORT LLC

Dated: _____ By _____
President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated: _____ By _____
D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE PROFESSIONAL GOLFERS ASSOCIATION OF AMERICA

Dated: July 8, 2003 By Thomas L. Gustafson
President, Board of Directors
CHIEF Executive Officer

SUNNY-CAL EGG AND POULTRY COMPANY

Dated: _____ By _____
President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated: _____ By _____

3403 TERRY
RIVERSIDE,
CALIFORNIA 92501
(909) 443-4480

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SOUTH MESA MUTUAL WATER COMPANY

Dated: _____ By _____
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND
RESORT LLC

Dated: _____ By _____
President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated: _____ By _____
D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE
PROFESSIONAL GOLFERS ASSOCIATION
OF AMERICA

Dated: _____ By _____
President, Board of Directors

SUNNY-CAL EGG AND POULTRY COMPANY

Dated: _____ By Michael Markson
President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated: _____ By Dexter Berman

RIVERSIDE, CA 92501
CANNIA BRADY
(951) 882-3400

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Dated: 7-23-03 Walter M. Beckman
WALTER M. BECKMAN

Dated: 7-23-03 Walter M. Beckman
WALTER M. BECKMAN, Trustee of the
BECKMAN FAMILY TRUST dated
December 11, 1990

Dated: _____
CECIL MERLE MURRAY

MERLIN PROPERTIES, LLC

Dated: _____ By _____

Dated: _____
LEONARD M. STEARNS, individually
and as Trustee of the LEONARD M.
STEARNS FAMILY TRUST OF 1991

Dated: _____
DOROTHY D. STEARNS, individually
and as Trustee of the LEONARD M.
STEARNS FAMILY TRUST OF 1991

APPROVAL AND ORDER

The foregoing Stipulation is hereby approved and is so
ordered.

Dated: _____

JUDGE OF THE SUPERIOR COURT

AKLUF1 WYSOCKI
3403 TENTH ST, SUITE 610
RIVERSIDE, CALIFORNIA 92501
(951) 882-3480

1 Dated: _____
2 WALTER M. BECKMAN

3 Dated: _____
4 WALTER M. BECKMAN, Trustee of the
5 BECKMAN FAMILY TRUST dated
6 December 11, 1990

6 THE ROMAN CATHOLIC BISHOP of
7 San Bernardino, a California
8 corporation

8 Dated: 9/18/03 By Mag. J. M. Lopez
9
10 MERLIN PROPERTIES, LLC
11

12 Dated: _____ By _____

13
14 Dated: _____
15 LEONARD M. STEARNS, individually
16 and as Trustee of the LEONARD M.
17 STEARNS FAMILY TRUST OF 1991

17 Dated: _____
18 DOROTHY D. STEARNS, individually
19 and as Trustee of the LEONARD M.
20 STEARNS FAMILY TRUST OF 1991

21 APPROVAL AND ORDER

22 The foregoing Stipulation is hereby approved and is so
23 ordered.

24 Dated: _____

26 _____
27 JUDGE OF THE SUPERIOR COURT

RIVERSIDE, CALIFORNIA 92501
(909) 782-5400

1 Dated: _____
2 WALTER M. BECKMAN

3 Dated: _____
4 WALTER M. BECKMAN, Trustee of the
5 BECKMAN FAMILY TRUST dated
6 December 11, 1990

7 THE ROMAN CATHOLIC BISHOP of
8 San Bernardino, a California
9 corporation

10 Dated: _____ By _____

11 MERLIN PROPERTIES, LLC

12 Dated: July 31, 2003 By Paul L. Rechner

13
14 Dated: _____
15 LEONARD M. STEARNS, individually
16 and as Trustee of the LEONARD M.
17 STEARNS FAMILY TRUST OF 1991

18 Dated: _____
19 DOROTHY D. STEARNS, individually
20 and as Trustee of the LEONARD M.
21 STEARNS FAMILY TRUST OF 1991

22 APPROVAL AND ORDER

23 The foregoing Stipulation is hereby approved and is so
24 ordered.

25 Dated: _____

26 _____
27 JUDGE OF THE SUPERIOR COURT

WYSOCKI
3403 TENT
RIVERSIDE,
(909) 842-3940
VT. SUITE 610
DANA 94301

1 Dated: _____
2 WALTER M. BECKMAN

3 Dated: _____
4 WALTER M. BECKMAN, Trustee of the
5 BECKMAN FAMILY TRUST dated
6 December 11, 1990

7 Dated: _____
8 CECIL MERLE MURRAY

9 MERLIN PROPERTIES, LLC

10 Dated: _____ By _____

11
12 Dated: 7-23-03 Leonard M. Stearns
13 LEONARD M. STEARNS, individually
14 and as Trustee of the LEONARD M.
15 STEARNS FAMILY TRUST OF 1991

16 Dated: 7-23-03 Dorothy D. Stearns
17 DOROTHY D. STEARNS, individually
18 and as Trustee of the LEONARD M.
19 STEARNS FAMILY TRUST OF 1991

19 APPROVAL AND ORDER

20 The foregoing Stipulation is hereby approved and is so
21 ordered.

FEB - 4 2004

22 Dated: _____

23 GARY TRAMBARGER

24 _____
25 JUDGE OF THE SUPERIOR COURT

Judgment

ORIGINAL COPY

1 JOSEPH S. AKLUF (Bar No. 68619)
2 AKLUF AND WYSOCKI
3 3403 Tenth Street, Suite 610
4 Riverside, California 92501
5 (909)682-5480 Office
6 (909)682-2619 Fax

NO FILING FEE REQUIRED PER
GOVERNMENT CODE, SEC. 6103

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

FEB - 4 2004

5 Attorneys for Plaintiff, SAN TIMOTEO
6 WATERSHED MANAGEMENT AUTHORITY

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF RIVERSIDE, RIVERSIDE COURT

11 SAN TIMOTEO WATERSHED
12 MANAGEMENT AUTHORITY, a public
13 agency,

CASE NO. RIC 389197

13 Plaintiff,

JUDGMENT PURSUANT TO
STIPULATION ADJUDICATING
GROUNDWATER RIGHTS IN THE
BEAUMONT BASIN

14 vs.

15 CITY OF BANNING, a municipal
16 corporation; BEAUMONT-CHERRY VALLEY
17 WATER DISTRICT, an irrigation
18 district; YUCAIPA VALLEY WATER
19 DISTRICT, a county water district;
20 PLANTATION ON THE LAKE LLC, a
21 California limited liability
22 company; SHARONDALE MESA OWNERS
23 ASSOCIATION, an unincorporated
24 association; SOUTH MESA MUTUAL
25 WATER COMPANY, a mutual water
26 company; CALIFORNIA OAK VALLEY
27 GOLF AND RESORT LLC, a California
28 limited liability company; OAK
VALLEY PARTNERS LP, a Texas limited
partnership; SOUTHERN CALIFORNIA
SECTION OF THE PROFESSIONAL GOLFERS
ASSOCIATION OF AMERICA, a
California corporation; SUNNY-CAL
EGG AND POULTRY COMPANY, a
California corporation; MANHEIM,
MANHEIM & BERMAN, a California
General Partnership; WALTER M.
BECKMAN, individually and as
Trustee of the BECKMAN FAMILY TRUST
dated December 11, 1990; THE ROMAN
CATHOLIC BISHOP of San Bernardino,

AKLUF WYSOCKI
3403 TENTH ST. SUITE 610
RIVERSIDE, CALIFORNIA 92501
(909) 682-5480

3405 TENTH
FT. SUITE 610
RIVERSIDE, CALIFORNIA 92501
(909) 682-5400

1 a California corporation; MERLIN)
2 PROPERTIES, LLC; LEONARD M.)
3 STEARNS and DOROTHY D. STEARNS,)
4 individually and as Trustees of the)
5 LEONARD M. STEARNS FAMILY TRUST OF)
6 1991; and DOES 1 through 500,)
7 inclusive,)
8 Defendants.)

