November 28, 2012

VIA ELECTRONIC SERVICE
Overlying Landowner Counsel
See Attached Distribution List

Re: Antelope Valley Groundwater Litigation, JCCP 4408
CONFIDENTIAL SETTLEMENT COMMUNICATION

Dear Counsel:

I write to advise you that Richard Wood plans to file suit against the landowner parties identified on the enclosed list. We will be seeking a determination of various issues relevant to the parties’ respective water rights claims in the Antelope Valley groundwater basin, including the application of Water Code section 106 and the Class’ water rights. The terms we seek on behalf of the Class have been widely circulated, but if you would like to discuss those further, please feel free to contact me.

In doing so, we will be seeking to certify a class action relative to these claims. The complaint will include a claim for attorneys’ fees pursuant to C.C.P. section 1021.5. If a resolution of the small pumper class’ action against the public water suppliers is achieved, we will be seeking to recover all of our future attorneys’ fees against your clients only, on a joint and several basis.

If your client(s) wish to resolve these issues with the Class prior to litigation, please let me know by December 10, 2012. Subject to Court confirmation, we are open to a partial settlement with less than all of those landowner parties listed on the attachment.

Very truly yours,

Michael D. McLachlan

Encl.

cc: Dan O’Leary
Richard A. Wood