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RULES AND REGULATIONS

OF THE

MOJAVE BASIN AREA WATERMASTER

Adopted June 30, 1994

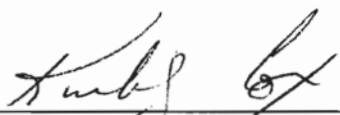
Revised December 11, 1996

Revised March 23, 2005

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Kimberly Cox, Chairman
Mojave Basin Area Watermaster

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1 RULES AND REGULATIONS OF THE
2 MOJAVE BASIN AREA WATERMASTER

3 Adopted June 30, 1994

4 Revised December 11, 1996

5 Revised March 23, 2005

6 Revised October 29, 2008

7
8 The definitions set forth in the Judgment in Riverside County Superior Court Case No.
9 208568, entitled, "*City of Barstow, et al, v. City of Adelanto, et al,*" are used herein with the
10 same meanings and are listed in Appendix "A" hereof.

11 1. *Watermaster, Offices and Records.* The initial Watermaster appointed by the
12 Court consists of seven (7) members comprising the Board of Directors of the Mojave Water
13 Agency. Watermaster shall be bound by the terms and conditions of the Judgment as from time
14 to time amended. Watermaster's offices and records shall be maintained at the office of the
15 Mojave Water Agency:

16 22450 Headquarters Drive

17 Apple Valley, California 92307-4304

18 Telephone (760) 946-7000

19 Telefax (760) 946-240-2642

20 Mailing Address:

21 22450 Headquarters Drive

22 Apple Valley, California 92307-4304

23 Such records as may be obtainable for inspection pursuant to the California Public
24 Records Act shall be available during regular business hours. Copies of said records may be
25 obtained upon payment of the costs of the duplication thereof and of any preparation costs
26 pertaining thereto as established by Watermaster.

27 2. *Watermaster Meetings and Notice.* All meetings and hearings by Watermaster
28 shall be noticed and conducted according to current requirements of the Ralph M. Brown Act,

1 government Code Section 54950, et seq. Regular meetings of Watermaster shall be held at least
2 quarterly at 4:30 p.m. in the Board Room of the Mojave Water Agency (hereafter MWA) at
3 22450 Headquarters Drive, Apple Valley, California 92307. In the event any of these rules
4 conflict with Brown Act, Brown Act will prevail.

5 A. *Regular Meetings.* Notice of the scheduled or regular meetings of the
6 Watermaster and of any changes in the time or place thereof shall be mailed to all parties
7 who shall have filed a request therefore in writing with the Watermaster.

8 B. *Holidays.* When any regular meeting of the Watermaster falls on a
9 holiday observed by MWA, said regular meeting shall be held on an alternative date
10 specified by Watermaster.

11 C. *Meeting Changes.* Any changes in the time or place of said regular
12 meeting shall be in compliance with the Judgment.

13 D. *Special Meetings.* Special meetings of Watermaster may be called at any
14 time by the Chairman or by any three (3) members of Watermaster, by written notice in
15 compliance with the Judgment. The calling notice shall specify the time and place of the
16 special meeting and the business to be transacted. No other business shall be considered
17 at such meetings.

18 E. *Adjournment.* Any meeting of Watermaster may be adjourned to a time
19 and place specified in the Order of Adjournment. Less than a quorum of Watermaster, or
20 Watermaster's Secretary or Executive Officer, may so adjourn from time to time. A copy
21 of the Order or Notice of Adjournment shall be conspicuously posted on or near the door
22 of the place where the meeting was held or to be held, within twenty-four (24) hours after
23 the adoption of the Order of Adjournment.

24 3. *Quorum of Watermaster, Necessary Votes for Action and Roll Call of Votes.* Four
25 (4) members of Watermaster shall constitute a quorum for the transaction of its affairs. Action
26 by a simple majority vote shall constitute action by the Watermaster. Any member of
27 Watermaster may request a roll call vote on any question or motion considered and the ayes and
28 noes thereon shall be recorded in the minutes of the meeting.

1 4. *Agenda of Watermaster Meetings.* Any person requesting that a matter be
2 considered by Watermaster for action thereon, shall request the same in writing directed to
3 Watermaster's Executive Officer at least ten (10) days prior to the next scheduled meeting for
4 inclusion on the Agenda.

5 5. *Conduct of Meetings.* For the conduct of meetings, Watermaster shall adopt its
6 own rules and the priorities of Watermaster business shall be that stated in the Agenda for a
7 particular meeting.

8 6. *Organization of Watermaster.* At its first meeting each year, Watermaster shall
9 elect a Chairman and Vice Chairman from its membership. It shall also select an Executive
10 Officer, a Secretary and a Treasurer and may select such other assistants as may be appropriate,
11 none of whom may be a member of Watermaster.

12 7. *Minutes.* Minutes of all Watermaster meetings shall be kept, which shall reflect
13 all actions taken. Draft copies thereof shall be furnished to any Party who files a request
14 therefore in writing with Watermaster. Said draft copies of minutes shall constitute notice of any
15 Watermaster action therein reported. Failure of a Party to request copies of minutes shall
16 constitute his waiver of notice.

17 8. *Designee to Receive Future Notices.* Each Party who has not heretofore made a
18 designation of the name and address (physical or electronic) of the person who shall receive
19 service upon and delivery to Parties of various papers shall file with the Court within thirty (30)
20 days following Entry of Judgment , with proof of service of a copy thereof upon Watermaster
21 and the Watermaster's Attorney, a written designation of the person to whom and the address
22 (physical or electronic) at which all future notices, determinations, requests, demands,
23 objections, reports, court documents and other papers and processes to be served upon that Party
24 or delivered to the Party are to be served or delivered. In the event no designation is filed, the
25 designee shall be deemed to be: 1) the Attorney of Record of that Party or 2) the Party, in the
26 event the Party has no Attorney of Record in this case.

27 A. *Substitute Designee.* A later substitute designation filed and served in the
28 same manner by any Party shall be effective from the date of filing as to any future

1 notices, determinations, requests, demands, objections, reports and other papers and
2 processes to be served upon or delivered to that Party.

3 B. *Service Upon Designee.* Service of all future notices, determinations,
4 requests, demands, objections, reports, court documents and other papers and processes
5 will be the responsibility of Watermaster. Watermaster will annually establish the cost
6 for service of these documents. Delivery to or service upon any Party by Watermaster,
7 by any other Party, or by the Court, of any item required to be served upon or delivered
8 to a Party under or pursuant to the Judgment will be made by one of the following
9 method(s).

10 1. First class mail, postage prepaid, addressed to the latest Designee of the Party
11 to be served and at the address of said latest designation filed by that Party.

12 2. Electronic Mail (e-mail) addressed to the latest Designee of the Party to be
13 served and at the e-mail address of said latest designation filed by the Party.

14 3. Parties may elect to waive notice and service requirements and shall notify
15 Watermaster in writing of this election. Such waiver will stand until Watermaster is
16 notified otherwise in writing.