I. INTRODUCTION

1. Pleadings, Parties and Jurisdiction

The complaint herein was filed on February 20, 2003, seeking an adjudication of water rights, injunctive relief and the imposition of a physical solution. The defaults of certain defendants have been entered, and certain other defendants dismissed. Other than defendants who have been dismissed or whose defaults have been entered, all defendants have appeared herein. This Court has jurisdiction of the subject matter of this action and of the parties herein.

2. Stipulation for Judgment

Stipulation for Entry of Judgment has been filed by and on behalf of all defendants who have appeared herein.

3. Definitions

As used in this Judgment, these terms shall have the following meanings:

A. Appropriator or Appropriator Parties: the pumpers identified in Exhibit "C" attached hereto.

B. Appropriator's Production Right: consists of an Appropriator's share of Operating Yield, plus (1) any water acquired by an Appropriator from an Overlying Producer or other Appropriator pursuant to this Judgment, (2) any water

AKLUF, WYSOCKI
3403 TENTH ST., SUITE 810
RIVERSIDE, CALIFORNIA 92501
(909) 982-5480

1 withdrawn from the Appropriator's storage account, (3) and
2 New Yield created by the Appropriator.

3 C. Appropriative Water: the amount of Safe Yield
4 remaining after satisfaction of Overlying Water Rights.

5 D. Appropriative Water Right: each Appropriator's
6 share of Appropriative Water, such share expressed as a
7 percentage as shown on Exhibit "C".

8 E. Beaumont Basin or Beaumont Storage Unit: the area
9 situated within the boundaries shown on Exhibit "A" attached
10 hereto.

11 F. Conjunctive Use: the storage of water in a
12 Groundwater Basin for use at a later time.

13 G. Groundwater: water beneath the surface of the
14 ground within the zone below the water table in which soil
15 is saturated with water.

16 H. Groundwater Basin: an area underlain by one or
17 more permeable formations capable of furnishing a
18 substantial water supply.

19 I. Groundwater Storage Agreement: a standard form of
20 written agreement between the Watermaster and any Person
21 requesting the storage of Supplemental Water.

22 J. Groundwater Storage Capacity: the space available
23 in a Groundwater Basin that is not utilized for storage or
24 regulation of Safe Yield and is reasonably available for
25 Stored Water and Conjunctive Use.

26 K. Minimal Producer: any Producer who pumps 10 or
27 fewer acre feet of Groundwater from the Beaumont Basin per
28 year.

1 L. New Yield: increases in yield in quantities
2 greater than historical amounts from sources of supply
3 including, but not limited to, capture of available storm
4 flow, by means of projects constructed after February 20,
5 2003, as determined by the Watermaster.

6 M. Operating Yield: the maximum quantity of water
7 which can be produced annually by the Appropriators from the
8 Beaumont Basin, which quantity consists of Appropriative
9 Water plus Temporary Surplus.

10 N. Overdraft: a condition wherein the total annual
11 production from a Groundwater Basin exceeds the Safe Yield
12 thereof.

13 O. Overlying Parties: the Persons listed on Exhibit
14 "B", who are owners of land which overlies the Beaumont
15 Basin and have exercised Overlying Water Rights to pump
16 therefrom. Overlying Parties include successors in interest
17 and assignees.

18 P. Overlying Water Rights: the quantities decreed to
19 Overlying Parties in Column 4 of Exhibit "B" to this
20 Judgment.

21 Q. Overproduction: by an Appropriator, measured by
22 an amount equal to the Appropriator's actual annual
23 production minus the Appropriator's Production Right. By a
24 new overlying producer, an amount equal to what the
25 overlying producer pumped during the year.

26 R. Party (Parties): any Person(s) named in this
27 action, or who has intervened, or has become subject to this
28 Judgment either through stipulation, trial or otherwise

9403 N. NEW
RIVERSIDE, CALIFORNIA 92501
(909) 682-5480

ICES
AKLUFJ WYSOCKI
3403 TENTH ST. SUITE 810
RIVERSIDE, CALIFORNIA 92501
(909) 682-5480

1 S. Person: any individual, partnership, association,
2 corporation, governmental entity or agency, or other
3 organization.

4 T. Physical Solution: the physical solution set
5 forth in Part V of this Judgment.

6 U. Produce, Producing, Production, Pump or Pumping:
7 the extraction of groundwater.

8 V. Producer or Pumper: any Person who extracts
9 groundwater.

10 W. Recycled Water: has the meaning provided in Water
11 Code Section 13050(n) and includes other nonpotable water
12 for purposes of this Judgment.

13 X. Safe Yield: the maximum quantity of water which
14 can be produced annually from a Groundwater Basin under a
15 given set of conditions without causing a gradual lowering
16 of the groundwater level leading eventually to depletion of
17 the supply in storage. The Safe Yield of the Beaumont Basin
18 is 8650 acre feet per year in each of the ten (10) years
19 following entry of this Judgment.

20 Y. San Timoteo Watershed Management Authority: a
21 joint powers public agency whose members are the Beaumont-
22 Cherry Valley Water District, the City of Beaumont, the
23 South Mesa Mutual Water Company and the Yucaipa Valley Water
24 District.

25 Z. Stored Water: Supplemental Water stored in the
26 Beaumont Basin pursuant to a Groundwater Storage Agreement
27 with the Watermaster.

28 AA. Supplemental Water: water imported into the

1 Beaumont Basin from outside the Beaumont Basin including,
2 without limitation, water diverted from creeks upstream and
3 tributary to Beaumont Basin and water which is recycled and
4 useable within the Beaumont Basin.

5 BB. Temporary Surplus: the amount of groundwater that
6 can be pumped annually in excess of Safe Yield from a
7 Groundwater Basin necessary to create enough additional
8 storage capacity to prevent the waste of water.

9 CC. Watermaster: the Person appointed by the Court to
10 administer and enforce the Physical Solution.

11 4. List of Exhibits

12 The following exhibits are attached to this Judgment and
13 made a part hereof:

- 14 Exhibit "A" -- "Location Map of Beaumont Basin"
15 Exhibit "B" -- "Overlying Owners and Their Water
Rights"
16 Exhibit "C" -- "Appropriators and Their Water Rights"
17 Exhibit "D" -- "Legal Description of Lands of the
Overlying Parties"
18 Exhibit "E" -- "Location of Overlying Producer Parcels
and Boundary of the Beaumont Basin"

19 II. INJUNCTIONS

20 1. Injunction Against Unauthorized Production of
Beaumont Basin Water

21
22 Each party herein is enjoined, as follows:

23 A. Overlying Parties: Each defendant who is an
24 Overlying Party, and its officers, agents, employees,
25 successors and assigns, is hereby enjoined and restrained
26 from producing groundwater from the Beaumont Basin in any
27 five-year period hereafter in excess of five times the share
28 of the Safe Yield assigned to the Overlying Parties as set

1 forth in Column 4 of Exhibit "B", as more fully described in
2 the Physical Solution.

3 B. Appropriator Parties: Each defendant who is an
4 Appropriator Party, and its officers, agents, employees,
5 successors and assigns, is hereby enjoined and restrained
6 from producing groundwater from the Beaumont Basin in any
7 year hereafter in excess of such party's Appropriator's
8 Production Right, except as additional annual Production may
9 be authorized by the provisions of the Physical Solution.

10 2. Injunction Against Unauthorized Storage or Withdrawal of
11 Stored Water

12 Each and every Party, and its officers, agents, employees,
13 successors and assigns, is hereby enjoined and restrained from
14 storing Supplemental Water in the Beaumont Basin for withdrawal,
15 or causing withdrawal of water stored by that Party, except
16 pursuant to the terms of a written Groundwater Storage Agreement
17 with the Watermaster and in accordance with Watermaster Rules and
18 Regulations. Any Supplemental Water stored in the Beaumont
19 Basin, except pursuant to a Groundwater Storage Agreement, shall
20 be deemed abandoned and not classified as Stored Water.