17 C. *List of Designees.* Watermaster shall maintain a current list of Party
18 Designees to receive notices under the Judgment.

19 9. *Election of Subarea Advisory Committees.* Upon entry of Judgment, and every
20 third year thereafter, elections shall be held by Producers in each Subarea to elect a Subarea
21 Advisory Committee. Each Subarea Advisory Committee will consist of five (5) members,
22 except that the California Department of Fish and Game shall also serve as an ex-officio member
23 of the committees for Alto and Baja Subareas. In the event a vacancy arises, a temporary advisor
24 shall be appointed by a majority of the remaining advisors to serve until the next scheduled
25 election.

26 A. *Notice of Initial Nomination and Election.* Upon entry of the Judgment,
27 Watermaster will send a notice to Producers in each Subarea advising them of the time,
28 date and place for the receipt of nominations for candidates for the initial Subarea

1 Advisory Committee. Within thirty (30) days following receipt of nominations the
2 Watermaster shall send to each Producer a ballot of qualified nominees along with
3 information as to the time, date and place for receipt of completed ballots. Watermaster
4 shall appoint a special committee to tally the results of the election and shall notify
5 Producers of the results. Any ballot received late or improperly marked will not be
6 counted. After each Advisory Committee is formed, the Committee will develop its own
7 Rules and Regulations and conduct future elections in accordance with the Judgment.

8 B. *Voting.* Voting will be in accordance with the Judgment. Each party will
9 be entitled to one vote for every acre-foot of Base Annual Production for that Party in
10 that Subarea, multiplied by the number of advisors to be elected. These votes may be
11 cast for one candidate or distributed among up to five candidates at the party's discretion.

12 C. *Meetings.* Watermaster will meet on a regular basis and at least semi-
13 annually with the Subarea Advisory Committees to review Watermaster activities and to
14 receive advisory recommendations from the Committees. Each Subarea Advisory
15 Committee will notify Watermaster of its meeting dates. All meetings will be open to the
16 public.

17 10. *Court Review of Watermaster Action.* Pursuant to Paragraph 36 of the Judgment,
18 any action, decision, rule or procedure of Watermaster is subject to review by the Court on its
19 own motion or on timely petition or motion for an Order to Show Cause by any Party. To fulfill
20 Watermaster's responsibilities under Paragraph 36 Watermaster shall implement the following
21 procedures:

22 A. *Notice of Motion by Court.* In the event the Court decides to conduct a
23 review on its own motion, Watermaster shall prepare copies of the Court's motion and
24 mail a copy to each Designee according to the official service list maintained by
25 Watermaster pursuant to Paragraph 37 of the Judgment. Alternatively, notice of motion
26 may be made pursuant to Paragraph 10D as amended.

27 B. *Notice of Motion by a Party.* Any Party filing a motion petitioning the
28 Court to conduct a review must deliver a copy to Watermaster together with a service fee

1 sufficient to cover the cost to photocopy and mail the motion to each Designee.
2 Watermaster shall annually establish the service fee rates to be charged. Alternatively,
3 notice of motion may be made pursuant to Paragraph 10D as amended.

4 C. *Effective Date of Watermaster Action.* Any order, decision or action of
5 Watermaster shall be deemed to have occurred on the date of the order, decision or
6 action.

7 D. *Notice of Motion.* Any Party, may, by a regularly noticed motion, petition
8 the Court for review of Watermaster's action or decision pursuant to this Judgment. The
9 motion shall not be deemed filed until a copy, conformed as filed with the Court, has
10 been delivered to Watermaster together with the service fee established by Watermaster
11 sufficient to cover the cost to photocopy and mail the motion to each Party. Watermaster
12 shall prepare copies and mail a copy of the motion to each Party or its designee according
13 to the official service list which shall be maintained by Watermaster according to
14 Paragraph 37 of the Judgment. A Party's obligation to serve notice of a motion upon the
15 Parties is deemed to be satisfied by filing the motion with the Watermaster as provided
16 herein. Alternatively, delivery of such copy, conformed as filed with the Court, may be
17 delivered to Watermaster together with the service fee established by Watermaster
18 sufficient to cover the cost to produce and mail a postcard detailing the document to each
19 Party. Watermaster shall mail said postcard to each Party or its designee according to the
20 official service list which shall be maintained by Watermaster pursuant to Paragraph 37
21 of the Judgment. Served documents will be posted to and maintained on the Mojave
22 Water Agency's internet website for printing and/or download by Parties. Unless
23 ordered by the Court, any such petition shall not operate to stay the effect of any
24 Watermaster action or decision which is challenged.

25 E. *Time for Motion.* A motion to review any Watermaster action or decision
26 shall be filed with both the Court and Watermaster within ninety (90) days after such
27 Watermaster action or decision, except that motions to review Watermaster Assessments
28 hereunder shall be filed within thirty (30) days of mailing of notice of the Assessment.

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

5 G. *Payment of Assessments Pending Review.* Payment of Assessments levied
6 by Watermaster hereunder shall be made pursuant to the time schedule in Exhibit "D," to
7 the Judgment which is attached hereto as Exhibit "B" to these Rules and Regulations
8 notwithstanding any motion for review of Watermaster actions, decisions, rules or
9 procedures, including review of Watermaster Assessments.

10 11. *Quantification of Production.* In order to enable verification of production each
11 party who produces water must have an accurate method, approved by Watermaster, for
12 quantifying production, from each source, on a quarterly basis. Watermaster may approve
13 methods such as the use of flow measuring devices, electrical energy consumption records, time
14 of usage records or other methods having equivalent accuracy. Watermaster may require meters
15 on all production facilities if conditions are warranted.

16 A. *Flow Measuring Devices.* Generally the term "flow measuring device"
17 means a meter, weir, flume or other such device.

18 B. *Meters.* Generally the term meter shall refer to a positive displacement
19 velocity impeller, venturi or orifice-type meter with a totalizer or other meter acceptable
20 to the Watermaster. Meters shall be accessible and installed according to manufacturer's
21 recommendations and good design practices.

22 (1) *Meters Existing on Date of Entry of Judgment.* Producers who
23 were metering Production as of the date of entry of the Judgment shall continue to
24 meter Production.

25 (2) *Surface Diversions.* Surface water diversions shall be measured
26 with a flume or weir and stage recorder or a meter capable of accurately
27 measuring and recording such diversions.
28

1 (3) *Meter Tests.* Each Producer shall be responsible for having
2 meter(s) tested at least once every two (2) years by an approved meter tester. The
3 name, address and telephone number of all Watermaster approved meter testers
4 shall be maintained and be available from the office of the Watermaster. Results
5 of all meter tests shall be submitted to Watermaster within seven (7) days of test.
6 The tolerance for each meter shall be plus (+) or minus (-) five (5%) percent of
7 the manufacturer's standard. Watermaster may require an aggregate accuracy of
8 plus (+) or minus (-) two (2%) percent. Meters which are found to be within the
9 specified limits of accuracy shall be sealed by Watermaster following each test.