21 III. DECLARATION AND ADJUSTMENT OF RIGHTS

22 1. Overlying Rights

23 The Overlying Parties are currently exercising Overlying
24 Water Rights in the Beaumont Basin. As shown on Exhibit "B", the
25 aggregate Projected Maximum Production of water from the Beaumont
26 Basin pursuant to Overlying Water Rights is 8610 acre feet and
27 the Overlying Water Rights are individually decreed, in Column 4
28 of Exhibit "B", for each Overlying Party. The Overlying Parties

1 shall continue to have the right to exercise their respective
2 Overlying Water Right as set forth in Column 4 of Exhibit "B"
3 except to the extent their respective properties receive water
4 service from an Appropriator Party, as contemplated by Paragraph
5 III.3 of this Judgment.

6 2. Appropriator's Share of Operating Yield

7 Each Appropriator Party's share of Operating Yield is shown
8 on Exhibit "C". Notwithstanding any other provision of this
9 Judgment, each Appropriator Party may use its Appropriator's
10 Production Right anywhere within its service area.

11 3. Adjustment of Rights

12 A. The Overlying Parties shall have the right to
13 exercise their respective Overlying Water Rights except as
14 provided in this Paragraph 3.

15 B. To the extent any Overlying Party requests, and
16 uses its Exhibit "B", Column 4 water to obtain water service
17 from an Appropriator Party, an equivalent volume of potable
18 groundwater shall be earmarked by the Appropriator Party
19 which will serve the Overlying Party, up to the volume of
20 the Overlying Water Right as reflected in Column 4 of
21 Exhibit "B" attached hereto, for the purpose of serving the
22 Overlying Party. The intent of this provision is to ensure
23 that the Overlying Party is given credit towards satisfying
24 the water availability assessment provisions of Government
25 Code, Section 66473.7 et seq. and Water Code, Section 10910
26 et seq. or other similar provisions of law, equal to the
27 amount of groundwater earmarked hereunder.

28 C. When an Overlying Party receives water service as

AKLUF
WYSOCKI
3403 TERRY
ST. SUITE 810
RIVERSIDE, CA 92504
(909) 832-8480

1 provided for in subparagraph III.3.B the Overlying Party
2 shall forebear the use of that volume of the Overlying Water
3 Right earmarked by the Appropriator Party. The Appropriator
4 Party providing such service shall have the right to produce
5 the volume of water foregone by the Overlying Party, in
6 addition to other rights otherwise allocated to the
7 Appropriator Party.

8 D. Should the volume of the Overlying Water Right
9 equal or exceed the volume of potable groundwater earmarked
10 as provided in subparagraph 3.B, the Appropriator Party
11 which will serve the Overlying Party shall (i) impose
12 potable water charges and assessments upon the Overlying
13 Party and its successors in interest at the rates charged to
14 the then-existing regular customers of the Appropriator
15 Party, and (ii) not collect from such Overlying Party any
16 development charge that may be related to the importation of
17 water into the Beaumont Basin. The Appropriator Party which
18 will serve the Overlying Party pursuant to Subparagraph
19 III.3.B shall also consider, and negotiate in good faith
20 regarding, the provision of a meaningful credit for any
21 pipelines, pump stations, wells or other facilities that may
22 exist on the property to be served.

23 E. In the event an Overlying Party receives Recycled
24 Water from an Appropriator Party to serve an overlying use
25 served with groundwater, the Overlying Water Right of the
26 Overlying Party shall not be diminished by the receipt and
27 use of such Recycled Water. Recycled Water provided by an
28 Appropriator Party to an Overlying Party shall satisfy the

1 criteria set forth in the California Water Code including,
2 without limitation, the criteria set forth in Water Code
3 Sections 13550 and 13551. The Appropriator Party which will
4 serve the Recycled Water shall have the right to use that
5 portion of the Overlying Water Right of the Overlying Party
6 offset by the provision of Recycled Water service pursuant
7 to the terms of this subparagraph; provided, however, that
8 such right of use by the Appropriator Party shall no longer
9 be valid if the Recycled Water, provided by the Appropriator
10 Party to the Overlying Party, does not satisfy the
11 requirements of Sections 13550 and 13551 and the Overlying
12 Party ceases taking delivery of such Recycled Water.

13 F. Nothing in this Judgment is intended to impair or
14 adversely affect the ability of an Overlying Party to enter
15 into annexation or development agreements with any
16 Appropriator Party.

17 G. Oak Valley Partners LP ("Oak Valley") is developing
18 its property pursuant to Specific Plans 216 and 216A adopted
19 by the County of Riverside ("County") in May 1990, and
20 Specific Plan 318 adopted by the County in August, 2001,
21 (Specific Plans 216, 216A and 318 are collectively referred
22 to as the "Specific Plans"). The future water supply needs
23 at build-out of the Specific Plans will greatly exceed Oak
24 Valley's Projected Maximum Production, as reflected in
25 Exhibit "B" to the Judgment, and may be as much as 12,811
26 acre feet per year. Oak Valley has annexed the portion of
27 its property now within the City of Beaumont into the
28 Beaumont-Cherry Valley Water District ("BCVWD"), and is in

3405 Tenth St., Suite 610
Riverside, California 92501
(909) 682-5480

AKLUF1 WYSOCKI
3403 TENTH ST., SUITE 610
RIVERSIDE, CALIFORNIA 92501
(909) 982-5480

1 the process of annexing the remainder portion of its property
2 into the Yucaipa Valley Water District ("YVWD"), in order to
3 obtain retail water service for the development of the Oak
4 Valley property pursuant to the Specific Plans (for purposes
5 of this subparagraph BCVWD and YVWD are collectively referred
6 to as the "Water Districts", and individually as a "Water
7 District"). YVWD covenants to use its best efforts to
8 finalize the annexation of the Oak Valley property within the
9 Calimesa City limits. Oak Valley, for itself and its
10 successors and assigns, hereby agrees, by this stipulation
11 and upon final annexation of its property by YVWD, to forbear
12 from claiming any future, unexercised, overlying rights in
13 excess of the Projected Maximum Production of Exhibit "B" of
14 1806 acre feet per year. As consideration for the
15 forbearance, the Water Districts agree to amend their
16 respective Urban Water Management Plans ("UWMP") in 2005 as
17 follows: BCVWD agrees that 2,400 acre feet per year of
18 projected water demand shall be included for the portion of
19 Oak Valley to be served by BCVWD in its UWMP, and YVWD agrees
20 to include 8,000 acre feet per year of projected water demand
21 as a projected demand for the portion of Oak Valley to be
22 served by YVWD in its UWMP by 2025. The Water Districts
23 agree to use their best judgment to accurately revise this
24 estimate to reflect the projected water demands for the UWMP
25 prepared in 2010. Furthermore, the Water Districts further
26 agree that, in providing water availability assessments prior
27 to 2010, as required by Water Code §10910 and water supply
28 verifications as required by Government Code §§66455.3 and

1 66473.7, or any similar statute, and in maintaining their
2 respective UWMP, each shall consider the foregoing respective
3 projected water demand figures for Oak Valley as proposed
4 water demands. The intent of the foregoing requirements is
5 to ensure that Oak Valley is credited for the forbearance of
6 its overlying water rights and is fully accounted for in each
7 Water District's UWMP and overall water planning. The Water
8 Districts' actions in performance of the foregoing planning
9 obligations shall not create any right or entitlement to, or
10 priority or allocation in, any particular water supply
11 source, capacity or facility, or any right to receive water
12 service other than by satisfying the applicable Water
13 District's reasonable requirements relating to application
14 for service. Nothing in this subparagraph G is intended to
15 affect or impair the provision of earmarked water to
16 Overlying Parties who request and obtain water service from
17 Appropriator Parties, as set forth in subparagraph III.3.B,
18 above.

19 H. Persons who would otherwise qualify as Overlying
20 Producers based on an interest in land lying within the City
21 of Banning's service area shall not have the rights
22 described in this Paragraph III.3.

23 4. Exemption for Minimal Producers

24 Unless otherwise ordered by the Court, Minimal Producers are
25 exempt from the provisions of this Judgment.

26 IV. CONTINUING JURISDICTION

27 Full jurisdiction, power and authority is retained and
28 reserved to the Court for purposes of enabling the Court, upon

1 application of any Party, by a motion noticed for at least a 30-
2 day period (or consistent with the review procedures of Paragraph
3 VII.6 herein, if applicable), to make such further or
4 supplemental order or directions as may be necessary or
5 appropriate for interim operation of the Beaumont Basin before
6 the Physical Solution is fully operative, or for interpretation,
7 or enforcement or carrying out of this Judgment, and to modify,
8 amend or amplify any of the provisions of this Judgment or to add
9 to the provisions hereof consistent with the rights herein
10 decreed; except that the Court's jurisdiction does not extend to
11 the redetermination of (a) Safe Yield during the first ten years
12 of operation of the Physical Solution, and (b) the fraction of
13 the share of Appropriative Water of each Appropriator.

14 V. THE PHYSICAL SOLUTION

15 1. Purpose and Objective

16 In accordance with the mandate of Section 2 of Article X of
17 the California Constitution, the Court hereby adopts, and orders
18 the parties to comply with, a Physical Solution. The purpose of
19 the Physical Solution is to establish a legal and practical means
20 for making the maximum reasonable beneficial use of the waters of
21 Beaumont Basin, to facilitate conjunctive utilization of surface,
22 ground and Supplemental Waters, and to satisfy the requirements
23 of water users having rights in, or who are dependent upon, the
24 Beaumont Basin. Such Physical Solution requires the definition
25 of the individual rights of all Parties within the Beaumont Basin
26 in a manner which will fairly allocate the native water supplies
27 and which will provide for equitable sharing of costs of
28 Supplemental Water.

3403 TENTH ST., SUITE 610
RIVERSIDE, CALIFORNIA 92501
(909) 882-5480

1 2. Need for Flexibility

2 The Physical Solution must provide maximum flexibility and
3 adaptability in order that the Watermaster and the Court may be
4 free to use existing and future technological, social,
5 institutional and economic options. To that end, the Court's
6 retained jurisdiction shall be utilized, where appropriate, to
7 supplement the discretion granted herein to the Watermaster.

8 3. Production and Storage in Accordance With Judgment

9 This Judgment, and the Physical Solution decreed herein,
10 address all Production and Storage within the Beaumont Basin.
11 Because the Beaumont Basin is at or near a condition of
12 Overdraft, any Production outside the framework of this Judgment
13 and Physical Solution will potentially damage the Beaumont Basin,
14 injure the rights of all Parties, result in the waste of water
15 and interfere with the Physical Solution. The Watermaster shall
16 bring an action or a motion to enjoin any Production that is not
17 in accordance with the terms of this Judgment.

18 4. General Pattern of Operation

19 One fundamental premise of the adjudication is that all
20 Producers shall be allowed to pump sufficient water from the
21 Beaumont Basin to meet their respective requirements. Another
22 fundamental premise of the adjudication is that Overlying Parties
23 who pump no more than the amount of their Overlying Water Right
24 as shown on Column 4 of Exhibit "B" hereto, shall not be charged
25 for the replenishment of the Beaumont Basin. To the extent that
26 pumping exceeds five (5) times the share of the Safe Yield
27 assigned to an Overlying Party (Column 4 of Exhibit "B") in any
28 five (5) consecutive years, or the share of Operating Yield

1 Right of each Appropriator Party, each such Party shall provide
2 funds to enable the Watermaster to replace such Overproduction.

3 5. Use of Available Groundwater Storage Capacity

4 A. There exists in the Beaumont Basin a substantial
5 amount of available Groundwater Storage Capacity. Such
6 Capacity can be reasonably used for Stored Water and
7 Conjunctive Use and may be used subject to Watermaster
8 regulation to prevent injury to existing Overlying and
9 Appropriative water rights, to prevent the waste of water,
10 and to protect the right to the use of Supplemental Water in
11 storage and Safe Yield of the Beaumont Basin.

12 B. There shall be reserved for Conjunctive Use a
13 minimum of 200,000 acre feet of Groundwater Storage Capacity
14 in the Beaumont Basin provided that such amount may be
15 reduced as necessary to prevent injury to existing water
16 rights or existing uses of water within the Basin, and to
17 prevent the waste of water. Any Person may make reasonable
18 beneficial use of the Groundwater Storage Capacity for
19 storage of Supplemental Water; provided, however, that no
20 such use shall be made except pursuant to a written
21 Groundwater Storage Agreement with the Watermaster. The
22 allocation and use of Groundwater Storage Capacity shall
23 have priority and preference for Producers within the
24 Beaumont Basin over storage for export. The Watermaster
25 may, from time-to-time, redetermine the available
26 Groundwater Storage Capacity.

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1 VI. ADMINISTRATION

2 1. Administration and Enforcement by Watermaster

3 The Watermaster shall administer and enforce the provisions
4 of this Judgment and any subsequent order or instructions of the
5 Court.

6 2. Watermaster Control

7 The Watermaster is hereby granted discretionary powers to
8 develop and implement a groundwater management plan and program
9 for the Beaumont Basin, which plan shall be filed with and shall
10 be subject to review and approval by, the Court, and which may
11 include water quantity and quality considerations and shall
12 reflect the provisions of this Judgment. Except for the exercise
13 by Overlying Parties of their respective Rights described in
14 Column 4 of Exhibit "B" hereto in accordance with the provisions
15 of the Physical Solution, groundwater extractions and the
16 replenishment thereof, and the storage of Supplemental Water,
17 shall be subject to procedures established and administered by
18 the Watermaster. Such procedures shall be subject to review by
19 the Court upon motion by any Party.

20 3. Watermaster Standard of Performance

21 The Watermaster shall, in carrying out its duties and
22 responsibilities herein, act in an impartial manner without favor
23 or prejudice to any Party or purpose of use.

24 4. Watermaster Appointment

25 The Watermaster shall consist of a committee composed of
26 persons nominated by the City of Banning, the City of Beaumont,
27 the Beaumont-Cherry Valley Water District, the South Mesa Mutual
28 Water Company and the Yucaipa Valley Water District, each of

1 which shall have the right to nominate one representative to the
2 Watermaster committee who shall be an employee of or consultant
3 to the nominating agency. Each such nomination shall be made in
4 writing, served upon the other parties to this Judgment and filed
5 with the Court, which shall approve or reject such nomination.
6 Each Watermaster representative shall serve until a replacement
7 nominee is approved by the Court. The nominating agency shall
8 have the right to nominate that representative's successor.

9 5. Powers and Duties of the Watermaster

10 Subject to the continuing supervision and control of the
11 Court, the Watermaster shall have and may exercise the following
12 express powers, and shall perform the following duties, together
13 with any specific powers, authority, and duties granted or
14 imposed elsewhere in this Judgment or hereafter ordered or
15 authorized by the Court in the exercise of its continuing
16 jurisdiction:

17 A. Rules and Regulations: The adoption of
18 appropriate rules and regulations for the conduct of
19 Watermaster affairs, copies of which shall be provided to
20 all interested parties.

21 B. Wellhead Protection and Recharge: The
22 identification and management of wellhead protection areas
23 and recharge areas.

24 C. Well Abandonment: The administration of a well
25 abandonment and well destruction program.

26 D. Well Construction: The development of minimum
27 well construction specifications and the permitting of new
28 wells.

1 E. Mitigation of Overdraft: The mitigation of
2 conditions of uncontrolled overdraft.

3 F. Replenishment: The acquisition and recharge of
4 Supplemental Water.

5 G. Monitoring: The monitoring of groundwater levels,
6 ground levels, storage, and water quality.

7 H. Conjunctive Use: The development and management
8 of conjunctive-use programs.

9 I. Local Projects: The coordination of construction
10 and operation, by local agencies, of recharge, storage,
11 conservation, water recycling, extraction projects and any
12 water resource management activity within or impacting the
13 Beaumont Basin.

14 J. Land Use Plans: The review of land use plans and
15 coordination with land use planning agencies to mitigate or
16 eliminate activities that create a reasonable risk of
17 groundwater contamination.

18 K. Acquisition of Facilities: The purchase, lease
19 and acquisition of all necessary real and personal property,
20 including facilities and equipment.

21 L. Employment of Experts and Agents: The employment
22 or retention of such technical, clerical, administrative,
23 engineering, accounting, legal or other specialized
24 personnel and consultants as may be deemed appropriate. The
25 Watermaster shall maintain records allocating the cost of
26 such services as well as all other expenses of Watermaster
27 administration.