10 (4) *Repair or Replacement of Inaccurate Meters.* Any defective or
11 inaccurate meter must be repaired within thirty (30) days of notification by
12 Watermaster that the meter is defective.

13 (5) *Interim Meter Tests.* Should a Producer at any time discover that a
14 meter which measures the water Production from his well is measuring
15 inaccurately, he shall immediately notify Watermaster thereof, have the meter
16 retested and, if it is measuring inaccurately, have the same repaired and retested at
17 the earliest practical time.

18 (6) *Meters Required for Domestic Deliveries.* Any Producer except as
19 herein provided who provides piped water for human consumption to more than
20 five (5) service connections is required by Paragraph 24(d) of the Judgment to
21 install an individual water meter on each service connection within three (3) years
22 from the date of entry of the Judgment. This provision shall apply only to public
23 water systems, including but not limited to, municipal water purveyors, investor
24 owned water service companies, mutual water companies and county service
25 areas. Associations delivering domestic water to its members or landlords who
26 provide water to their tenants shall only be required to meter the total amount of
27 water produced.
28

1 C. *Determination by Electrical Energy Consumption or Time of Usage*
2 *Records.* Water production may be determined by electrical energy consumption or time
3 of usage correlated with a current pump test provided that all of the following conditions
4 are met:

5 (1) The pumping plant shall be the only connected load on the
6 electrical meter or time of usage recorder except that a booster pump may be
7 connected to the electrical meter if the booster pump is also tested concurrently.

8 (2) The pump test shall be performed by Southern California Edison
9 Company, or other qualified pump tester approved by the Watermaster.

10 (3) The pump test shall have been performed within two (2) years of
11 the end of the water year for which Production is being reported. The mechanical
12 condition of the pump and motor and the discharge head must be essentially the
13 same as existed during the reporting period.

14 D. *Alternative Measuring Methods.* Any Party choosing not to utilize a water
15 meter or other approved water measuring device such as a weir or flume or electrical
16 energy consumption records or a time of usage recorder shall submit to Watermaster a
17 proposal for another method by which quarterly production will be measured or
18 estimated. Any Party proposing such method shall provide a certification that the method
19 is at least as accurate as the methods approved herein. Such certification shall be
20 provided by a registered professional engineer or other person acceptable to Watermaster.

21 E. *Engine Driven Pumps.* Any party who produces water by engine driven
22 pump and chooses to measure the water produced by method(s) other than a water meter
23 shall provide a certification that the method of measurement is at least as accurate as a
24 water meter. Such certification shall be provided by a registered professional engineer or
25 other person acceptable to Watermaster. Such certification shall be provided within one
26 (1) year from the date of entry of the Judgment. In the absence of such certification a
27 water meter will be required.

1 F. *Records Provided to Watermaster.* Parties must provide copies of all
2 records used to quantify water production as outlined in A through E above, including,
3 electrical consumptions records, pump test records, flow meter readings, flow meter
4 calibration tests, fuel consumption records, time of use meter records or any other records
5 used. Additionally, Watermaster shall acquire electrical consumption records and pump
6 test records maintained by Southern California Edison Company.

7 G. *Compliance.* Any party not in compliance with the provisions of this
8 Section 11, as outlined in A through F above, shall be assessed for all applicable
9 assessments based on Watermaster's estimate of water production, the total annual
10 pumping capacity of the diversion works, or the producer's Base Annual Production.

11 12. *Transfers of Production Rights.* Transfers of Production Rights will become
12 effective as follows:

13 A. *Notice to Watermaster of Transfers.* Any transfer of a Production Right or
14 portion thereof shall be operable only when the requirements of Exhibit "F" of the
15 Judgment are met, when both Transferor and Transferee have stipulated to the Judgment,
16 when all current and past due assessments owed to Watermaster by the transferee and the
17 transferor have been paid, and when the Parties file with the Watermaster a copy of the
18 appropriate transfer documents which:

19 (1) Identify both the transferee(s) and the transferor(s) together with
20 the name of the responsible parties, the Party to receive any Carryover credit and
21 the name(s) of the person(s) who will pay any applicable assessments. Any
22 transferee must be or become a Party pursuant to Paragraph 40 of the Judgment
23 prior to the date of the transfer.

24 (2) Identify the nature of the transfer, i.e., sale, assignment, lease, etc.

25 (3) For Temporary Transfers accurately recite the maximum amount
26 of Transferor's share of Free Production Allowance and/or Carryover Right to be
27 transferred and the price per acre-foot to be paid by the Transferee(s). The
28 temporary nature of the transfer must be identified as either a one year transfer of

1 the transferred Free Production Allowance or a continuing transfer of the
2 transferred Free Production Allowance in excess of one year.

3 (4) For permanent transfers, accurately recite the amount of
4 Transferor's Base Annual Production Right to be transferred and the total price to
5 be paid by the Transferee(s).

6 (5) Execution and notice requirements:

7 (a) Permanent Transfers are executed by both Transferee(s)
8 and Transferor(s). At least thirty (30) days prior to filing with
9 Watermaster any proposed permanent transfer of a Base Annual
10 Production Right, the proposed Transferor shall provide written notice by
11 certified mail (with return receipt requested) of the proposed transfer to
12 any party with a recorded security interest, deed of trust or a lien in such
13 real property or in crops growing or to be grown thereon. A list of those
14 so notified shall be provided to the Watermaster together with copies of
15 the notice and return receipts. A Preliminary Title Report on seller's
16 property shall also be provided to the Watermaster for permanent
17 transfers. If a real estate sale is completed prior to notification to
18 Watermaster of the proposed permanent transfer, the Transferee shall
19 provide Watermaster with a copy of the recorded Deed and a Title
20 Insurance Policy showing ownership of the land associated with the Base
21 Annual Production Right.

22 (b) Temporary transfers over one (1) year are executed by both
23 Transferee(s) and Transferor(s). At least thirty (30) days prior to filing
24 with Watermaster any proposed temporary transfer over one (1) year, the
25 proposed transferor shall provide written notice by certified mail (with
26 return receipt requested) of the proposed transfer to any party with a
27 recorded security interest, deed of trust or a lien in such real property, or
28 in crops growing or to be grown thereon. A list of those so notified shall

1 be provided to the Watermaster together with copies of the notice and
2 return receipts. A Preliminary Title Report on seller's property shall also
3 be provided to the Watermaster for temporary transfers in excess of one
4 (1) year.

5 (c) Temporary transfers one (1) year or less are executed by
6 both Transferee(s) and Transferor(s). Compliance with (a) and (b) of this
7 section are not required.

8 (6) Are acknowledged by parties in a form sufficient for recordation
9 with the County Recorder.

10 (7) List the Designee(s) of both the Transferor(s) and Transferee(s) to
11 receive future service and notice of papers and process.

12 (8) Are accompanied by a map of the service area where the water was
13 used by Transferor(s) (Assignors) and a map of the service area where the water
14 is intended to be used by the Transferee(s) (Assignees).

15 (9) Are accompanied by a listing showing the identification and
16 locations of the production facilities to be involved in or affected by the transfer.

17 (10) Conform with the following time requirements for filing with the
18 Watermaster:

19 (a) Permanent Transfers of Base Annual Production Right,
20 including those involving Foreclosure or Deed in Lieu of Foreclosure, at
21 least forty five (45) days prior to a regularly scheduled meeting before the
22 Watermaster.

23 (b) Temporary Assignment of Free Production Allowance,
24 whether one (1) year or multiple years in duration, at least thirty (30) days
25 prior to a regularly scheduled meeting before the Watermaster.

26 (c) Transfers of Current Year Carryover in Lieu of Payment of
27 Replacement Water Assessments incurred during the prior water year, at
28 least thirty (30) days prior to either the April or May Watermaster meeting

1 (d) Transfers of Free Production Allowance or Carryover Right
2 in Lieu of Payment of Makeup Water Assessments incurred during the
3 prior water year at least thirty (30) days prior to the April or May
4 Watermaster meeting.

5 (11) In any year in which MWA institutes a Free Production Allowance
6 Purchase Program, any transfers of Free Production Allowance to MWA shall
7 comply with the provisions set forth above in this Section 12, Transfers of
8 Production Rights. Such transfers shall be executed on forms provided by MWA.

9 B. *Approved Transfer Forms and Other Forms.* Transfers shall be reported
10 on approved Watermaster forms which are attached hereto, marked and identified as
11 follows:

12 Exhibit "C" - Permanent Transfer of Base Annual Production Right

13 Exhibit "D" - Temporary Assignment of Free Production Allowance

14 Exhibit "E" - Designee to Receive Future Notices for and on Behalf of
15 Defendant(s)

16 Exhibit "F" - Stipulation for Intervention After Entry of Judgment

17 Exhibit "G" - Request for Transfer of Base Annual Production Right After
18 Foreclosure

19 Exhibit "H" - Request for Transfer of Base Annual Production Right After
20 Accepting Deed in Lieu of Foreclosure

21 Exhibit "I" - Request for Assignment of Carryover Right in Lieu of Payment of
22 Replacement Water Assessments

23 Exhibit "J" - Request for Assignment of Free Production Allowance in Lieu
24 Payment of Makeup Water Assessments

25 C. *Payment of Assessments Prior to Watermaster Acceptance of Transfers.*

26 The Watermaster shall take no action on any proposed transfer unless all past due
27 assessments, interest and penalties owed to Watermaster by either Transferee or
28 Transferor have been paid prior to the date that the proposed transfer is submitted to

1 Watermaster. Transferee and Transferor must also be in compliance with Section 11,
2 Quantification of Production.

3 D. *Emergency Transfers of FPA to Accommodate Exports from the Basin for*
4 *Emergency Domestic Use.* Transfers of FPA for the right to export water from the basin
5 for emergency domestic use shall conform to the following:

6 (1) Both the Transferor and the Transferee must be stipulating parties
7 to the Judgment.

8 (2) The Transferor is responsible for payment of all assessments
9 incurred pursuant to these Rules and Regulations resulting from pumping water
10 pursuant to the transfer.

11 (3) Transfers shall be effective for a period not to exceed six months.

12 (4) Transferor shall develop proper monitoring and reporting as
13 directed by Watermaster.

14 (5) Transferee must demonstrate a declared emergency need for water
15 or demonstrate an impending emergency need.

16 (6) Transfer shall be for an amount not to exceed 100 acre-feet “in the
17 aggregate” for all such transfers occurring within one water year.

18 (7) The total amount of water exported shall be debited to the
19 Transferor’s current year FPA (excluding Carryover) at a rate of two acre-feet for
20 each acre-foot to be exported in the appropriate Subarea and Transferor shall be
21 responsible for all assessments for all water exported. Transfers of Carryover
22 Rights to cover any portion of the Replacement Water requirement of this section
23 are not allowed.

24 (8) The Executive Officer of the Watermaster is hereby delegated with
25 the authority to approve Emergency Transfers up to 100 acre-feet. Watermaster
26 shall take notice of such approval by the Executive Officer at its next scheduled
27 meeting.
28

1 (9) Emergency transfers that exceed 100 acre-feet shall be presented
2 by Watermaster staff with a recommendation to the Watermaster for action.

3 13. *Property Foreclosures or Other Forced Sales.* Should a property foreclosure or
4 other forced sale occur which includes property containing water production facilities and point
5 of water use from those facilities previously verified by Watermaster and entered by the Court as
6 Base Annual Production Right on Table B-1 or B-2 of the Judgment, Watermaster shall process
7 a “Transfer of Base Annual Production Right After Foreclosure,” if requested by the Purchaser
8 of the Property (“Purchaser”) at the forced sale, using the following procedure and all other
9 applicable sections of these Rules and Regulations.

10 A. The transaction shall be reported on a completed “Request for Transfer of
11 Base Annual Production Right After Foreclosure” form; Exhibits “G” to these Rules and
12 Regulations. The form shall be executed by the Purchaser. The form shall be
13 accompanied by a map showing the service area where the water was used by the Trustor
14 and showing the service area where the water is intended to be used by the Purchaser.
15 The map shall include assessor’s parcel numbers shown for each parcel affected, and a
16 listing of identification and locations of production facilities affected by the requested
17 transfer. In addition thereto, Exhibit “G-2”(Page 1 and 2), an affidavit of Purchaser
18 stating current lien holders and title holders to the property, priority of the lien foreclosed
19 upon, and any other applicable facts relative to water rights, water production and the
20 property relevant to the transfer shall be provided.

21 B. If the Purchaser is a Party to the Judgment, Purchaser shall provide the
22 Watermaster with a certified copy of the Trustee’s Deed conveying title to the Purchaser
23 or a certified copy of court order approving sale. A true copy thereof must be filed with
24 Watermaster. The transfer of Base Annual Production Right will not take effect until
25 accepted by the Watermaster at a regularly scheduled meeting, pursuant to the terms of
26 the Judgment.

27 C. If Purchaser is not a Party to the Judgment, in addition to the materials
28 described in B, above, Purchaser shall provide completed Exhibits “G-3” and “G-4”

1 (Page 1 and 2) as contained in these Rules and Regulations, and thereby agrees to be
2 bound by the Judgment in Riverside Superior Court Case No. 208568, together with the
3 attendant rights, powers, responsibilities, and privileges pertaining thereto.

4 D. Purchaser shall provide all of the information identified in A, B and C at
5 least forty-five (45) days prior to the hearing set before the Watermaster to consider a
6 proposed transfer.