28 M. Measuring Devices: Except as otherwise provided

AKLUF, FOGES, WYBICKI
3401 W. 17th Street
Riverside, California 92501
(909) 882-8480

1 by agreement the Watermaster shall install and maintain in
2 good operating condition, at the cost of the Watermaster,
3 such necessary measuring devices or meters as Watermaster
4 may deem appropriate. Such devices shall be inspected and
5 tested as deemed necessary by the Watermaster and the cost
6 thereof borne by the Watermaster. Meter repair and
7 retesting will be a Producer expense.

8 N. Assessments: The Watermaster is empowered to levy
9 and collect the following assessments:

10 (1) Annual Replenishment Assessments

11 The Watermaster shall levy and collect
12 assessments in each year, in amounts sufficient to
13 purchase replenishment water to replace Overproduction
14 by any Party.

15 (2) Annual Administrative Assessments

16 a. Watermaster Expenses: The expenses of
17 administration of the Physical Solution shall be
18 categorized as either "General Watermaster
19 Administration Expenses", or "Special Project
20 Expenses".

21 i. General Watermaster Administration

22 Expenses: shall include office rent, labor,
23 supplies, office equipment, incidental expenses
24 and general overhead. General Watermaster
25 Administration Expenses shall be assessed by the
26 Watermaster equally against the Appropriators who
27 have appointed representatives to the Watermaster.
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2403 TENN. T. SUITE 610
RIVERSIDE, CA 92504
(951) 882-3480

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ii. Special Project Expenses: shall include special engineering, economic or other studies, litigation expenses, meter testing or other major operating expenses. Each such project shall be assigned a task order number and shall be separately budgeted and accounted for. Special Project Expenses shall be allocated to the Appropriators, or portion thereof, on the basis of benefit.

O. Investment of Funds; Borrowing: The Watermaster may hold and invest Watermaster funds as authorized by law, and may borrow, from time-to-time, amounts not exceeding annual receipts.

P. Contracts: The Watermaster may enter into contracts for the performance of any of its powers.

Q. Cooperation With Other Agencies: The Watermaster may act jointly or cooperate with other local, state and federal agencies.

R. Studies: The Watermaster may undertake relevant studies of hydrologic conditions and operating aspects of the management program for the Beaumont Basin.

S. Groundwater Storage Agreements: The Watermaster shall adopt uniform rules and a standard form of agreement for the storage of Supplemental Water, provided that the activities undertaken pursuant to such agreements do not injure any Party.

T. Administration of Groundwater Storage Capacity: Except for the exercise by the Overlying Parties of their

AKLUF
WYSOCKI
3403 TEATH
RIVERSIDE, CALIFORNIA 92501
(909) 682-5480

1 respective Overlying Water Rights described in Part III,
2 above, in accordance with the provisions of the Physical
3 Solution, all Groundwater Storage Capacity in the Beaumont
4 Basin shall be subject to the Watermaster's rules and
5 regulations, which regulations shall ensure that sufficient
6 storage capacity shall be reserved for local projects. Any
7 Person or entity may apply to the Watermaster to store water
8 in the Beaumont Basin.

9 U. Accounting for Stored Water: The Watermaster
10 shall calculate additions, extractions and losses and
11 maintain an annual account of all stored water in the
12 Beaumont Basin, and any losses of water supplies or Safe
13 Yield resulting from such stored water.

14 V. Accounting for New Yield: Recharge of the
15 Beaumont Basin with New Yield water shall be credited to the
16 Party that creates the New Yield. The Watermaster shall
17 make an independent scientific assessment of the estimated
18 New Yield created by each proposed project. New Yield will
19 be allocated on an annual basis, based upon monitoring data
20 and review by the Watermaster.

21 W. Accounting for Acquisitions of Water Rights: The
22 Watermaster shall maintain an accounting of acquisitions by
23 Appropriators of water otherwise subject to Overlying Water
24 Rights as the result of the provision of water service
25 thereto by an Appropriator.

26 X. Annual Administrative Budget: The Watermaster
27 shall prepare an annual administrative budget for public
28 review, and shall hold a public hearing on each such budget

1 prior to adoption. The budget shall be prepared in
2 sufficient detail so as to make a proper allocation of the
3 expenses and receipts. Expenditures within budgeted items
4 may thereafter be made by the Watermaster as a matter of
5 course.

6 Y. Redetermining the Safe Yield: The Safe Yield of
7 the Beaumont Basin shall be redetermined at least every 10
8 years beginning 10 years after the date of entry of this
9 Judgment.

10 6. Reports and Accounting

11 (a) Production Reports: Each Pumper shall
12 periodically file, pursuant to Watermaster rules and
13 regulations, a report showing the total production of such
14 Pumper from each well during the preceding report period,
15 and such additional information as the Watermaster may
16 reasonably require.

17 (b) Watermaster Report and Accounting: The
18 Watermaster shall prepare an annual report of the preceding
19 year's operations, which shall include an audit of all
20 assessments and Watermaster expenditures.

21 7. Replenishment

22 Supplemental Water may be obtained by the Watermaster from
23 any source. The Watermaster shall seek the best available
24 quality of Supplemental Water at the most reasonable cost for
25 recharge in the Basin. Sources may include, but are not limited
26 to:

27 (a) Recycled Water;

28 (b) State Water Project Water;

1 (c) Other imported water.

2 Replenishment may be accomplished by any reasonable method
3 including:

4 (a) Spreading and percolation, or injection of water
5 in existing or new facilities; and/or

6 (b) In-lieu deliveries for direct surface use, in lieu
7 of groundwater extraction.

8 VII. MISCELLANEOUS PROVISIONS

9 1. Designation of Address for Notice and Service

10 Each Party shall designate, in writing to the plaintiff, the
11 name and address to be used for purposes of all subsequent
12 notices and service herein, such designation to be delivered to
13 the plaintiff within 30 days after the Judgment has been entered.

14 The plaintiff shall, within 45 days after judgment has been
15 entered, file the list of designees with the Court and serve the
16 same on the Watermaster and all Parties. Such designation may be
17 changed from time-to-time by filing a written notice of such
18 change with the Watermaster. Any Party desiring to be relieved
19 of receiving notices of Watermaster activity may file a waiver of
20 notice on a form to be provided by the Watermaster. The
21 Watermaster shall maintain, at all times, a current list of
22 Parties to whom notices are to be sent and their addresses for
23 purposes of service. The Watermaster shall also maintain a full
24 current list of names and addresses of all Parties or their
25 successors, as filed herein. Copies of such lists shall be
26 available to any Person. If no designation is made, a Party's
27 designee shall be deemed to be, in order of priority: (i) the
28 Party's attorney of record; or (ii) if the Party does not have an

1 attorney of record, the Party itself at the address on the
2 Watermaster list.

3 2. Intervention After Judgment

4 Any Person who is neither a Party to this Judgment nor a
5 successor or assignee of a Party to this Judgment may seek to
6 become a party to this Judgment by filing a petition in
7 intervention.

8 3. Interference with Pumping

9 Nothing in this judgment shall be deemed to prevent any
10 party from seeking judicial relief against any other party whose
11 pumping activities constitute an unreasonable interference with
12 the complaining party's ability to extract groundwater.

13 4. Successors and Assigns

14 This Judgment and all provisions herein shall be binding on
15 and shall inure to the benefit of the heirs, executors,
16 administrators, successors and assigns of the parties hereto.

17 5. Severability

18 The provisions of this Judgment are severable. If any
19 provision of this Judgment is held by the Court to be illegal,
20 invalid or unenforceable, that provision shall be excised from
21 the Judgment. The remainder of the terms of the Judgment shall
22 remain in full force and effect and shall in no way be affected,
23 impaired or invalidated by such excision. This Judgment shall be
24 reformed to add, in lieu of the excised provision, a provision as
25 similar in terms to the excised provision as may be possible and
26 be legal, valid and enforceable.

27 6. Review Procedures

28 Any action, decision, rule or procedure of the Watermaster

1 pursuant to this Judgment shall be subject to review by the Court
2 on its own motion or on timely motion by any Party, as follows:

3 A. Effective Date of Watermaster Action: Any order,
4 decision or action of the Watermaster pursuant to this
5 Judgment on noticed specific agenda items shall be deemed to
6 have occurred on the date of the order, decision or action.