7 E. At least thirty (30) days prior to the hearing set by the Watermaster to
8 consider a proposed transfer, Purchaser shall provide evidence to Watermaster that the
9 Trustor and Trustee received notice by certified mail, return receipt requested of the
10 proposed action, and of the time, date and location of the hearing. Purchaser shall also
11 provide notice to any other party with a recorded security interest, deed of trust, or a lien
12 in such real property, or in crops growing or to be grown thereon. A copy of the returned
13 receipt shall be provided to Watermaster within thirty (30) days prior to said hearing.
14 Watermaster shall notify other parties to the Judgment of the proposed transfer, as may
15 be required.

16 F. Watermaster shall determine any assessments due or past due Watermaster
17 by the Trustor for Administrative, Biological, Replacement water, or Makeup water
18 assessments permitted by the Judgment, and shall take no action on any such transfer
19 until all unpaid assessments are paid. Payment shall be the responsibility of the
20 Purchaser.

21 G. Watermaster shall determine if partial or total transfer of Base Annual
22 Production Right has previously occurred for the property in question. If a permanent or
23 a temporary transfer has occurred affecting all or part of the Base Annual Production
24 Right for the property in question, and the resulting amount of Base Annual Production
25 Right requested for transfer to Purchaser is in dispute by affected parties (including any
26 other party with a recorded security interest, deed of trust, or a lien in such real property),
27 or cannot be clearly discerned to the satisfaction of the Watermaster, a transfer shall not
28 be processed and the factual information shall be referred to the Court for resolution.

1 H. Upon successful conclusion of a Transfer of Base Annual Production
2 After Foreclosure, Watermaster shall amend Table B-1 and/or Table B-2 of the
3 Judgment, and other documents as may be appropriate.

4 14. *Deed in Lieu of Foreclosure.* Should a property be transferred under a deed in
5 lieu of foreclosure which includes property containing water production facilities from which
6 production amounts were previously verified by Watermaster and entered by the court as Base
7 Annual Production Rights on Table B-1 of the Judgment, Watermaster shall process a “Transfer
8 of Base Annual Production Right After Accepting Deed in Lieu of Foreclosure”, if requested by
9 the Purchaser of the Property (“Purchaser”) at the sale, using the following procedure and all
10 other applicable sections of these Rules and Regulations.

11 A. The transaction shall be reported on a completed “Request for Transfer of
12 Base Annual Production Right After Accepting Deed in Lieu of Foreclosure” form;
13 Exhibit “H-1” to these Rules and Regulations. The form shall be executed by the
14 Purchaser. The form shall be accompanied by a map showing the service area where the
15 water was used by the Trustor and showing the service area where the water is intended
16 to be used by the Purchaser. The maps shall include assessor’s parcel numbers shown for
17 each parcel affected, and a listing of identification and locations of production facilities
18 affected by the requested transfer. In addition thereto, Exhibit “H-2”(Page 1 and 2), an
19 affidavit of Purchaser stating current lien holders and title holders to the property, and
20 any other applicable facts relative to water rights, water production, and the property
21 relevant to the transfer shall be provided.

22 B. If the Purchaser is a Party to the Judgment, Purchaser shall provide the
23 Watermaster with a certified copy of the Trustee’s Deed conveying title to the Purchaser,
24 or a certified copy of the court order approving sale. A true copy thereof must be filed
25 with Watermaster. The transfer of Base Annual Production Right will not take effect
26 until accepted by the Watermaster at a regularly scheduled meeting, pursuant to the terms
27 of the Judgment.
28

1 C. If Purchaser is not a Party to the Judgment, in addition to the materials
2 described in (B), above, Purchaser shall provide completed Exhibits “H-3”and “H-4”
3 (Page 1 and 2) as contained in these rules and Regulations, and thereby agrees to be
4 bound by the Judgment in Riverside Superior Court Case No. 208568, together with the
5 attendant rights, powers, responsibilities, and privileges pertaining thereto.

6 D. Purchaser shall provide all of the information identified in (A), (B), and
7 (C) at least forty-five (45) days prior to the hearing set before the Watermaster to
8 consider a proposed transfer.

9 E. At least thirty (30) days prior to the hearing set by the Watermaster to
10 consider a proposed transfer, Purchaser shall provide evidence to Watermaster that the
11 Trustor, Trustee, and Beneficiary received notice by certified mail, return receipt
12 requested of the proposed action, and of the time, date and location of the hearing.
13 Purchaser shall also provide notice to any other party with a recorded security interest or
14 deed of trust, in such real property, or in crops growing or to be grown thereon. A copy
15 of the returned receipt shall be provided to Watermaster within thirty (30) days prior to
16 said hearing. Watermaster shall notify other parties to the Judgment of the proposed
17 transfer, as may be required.

18 F. Watermaster shall determine any assessments due or past due Watermaster
19 by the Trustor for Administrative, Biological, Replacement water, or Makeup water
20 assessments permitted by the Judgment, and shall take no action on any such transfer
21 until all unpaid assessments are paid. Payment shall be the responsibility of the
22 Purchaser.

23 G. Watermaster shall determine if partial or total transfer of a Base Annual
24 Production Right has previously occurred for the property in question. If a permanent or
25 a temporary transfer has occurred affecting all or part of the Base Annual Production
26 Right for the property in question, and the resulting amount of Base Annual Production
27 Right requested for transfer to Purchaser is in dispute by affected parties (including any
28 other party with a recorded security interest, deed of trust, or a lien in such real property),

1 or cannot be clearly discerned to the satisfaction of the Watermaster, a transfer shall not
2 be processed and the factual information shall be referred to the Court for resolution.

3 H. Upon successful conclusion of a Transfer of Base Annual Production
4 Right After Accepting Deed in Lieu of Foreclosure, Watermaster shall amend Judgment
5 Table B-1 and/or Table B-2 with the court, and other documents as may be appropriate.

6 15. *Free Production Allowances.* Not later than May 1 of each year, Watermaster
7 shall submit in its Annual Report any recommended adjustment to the Free Production
8 Allowance for any Subarea for the following year. In arriving at its recommendations as to any
9 such adjustment, Watermaster shall be guided by the factors set forth in Exhibit "C" of the
10 Judgment. Watermaster's recommendations for an adjustment of Free Production Allowance
11 shall be made in accordance with the following procedures and time schedule:

12 A. *Preliminary Determinations and Recommendations.* Not later than March
13 1 of each year, Watermaster shall make a determination of the Production Safe Yield of
14 each Subarea and a preliminary recommendation for any adjustment of the Free
15 Production Allowance. Said determination and preliminary recommendation shall be
16 made in the form of a report containing a statement of the considerations, calculations
17 and factors utilized by Watermaster in arriving at said Production Safe Yield and
18 preliminary recommendation for adjustment of the Free Production Allowance.

19 B. *Notice of Hearing.* A copy of said preliminary recommendation shall be
20 mailed to all Designees not later than March 1 along with a notice of a hearing thereon to
21 be commenced not later than April 1 at which time objections or suggested corrections or
22 modifications to said recommendation shall be considered.