7 B. Notice of Motion: Any Party may, by a regularly-
8 noticed motion, petition the Court for review of the
9 Watermaster's action or decision pursuant to this Judgment.

10 The motion shall be deemed to be filed when a copy,
11 conformed as filed with the Court, has been delivered to the
12 Watermaster, together with the service fee established by
13 the Watermaster sufficient to cover the cost to photocopy
14 and mail the motion to each Party. The Watermaster shall
15 prepare copies and mail a copy of the motion to each Party
16 or its designee according to the official service list which
17 shall be maintained by the Watermaster according to Part
18 VII, paragraph 1, above. A Party's obligation to serve the
19 notice of a motion upon the Parties is deemed to be
20 satisfied by filing the motion as provided herein. Unless
21 ordered by the Court, any petition shall not operate to stay
22 the effect of any Watermaster action or decision which is
23 challenged.

24 C. Time for Motion: A motion to review any
25 Watermaster action or decision shall be filed within 90 days
26 after such Watermaster action or decision, except that
27 motions to review Watermaster assessments hereunder shall be
28 filed within 30 days of mailing of notice of the assessment.

1 D. De Novo Nature of Proceeding: Upon filing of a
2 petition to review a Watermaster action, the Watermaster
3 shall notify the Parties of a date when the Court will take
4 evidence and hear argument. The Court's review shall be de
5 novo and the Watermaster decision or action shall have no
6 evidentiary weight in such proceeding.

7 E. Decision: The decision of the Court in such
8 proceedings shall be an appealable Supplemental Order in
9 this case. When the same is final, it shall be binding upon
10 the Watermaster and the Parties.

11
12
13 Dated: FEB 4 2004

14 **GARY TRANDARGER**

15 JUDGE OF THE SUPERIOR COURT
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Exhibits

- Beaumont Basin Boundary (based on faults of Bloyd (1970))
 - Fault by Burnham and Dutcher (1960)
 - Fault by Bloyd (1971)
- Generalized Geology
- Unconsolidated Sediments
 - Consolidated Bedrock
 - Semi-Consolidated Sediments

Streams

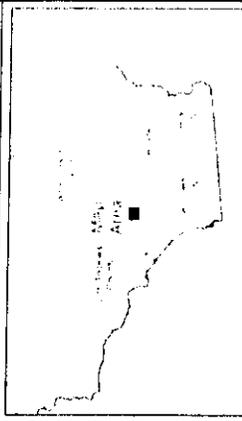


Exhibit A

Boundary Map and Features of the Beaumont Basin Area

Map prepared by:
Wildermauth Environmental
WE

File: Exhibit_A.mxd
Author: AEM
Date: 9/2/2002

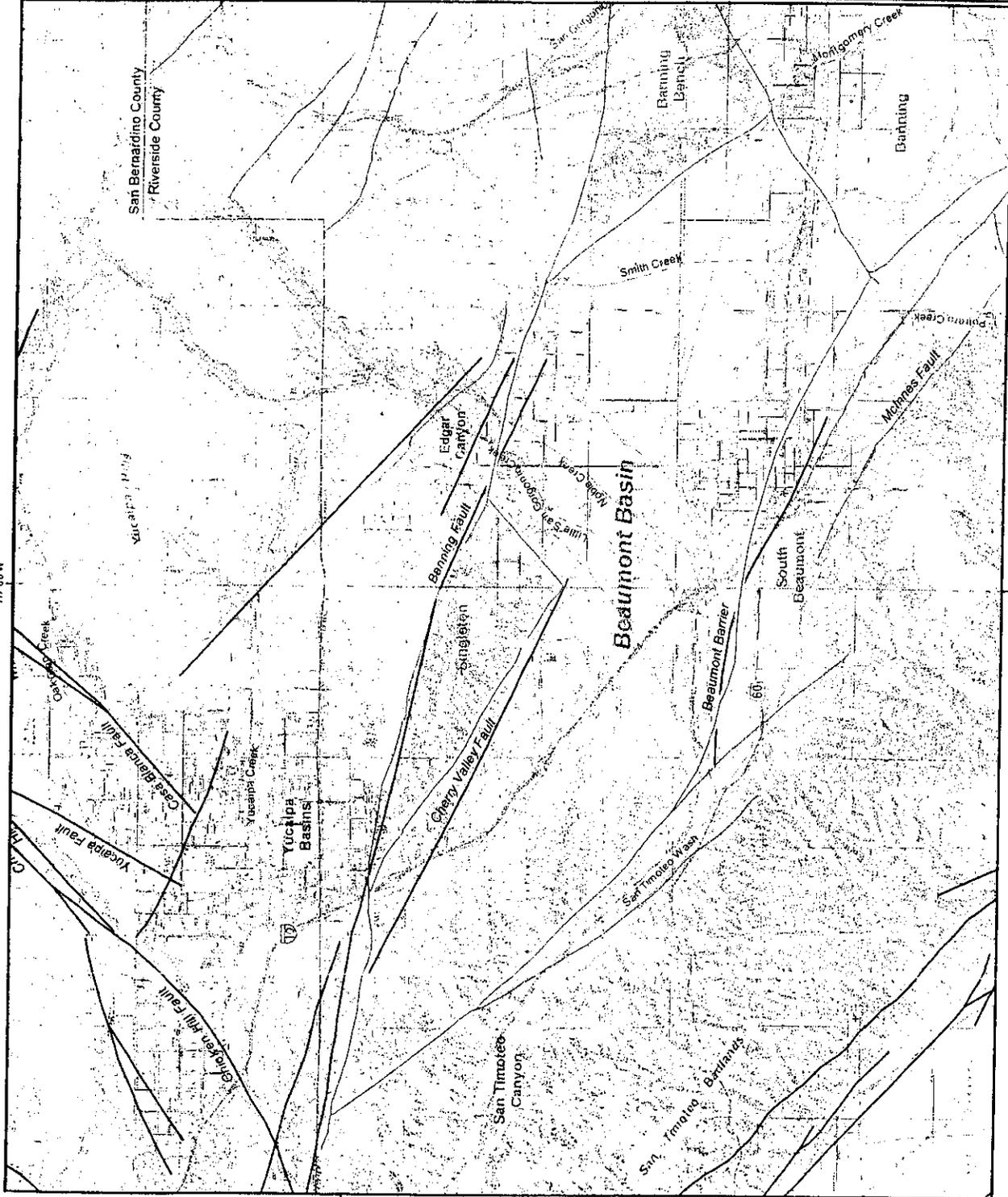


Exhibit B
Overlying Producers and Their Rights

(1) Producer	(2) Average Production during 1997- 2001 (acre-ft/yr)	(3) Exercised Rights ¹ (acre-ft/yr)	(4) Projected Maximum Production (acre-ft/yr)
Beckman, Walt	0	0	75
Roman Catholic Bishop of San Bernardino	104	114	154
Rancho Calimesa Mobile Home Park	60	150	150
Merlin Properties, LLC.	540	550	550
Sunny-Cal Egg and Poultry Company ²	1,340	1,340	1,784
California Oak Valley Golf and Resort LLC	692	950	950
Leonard Stearn	0	0	200
Oak Valley Partners	510	553	1,806
So. California Professional Golf Association	680	1,688	2,200
Sharondale Mesa Owners Association	184	200	200
Plantation on the Lake	271	300	581
Totals	4,381	5,845	8,650

Note 1 - Maximum Reported Production during 1997-2001

Note 2 - The Exercised Right and Project Maximum Production are an aggregate right for delendents Sunny-Cal Egg and Poultry, and Manheim, Manheim and Berman

Exhibit C
Appropriators and Their Rights and Shares of Safe Yield and Operating Yield

(1) Producer	(2) Average Production during 1997-2001 (acre-ft/yr)	(3) Share of Safe Yield Allocated to Appropriators	(4) Initial Estimate of Appropriate Rights ¹ (acre-ft/yr)	(5) Controlled Overdraft and Supplemental Water Recharge Allocation ² (acre-ft/yr)	(6) Operating Yield (acre-ft/yr)
Banning, City of	2,170	31.43%	882	5,029	5,910
City of Beaumont	0	0.00%	0	0	0
Beaumont Cherry Valley Water District	2,936	42.51%	1,193	6,802	7,995
South Mesa Water Company	862	12.48%	350	1,995	2,346
Yucaipa Valley Water District	938	13.58%	381	2,173	2,554
Totals	6,906	100.00%	2,805	16,000	18,805

Note 1 - Based on a 8,550 acre-ft/yr safe yield

Note 2 - Controlled overdraft will not exceed 160,000 acre-ft during for first ten years of operation under the physical solution

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
Beckman, Walt	405250004	19.04
Total Area	405250005	19.00
		<u>38.04</u>
California Oak Valley Golf and Resort	406070041	209.71
Total Area		<u>209.71</u>
Manheim, Manheim & Berman ²	407200009	20.35
	407200011	20.00
	407200012	20.04
	407210001	45.41
	407210002	12.04
Total Area	407210004	4.16
		<u>122.00</u>
Roman Catholic Bishop of San Bernardino	413280016	16.78
	413280030	2.06
Total Area	413280036	12.42
		<u>31.26</u>
Oak Valley Partners	406060010	115.82
	406060015	4.00
	406060017	19.03
	406230020	4.26
	411210003	2.40
	411210005	105.41
	411210010	15.14
	411210016	9.77
	411210017	8.94
	413030011	315.30
	413040001	493.40
	413040002	137.00
	413040003	74.48

Exhibit D
 Overlying Producers and the Parcels Upon Which Their Overlying Rights
 are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
	413040004	6.50
	413040005	80.02
	413040006	75.54
	413040007	76.22
	413040008	144.48
	413040009	10.00
	413040010	78.22
	413060003	1.70
	413160003	80.00
	413160004	106.92
	413160005	53.08
	413160006	64.47
	413160007	15.53
	413170020	40.26
	413170021	27.62
	413170023	12.38
	413170027	14.19
	413170028	4.11
	413170029	2.35
	413170030	20.28
	413170031	66.63
	413170033	2.79
	413170035	11.74
	413180017	556.91
	413180019	9.77
	413190001	111.31
	413190003	5.64
	413190005	10.35
	413190008	12.40
	413190011	138.92
	413200002	0.23
	413200003	0.15
	413200010	5.94
	413200014	10.61
	413200015	11.36
	413200020	5.00
	413200023	14.47

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
	413200024	5.00
	413200026	32.86
	413200027	42.90
	413200028	116.62
	413200029	6.39
	413200030	19.01
	413200034	2.18
	413200035	10.99
	413200036	10.42
	413200037	4.95
	413270021	0.31
	413280034	2.37
	413280039	13.61
	413280040	1.91
	413280041	2.24
	413280042	6.86
	413290003	510.57
	413290004	16.08
	413290006	8.40
	413290007	103.68
	413450019	74.85
	413450020	169.96
	413450021	146.99
	413450024	48.25
	413450025	50.83
	413450026	122.59
	413450029	108.92
	413460036	199.12
	413460037	23.51
	413460038	19.58
	413460039	45.23
	413460039	45.23
	414090005	1.59
	414090007	1.38
	414090013	31.60
	414090017	20.00
	414090018	4.50
	414100002	42.13
	414100003	65.00
Total Area		<u>5,331.65</u>

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
Plantation on the Lake	407230031	12.36
	407230010	1.25
	406050018	156.85
	406050002	5.12
	406050003	1.81
Total Area		<u>177.39</u>
Rancho Calimesa Mobile Home Park	413270001	29.66
		<u>29.66</u>
Merlin Properties, LLC.	407230014	48.52
		<u>48.52</u>
Sharondale Mesa Owners Association	413330014	1.55
	413330015	2.14
	413331022	0.48
	413331035	0.22
	413340021	0.04
	413340022	0.04
	413340023	1.53
	413340024	2.52
	413341033	0.29
	413341034	0.81
	413341036	0.35
	413342004	0.35
	413350011	1.04
	413350012	1.44
	413351018	17.08
	413351019	0.16
	413360032	1.92
	413360033	2.30
	413360035	0.90
	413361001	0.14
	413361008	0.12
413361010	0.18	
413370027	0.39	
413370028	5.34	
413370030	0.69	

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
	413371018	2.07
	413372019	1.39
Total Area		<u>45.48</u>
So. California Professional Golf Association	406060011	146.59
	406060013	2.83
	406060014	4.58
	406060016	10.35
	413450016	99.66
	413450022	95.15
	413450023	2.89
Total Area	413450027	91.53
		<u>453.58</u>
Stearns, Leonard	413221001	0.25
	413221002	0.34
	413260018	49.33
	413260025	0.37
	413270007	10.58
	413280010	1.27
	413280018	9.37
	413280021	4.26
	413280027	3.80
Total Area	413280037	14.32
		<u>93.89</u>
Sunny-Cal Egg and Poultry Company²	406080013	0.07
	407180004	9.35
	407190013	2.01
	407190014	0.50
	407190015	1.35
	407190016	4.95
	407190017	31.32
	407190018	0.93
	407230022	20.03
	407230023	20.03
	407230024	20.03
	407230025	21.99
	407230026	25.94

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
	407230027	21.63
	407230028	21.56
Total Area		<u>201.69</u>
Total Area for All Overlying Producers²		<u>6,782.87</u>

Note 1 -- Parcels as of June 1, 2003

Note 2 -- Parcels owned by Sunny-Cal Egg & Poultry Company include the overlying water rights of Manheim, Manheim and Berman and is aggregated as shown in Column 4 of Exhibit B as attributable to Sunny-Cal Egg & Poultry Company

Note 3 -- The Watermaster shall recognize adjustments in parcel boundaries that result in de minimus changes in water use