23 C. *Final Recommendations.* Not later than May 1 Watermaster shall submit
24 to the Court and shall mail to each Designee a copy of its recommendation as to the Free
25 Production Allowance for each Subarea for the next year. Upon approval of a Free
26 Production Allowance for each Subarea by the Court, Watermaster shall notify each
27 Designee as to such Producer's share of the Free Production Allowance for the next year.
28

1 16. *Carryover Rights.* Any Producer's share of the Free Production Allowance which
2 is not produced in a given year will be carried over and accumulated for one (1) year. The first
3 water produced in the succeeding year shall be deemed produced pursuant to such Producer's
4 Carryover Rights. Such Carryover Rights may be transferred in accordance with Exhibit "F" of
5 the Judgment and Section 12, Transfers of Production Rights, of these Rules and Regulations.

6 17. *Reports of Producers to Watermaster.* Each Producer shall file with Watermaster
7 a quarterly report accompanied by any applicable Administrative and Biological Assessments,
8 for all water Produced from the applicable Subarea, the purpose and place of use of such water
9 and the Subarea(s) within which the water was used on forms provided by Watermaster.
10 Watermaster shall state at a minimum the current applicable Administrative and Biological
11 Assessment rates to be paid by the Producers. Such Quarterly Production Reports and
12 Assessments shall be filed and paid not later than the last day of the month succeeding the end of
13 the relevant quarter, i.e., January 31 for the first quarter, April 30 for the second quarter, July 31
14 for the third quarter, and October 31 for the fourth quarter. Quarterly reports shall show the total
15 water production of such party for each reporting period rounded off to the nearest tenth (10th)
16 of an acre-foot and applicable assessments shall be calculated by multiplying the applicable
17 assessment rate times the number of acre-feet of production. Sufficient information must be
18 provided to establish the method of measurement and calculations to enable verification of said
19 production to assure the fairness to all parties of assessments paid, and accuracy of calculating
20 production. Forms will also require sworn statements, under penalty of perjury, of the accuracy
21 of the production and assessment amounts.

22 A. *Exception to Quarterly Reporting.* Watermaster shall prepare and
23 maintain a report showing the Producers who are not required to report quarterly. Such
24 Producers shall be required to report annually to Watermaster. In this case, assessments
25 will also be paid on an annual basis.

26 B. *Non Reporting.* Producers that do not submit quarterly production reports
27 and applicable assessments by the due dates shall be deemed to have produced not less
28 than twenty-five (25%) percent of that Producer's Base Annual Production in a given

1 Subarea. Ten (10) days after the due date for reporting production and paying
2 assessments for any quarter, Watermaster shall mail an invoice to the Producer showing
3 the applicable assessments based on twenty-five (25%) percent of the Producer's Base
4 Annual Production multiplied times the current assessment rates for administrative and
5 biological assessments. Such invoice shall be immediately due and payable. Past due
6 assessments shall bear interest and penalties pursuant to Section 18E of these Rules and
7 Regulations.

8 18. *Assessments.* After entry of Judgment, Watermaster shall levy and collect
9 assessments as provided in the Judgment. Said assessments shall be uniformly applicable to all
10 Parties based on each acre-foot of Production which bears an assessment obligation. Rates will
11 be set and assessments collected as set forth in Exhibit "B," Time Schedules, as follows:

12 A. *Prior Year Report and Annual Assessments.* By March 1 of each year,
13 Watermaster shall make available to each party a report setting forth each Producer's
14 Replacement Water Assessment and Makeup Water Assessment for the prior Year.
15 Replacement Water Assessments and Makeup Water Assessments for the prior Year shall
16 be due and payable on July 1 of each year.

17 B. *Watermaster Budget and Assessment Rates.* Not later than March 1 of
18 each year Watermaster shall provide to all Parties its proposed Administrative Budget,
19 Administrative Assessment Rates, Biological Resource Assessment Rates and
20 Replacement and Makeup Water Rates. The escalator for calculating the Biological
21 Resources Assessment rate to be adopted for the following year will be the Engineering
22 News-Record Construction Cost Index for Los Angeles (CCI/LA) for January of the
23 current year divided by the CCI/LA for January of the previous year. Not later than April
24 1 of each year, Watermaster will hold a public hearing to receive comments on the
25 proposed Administrative Budget and Assessment Rates, adopt its final Budget and
26 Assessment Rates and notify all Parties of same within fifteen (15) days of adoption.

27 C. *Quarterly Assessments.* Administrative Assessments and Biological
28 Resource Assessments, are due thirty (30) days following the end of each quarter, except

1 as provided for in Section 17 A. The Administrative Assessment payment is the amount
2 of the current year Administrative Assessment Rate multiplied times the acre-feet of
3 water produced during the quarter. The Biological Assessment payment is the amount of
4 the current year Biological Resource Assessment Rate multiplied times the acre-feet of
5 water produced during the quarter.

6 D. *Delinquency of Assessments.* Any assessment payable pursuant to the
7 Judgment shall be deemed delinquent:

8 (1) If not received by the Watermaster within ten (10) days of the date
9 due. "Payment" shall occur when good and sufficient funds have been received
10 by the Watermaster.

11 E. *Penalties and Interest.* Any assessment which becomes delinquent shall
12 bear interest at the current San Bernardino County Property Tax delinquency rate. Said
13 interest rate shall be applicable to any said delinquent assessment from the date due
14 thereof until paid. Such delinquent assessment, together with interest thereon, costs of
15 suit, attorneys fees and reasonable costs of collection, may be collected pursuant to
16 motion giving notice to the delinquent Party only, or Order to Show Cause proceeding, or
17 other such lawful proceeding as may be instituted by the Watermaster; and shall
18 constitute a lien on the property of the Party as of the same time and in the same manner
19 as does the tax lien securing County property taxes. The Watermaster may also seek to
20 enjoin Production by those persons who do not pay assessments pursuant to the
21 Judgment.

22 F. *Procedures.* Watermaster shall annually certify a list of all such unpaid
23 delinquent assessments from the prior water year to the MWA for placement on the tax
24 lien Rolls by August 14 of the following water year.

25 19. *Responsibility for Watermaster Assessments.* Absent any agreement filed with the
26 Watermaster establishing responsibility for payment of assessments, or as established pursuant to
27 Paragraph 7.f. of Exhibit "F" of the Judgment for Verde Ranch Producers, the owner of the
28 production facility from which the water is produced shall be responsible for such payments.

1 20. *Annual Reconciliation of Reported Production Amounts and Applicable*
2 *Assessments After Verification by Watermaster.*

3 By June 1st of each year, where applicable, Watermaster shall provide a summary to each
4 Producer which shows the assessments owed to Watermaster for the prior water year based on
5 the annual verification of water production by Watermaster, and the amounts paid to
6 Watermaster during each quarter of the previous year.

7 In the event that a Producer has overpaid its assessments for the previous Water Year,
8 Watermaster shall issue a credit to such Producer to be applied against future, current, or past
9 due assessments. In the event that a Producer has underpaid its assessments for the previous
10 year, Watermaster shall bill the Producer for the amounts owed. No refunds shall be made
11 except as authorized by this Section and this Section may not apply to over reporting unless there
12 has been compliance with the provisions of Section 11 hereof.