LOCATION OF OVERLYING PRODUCER PARCELS AND
BOUNDARY OF BEAUMONT BASIN

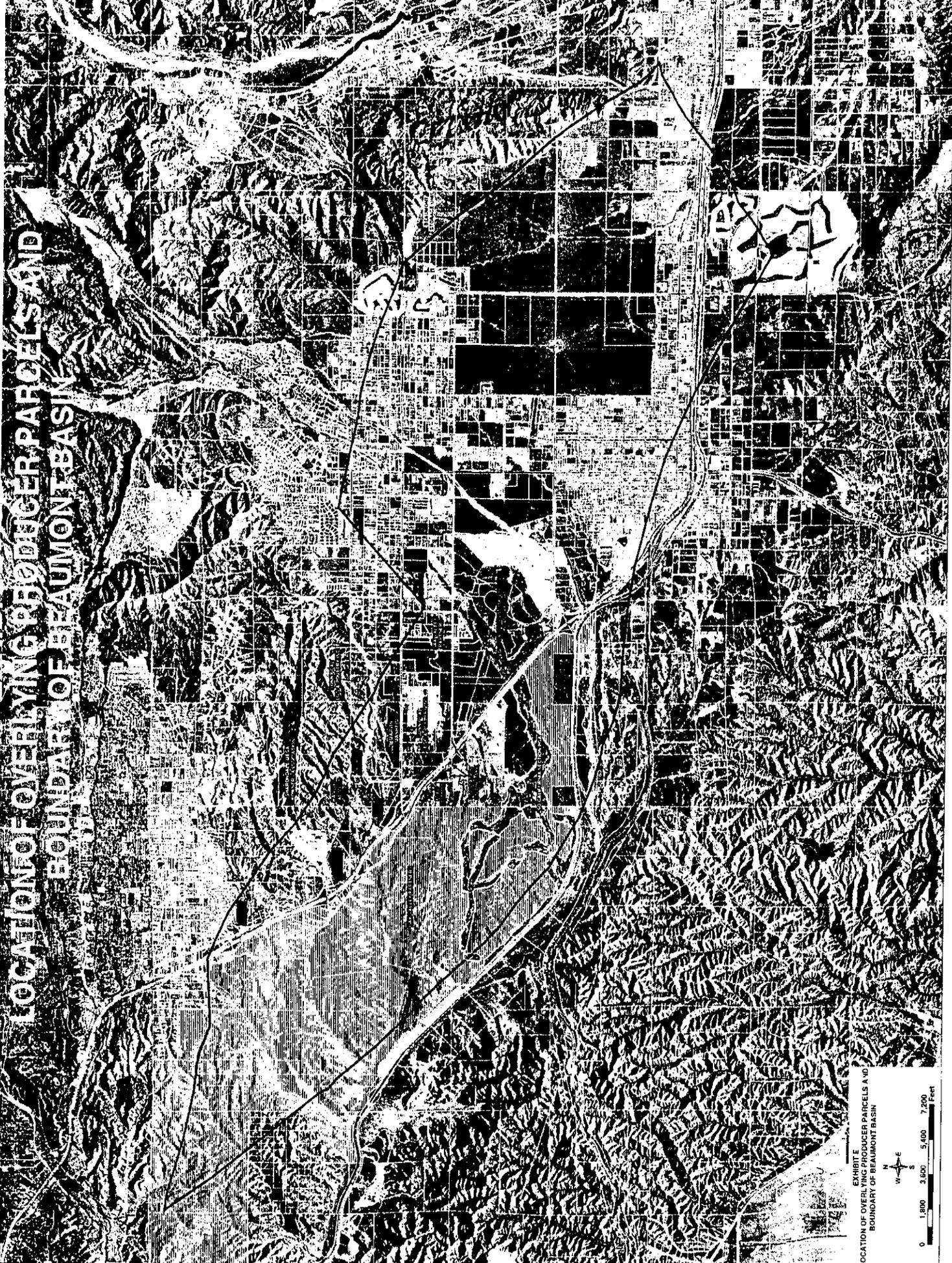


EXHIBIT E
LOCATION OF OVERLYING PRODUCER PARCELS AND
BOUNDARY OF BEAUMONT BASIN



**Nomination of
Representatives**

1 JOSEPH S. AKLUFİ (Bar No. 68619)
2 AKLUFİ AND WYSOCKI
3 3403 Tenth Street, Suite 610
4 Riverside, California 92501
5 (909)682-5480 Office
6 (909)682-2619 Fax

NO FILING FEE REQUIRED PER
GOVERNMENT CODE, SEC. 6103

7 Attorneys for Plaintiff, SAN TIMOTEO
8 WATERSHED MANAGEMENT AUTHORITY

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF RIVERSIDE, RIVERSIDE COURT

11 SAN TIMOTEO WATERSHED)
12 MANAGEMENT AUTHORITY, a public)
13 agency,)
14)
15)
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Plaintiff,

vs.

CITY OF BANNING, a municipal corporation; BEAUMONT-CHERRY VALLEY WATER DISTRICT, an irrigation district; YUCAIPA VALLEY WATER DISTRICT, a county water district; PLANTATION ON THE LAKE LLC, a California limited liability company; SHARONDALE MESA OWNERS ASSOCIATION, an unincorporated association; SOUTH MESA MUTUAL WATER COMPANY, a mutual water company; CALIFORNIA OAK VALLEY GOLF AND RESORT LLC, a California limited liability company; OAK VALLEY PARTNERS LP, a Texas limited partnership; SOUTHERN CALIFORNIA SECTION OF THE PROFESSIONAL GOLFERS ASSOCIATION OF AMERICA, a California corporation; SUNNY-CAL EGG AND POULTRY COMPANY, a California corporation; MANHEIM, MANHEIM & BERMAN, a California General Partnership; WALTER M. BECKMAN, individually and as Trustee of the BECKMAN FAMILY TRUST dated December 11, 1990; THE ROMAN CATHOLIC BISHOP of San Bernardino,

CASE NO. RIC 389197
NOMINATION OF REPRESENTATIVES
TO THE BEAUMONT BASIN
WATERMASTER COMMITTEE

1 a California corporation; MERLIN)
 2 PROPERTIES, LLC; LEONARD M.)
 3 STEARNS and DOROTHY D. STEARNS,)
 4 individually and as Trustees of the)
 5 LEONARD M. STEARNS FAMILY)
 6 TRUST OF 1991; and DOES 1 through 500,)
 7 inclusive,)
 8 Defendants.)

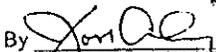
9 Pursuant to, and in accordance with, the provisions of Part VI, paragraph 4, of the
 10 Judgment entered in the above-captioned proceeding, the following representatives are hereby
 11 nominated to the Watermaster Committee, each of whom is a employee or consultant to the
 12 nominating agency:

13 <u>Nominating Agency</u>	<u>Nominee</u>
14 City of Banning	Paul Toor, Director of Public Works
15 City of Beaumont	Deepak Moorjani, Director of Public Works
16 Beaumont-Cherry Valley Water District	Charles Butcher, General Manager
17 South Mesa Mutual Water Company	George Jorritsma, General Manager
18 Yucaipa Valley Water District	Joseph B. Zoba, General Manager

19 Plaintiff San Timoteo Watershed Management Authority respectfully requests that the
 20 Court approve the foregoing nominations.

21 Dated: February 11, 2004

Respectfully submitted,
 SAN TIMOTEO WATERSHED MANAGEMENT
 AUTHORITY

By 
 JOSEPH S. AKLUF, Attorney for Plaintiff
 SAN TIMOTEO WATERSHED
 MANAGEMENT AUTHORITY

22 IT IS SO ORDERED.
 23 Dated: _____
 24

JUDGE OF THE SUPERIOR COURT

- 1 Joel S. Moskowitz, Esquire
Moskowitz, Brostoff, Winston
2 & Blinderman LLP
1880 Century Park East, Suite 350
3 Los Angeles, California 90067-1603
- 4 Gerry Shoaf, Esquire
Redwine and Sherrill
5 1950 Market Street
Riverside, California 92501
- 6 Mr. Dennis Wagner
7 Plantation on the Lake
10961 Desert Lawn Drive
8 Calimesa, California 92320
- 9 Robert Hawkins, Esquire
110 Newport Center Drive, Suite 200
10 Newport Beach, California 92660
- 11 Sharondale Mesa Owners Association
9525 Sharon Way
12 Calimesa, California 92320
- 13 Mr. Ron Sullivan
California Oak Valley Golf and Resort LLC
14 27710 Jefferson Avenue, #301
Temecula, California 92590
- 15 Mr. Mark Knorringa
16 Oak Valley Partners LP
Post Office Box 645
17 Calimesa, California 92320
- 18 Paul Singarella, Esquire
Latham & Watkins
19 650 Town Center Drive, 20th Floor
Costa Mesa, California 92626-1925
- 20 Southern California Section of the
21 Professional Golfers Association of America
Attention: Mr. Roger Billings
22 36211 Champions Drive
Calimesa, California 92320
- 23 Best, Best & Krieger
24 Attention: Greg Wilkinson, Esquire
3750 University Avenue, Suite 400
25 Riverside, California 92501
- 26 Manheim, Manheim & Berman and
Sunny Cal Egg and Poultry Company
27 Best, Best & Krieger
Attention: Steve Anderson, Esquire
28 3750 University Avenue, Suite 400
Riverside, California 92501

1 Mr. Walter M. Beckman
2 38201 Cherry Valley Boulevard
Cherry Valley, California 92223

4 Mr. Fred Reidman and Mr. Richard Reidman
Merlin Properties, LLC
5 6475 East Pacific Coast Highway, No. 399
Long Beach, California 90803

6 Mr. Leonard Stearns
Post Office Box 141
7 Calimesa, California 92320

8 (BY MAIL) I deposited such envelope in the mail at Riverside, California. The envelope
9 was mailed with first class postage thereon fully prepaid.

10 (BY PERSONAL SERVICE) I delivered such envelope(s) by hand to the offices of the
11 addressee.

12 (BY FACSIMILE) I caused the above-referenced document(s) to be delivered by
telecopier to the addressee(s) at their respective facsimile numbers.

13 (BY OVERNIGHT MAIL) I caused such envelope(s) to be delivered to an overnight
14 delivery service for next day delivery to the addressee(s).

15 Executed on February 11, 2004, at Riverside, California.

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

18 
19 JOSEPH S. AKLUFT
20
21
22
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27
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