13 A. *Under Reporting.* If Watermaster shall have cause to believe that the
14 production of water from any water producing facility is in excess of that disclosed by
15 the sworn statements covering such water producing facility, Watermaster may cause an
16 investigation and report to be made in addition to the reconciliation procedure described
17 above, concerning the under reporting. Watermaster may fix the amount of water
18 production from such facility at an amount not to exceed the maximum production
19 capacity thereof.

20 A determination by Watermaster that a Producer has under reported production
21 shall require Watermaster to give written notice thereof to such Producer by mailing such
22 notice to the Producer. A determination of under reporting made by Watermaster shall be
23 conclusive on any Producer who has produced water from the facility in question and the
24 Assessments based thereon, together with interest as set forth in Section 18E hereof, shall
25 be payable forthwith, unless such Producer shall file with Watermaster within ten (10)
26 days after the mailing of such notice, a written protest setting forth the ground or grounds
27 for protesting the amount of Production so fixed or the Assessments and interest thereon.
28

1 Upon the filing of such protest, Watermaster shall hold a hearing at which time
2 the total amount of water production and the assessments and interest thereon shall be
3 determined, which action shall be conclusive if based upon substantial evidence. A
4 notice of such hearing shall be mailed to protestant at least ten (10) days before the date
5 fixed for the hearing. Notice of the determination by the Watermaster at the close of such
6 hearing shall be mailed to the protestant. The Producer shall have twenty (20) days from
7 the date of mailing of such notice to pay the assessments fixed by Watermaster and
8 interest thereon, as fixed herein, before the same becomes delinquent.

9 21. *Watermaster Annual Report.* Pursuant to Paragraph 24 (k) of the Judgment
10 Watermaster shall file an Annual Report with the Court not later than May 1 of each year. The
11 report shall include an annual fiscal report of the preceding year's operations, including details as
12 to operation of each of the Subareas and an audit of all Assessments and expenditures and a
13 review of Watermaster's activities pursuant to the Judgment as well as other factors set forth in
14 Paragraph 24 (k). Prior to filing the Annual Report with the Court, Watermaster shall notify all
15 Designees, that a draft of the report is available for review at the Watermaster's office and shall
16 provide notice of a hearing to receive comments and recommendations for changes in the report.
17 The public hearing shall be conducted on the same date and at the same place as the hearing for
18 the Annual Budget.

19 22. *Intervention After Entry of Judgment.* Any person who is not a Party or successor
20 to a Party and who proposes to produce water from the Basin Area may seek to become a Party
21 to this Judgment through a Stipulation for Intervention entered into with Watermaster.
22 Watermaster may execute said Stipulation on behalf of the Parties but such Stipulation shall not
23 preclude a Party from opposing such Intervention at the time of the Court hearing thereon.
24 Watermaster will execute such Stipulation, file with the Court if accompanied by the necessary
25 filing fee, and obtain a Court hearing date, giving thirty (30) days notice to the Parties.
26 Thereafter, if approved by the Court, such intervenor shall be a Party bound by the Judgment and
27 entitled to the rights and privileges accorded under the Physical Solution therein. Watermaster
28 shall, within thirty (30) days after intervention is ordered by the Court, determine the Base

1 Annual Production Right, if any, of such Party. Watermaster shall give notice to all Designees
2 of any such determination of a Base Annual Production Right. Any Party contesting such Right
3 shall file a motion in opposition thereto within thirty (30) days following the service of the
4 Watermaster Notice.

5 23. *Uniform Rules for Storage Agreements.* These rules for Storage Agreements shall
6 be uniformly applicable to all Parties.

7 A. *Application for Storage Agreements.* Any Party desiring to store
8 Supplemental Water within the Basin Area for subsequent recovery and use or for credit
9 against replacement obligations shall first make application to Watermaster for a Storage
10 Agreement. Watermaster will not enter into Storage Agreements with non-Parties unless
11 such non-Parties become subject to the provisions of this Judgment and the jurisdiction
12 of the Court.

13 B. *General Conditions Governing Storage Agreements.* All Storage
14 Agreements shall be for the utilization of groundwater storage capacity of the Basin Area
15 for storage of Supplemental Water. Storage Agreements shall by their terms preclude
16 operations which will have a substantial adverse impact on any Producer or on the
17 operation of MWA's Regional Water Management Plan. If a Party pursuant to a Storage
18 Agreement has provided for predelivery or postdelivery of Replacement Water for the
19 Party's use, Watermaster shall at the Party's request credit such water to the Party's
20 Replacement Obligation. Watermaster shall calculate additions, extractions and losses of
21 water stored under Storage Agreements and maintain an Annual account of all such
22 water.

23 C. *Available Storage Capacity.* In considering the availability of
24 groundwater storage capacity of any Subarea for storage of water pursuant to Storage
25 Agreements, Watermaster shall take into account the operation of the Subarea under the
26 Physical Solution provisions of the Judgment .

27 D. *Priorities for Entry of Storage Agreements.* Watermaster shall as a first
28 priority, enter a Storage Agreement with MWA to provide Supplemental Water to

1 Watermaster to comply with the Judgment and, as a second priority, enter Storage
2 Agreements with other Parties on the basis of the date of application to Watermaster.

3 E. *Priorities for Use of Storage (Spreading or Injection) Facilities.* The
4 priorities for storage of Supplemental Water are hereby established as follows:

5 First: Supplemental Water ordered by Watermaster from MWA for direct
6 delivery to the Basin as Replacement Water;

7 Second: Supplemental Water for delivery to the Basin for storage under Storage
8 Agreements between Watermaster and MWA;

9 Third: Supplemental Water for delivery to individual storage accounts of Parties
10 to the Judgment. In the event that more than one Party wishes to deliver water to
11 Storage accounts simultaneously and there is inadequate spreading and injection
12 capacity available, deliveries for each such Party shall be scheduled so that the
13 total quantity of water in such Parties' individual storage accounts can be
14 increased proportionately in percent of their maximum allowed storage.

15 F. *Provisions of Storage Agreements.* Each Storage Agreement shall include
16 provisions for:

17 (1) Watermaster control of all storage (spreading or injection) and
18 extraction of stored waters including prior approval by Watermaster of the time,
19 place and amount of storage and extraction.

20 (2) Calculations by Watermaster and payment by the storing Party of
21 any special costs, damages or burdens resulting from the implementation of the
22 Storage Agreement.

23 (3) Determinations by Watermaster of, and accounting for, all losses
24 in stored water, assuming that such stored water floats on top of the native
25 groundwater supplies, and accounting for all losses of water which otherwise
26 would have replenished the Basin Area. Losses shall be charged to Storage
27 Agreement account in the inverse order of their priorities for use of storage
28 facilities in Section 23E of these Rules and Regulations.

1 (4) Payment to Watermaster for the benefit of Parties of all special
2 costs, damages or burdens incurred due to implementation of the Storage
3 Agreement; provided, no party shall have any direct interest in or control over
4 such contracts or the operation thereof by reason of the adjudicated right of such
5 Party. MWA acting as Watermaster has sole custody, ownership and control of
6 all groundwater storage rights in the Basin Area pursuant to the Physical Solution
7 in the Judgment.

8 (5) A fixed term and provision for extension.

9 (6) A recovery schedule.

10 (7) Resolution of disputes including provisions for recovery of
11 attorney fees by the prevailing party.

12 G. *Maximum Storage.* Storage Agreements shall fix the maximum amount of
13 Supplemental Water to be stored in the Basin at any point in time by the storing Party.

14 H. *Watermaster to be Held Harmless.* The storing Party shall save and hold
15 harmless Watermaster, its officers, agents and employees from any and all costs,
16 damages or liability resulting from said Agreement and shall provide Watermaster with
17 the defense and costs of the defense including attorney's fees of any action brought
18 against Watermaster, its officers, agents or employees arising or alleged to arise by
19 reason of such Agreement for storage of Supplemental Water in the Basin.

20 I. *Reports to Watermaster.* The storing Party shall quarterly report to
21 Watermaster the amount of Supplemental Water which it spreads and withdraws each
22 quarter under the Storage Agreement. Such reports shall be due on the last day of the
23 month next succeeding the end of the relevant quarter, i.e. January 31, April 30, July 31,
24 and October 31. Such reports shall be cumulative and shall indicate the credit balance of
25 the relevant quarter.

26 24. *Water Quality.* Watermaster will take all reasonable steps to assist and encourage
27 appropriate regulatory agencies to enforce reasonable water quality regulations affecting the
28 Basin Area.

1 25. *Production Adjustment for Change in Purpose of Use.* Any change in Purpose of
2 Use must be reported in advance to Watermaster. If Watermaster determines, using the
3 Consumptive Use ratios set forth in Exhibit "F" of the Judgment, that a new Purpose of Use of
4 any Producer's Production for any year has resulted in a higher rate of consumption than the rate
5 applicable to the original Purpose of Use of that Producer's Production in the year for which
6 Base Annual Production amount was determined, Watermaster shall use a multiplier 1) to adjust
7 upward such Production for the purpose of determining the Producer's Replacement Water
8 Assessment and, 2) to adjust upward the Free Production Allowance portion of such Production
9 for the purpose of determining the Producer's Makeup Water Assessment. The multiplier shall
10 be determined by dividing the number of acre-feet, of consumption that occurred under the new
11 Purpose of Use by the number of acre-feet of consumption that would have occurred under the
12 original Purpose of Use of the same Production.

13 26. *Reporting of Use of Treated Municipal Wastewater.* Any entity that takes direct
14 delivery of and uses treated municipal wastewater shall be deemed not to have initiated a new
15 production. The user of said treated municipal wastewater shall report to the Watermaster the
16 amount, the place of use, the purpose of use and the method of conveyance.

17 27. *Procedure for Intervention by Minimal Producers.* Any Minimal Producer may
18 become a Party to the Judgment as specified in Paragraph 40 of the Judgment, "Intervention
19 After Judgment" by executing a Stipulation for Intervention with the Watermaster.

20 28. *Biological Resource Trust Fund.* Watermaster shall, prior to the end of the first
21 full year of the Judgment, establish a Biological Resource Trust Fund. Watermaster shall
22 transfer into the trust fund all Biological Resource Assessment proceeds for any quarter within
23 thirty (30) days following receipt.

24 29. *Entry of Judgment.* The date of Entry of Judgment shall be September 22, 1993.
25 Only those parties bound by the Court's Interlocutory Order of the Judgment pursuant to the
26 Court's September 22, 1993 Order shall be subject to these Rules. Parties subsequently
27 stipulating, or otherwise becoming parties to the Judgment shall become bound by these Rules as
28 of the date the Court orders the Judgment applicable to such parties.

ATTACHMENTS

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- Exhibit “A” - Definitions (from the Judgment, i, ii)
- Exhibit “B” - Time Schedules
- Exhibit “C” - Permanent Transfer of Base Annual Production Right
- Exhibit “D” - Temporary Assignment of Free Production Allowance
- Exhibit “E” - Designee to Receive Future Notices for and on Behalf of Defendant(s)
- Exhibit “F” - Stipulation for Intervention After Entry of Judgment
- Exhibit “G” - Request for Transfer of Base Annual Production Right After Foreclosure
- Exhibit “H” - Request for Transfer of Base Annual Production Right After
Accepting Deed in Lieu of Foreclosure
- Exhibit “I” - Request for Assignment of Carryover Right in Lieu of Payment of
Replacement Water Assessments
- Exhibit “J” - Request for Assignment of Free Production Allowance in Lieu of
Payment of Makeup Water Assessments

1 EXHIBIT A - DEFINITIONS

2 As used in the Judgment, the following terms shall have the meanings herein set
3 forth:

- 4 a. Afton - The United States Geological Survey gauging station "Mojave River at
5 Afton, CA."
- 6 b. Annual or Year - As used in these Rules and Regulations refers to the twelve (12)
7 month period beginning October 1 and ending September 30.
- 8 c. Aquaculture Water - Water so identified in Exhibit "B" of the Judgment. Such
9 water may be used only for fish breeding and rearing. The Annual Consumptive
10 Use of such water in acre-feet is equal to the water surface area, in acres, of the
11 fish rearing facilities multiplied by seven (7) feet.
- 12 d. Assessments - Those Assessments levied and collected pursuant to the Judgment
13 including Replacement Water, Makeup Water, Administrative and Biological
14 Resource Assessments.
- 15 e. Barstow - The United States Geological Survey Gauging Station "Mojave River
16 at Barstow, CA."
- 17 f. Base Annual Production - The verified maximum calendar Year (January through
18 December) Production, in acre-feet, for each Producer for the five (5) calendar
19 Year Period 1986-90 as set forth in Table B-1 of Exhibit "B," except where
20 otherwise noted therein. The maximum Production for each Producer was
21 verified based on one (1) or more of the following: flow meter readings, electric
22 power usage records or estimated applied water duty. The Base Annual
23 Production for recreational lakes in the Baja Subarea and for Aquaculture shall be
24 equal either to the area of water surface multiplied by seven (7) feet or to verified
25 Production, whichever is less. The five (5) calendar Year period 1986-90 shall
26 also be the time period for which Base Annual Production for Minimal Producers
27 shall be calculated.
- 28

- 1 g. Base Annual Production Right - The relative right of each Producer to the Free
2 Production Allowance within a given Subarea, expressed as a percentage of the
3 aggregate of all Producers' Base Annual Production in the Subarea. The
4 percentage for each Producer is calculated by multiplying that Producer's Base
5 Annual Production in a Subarea times one hundred (100) and dividing the result
6 by the aggregate Base Annual Production for all Producers in the Subarea. The
7 percentage shall be rounded off to the nearest one ten-thousandth (1/10,000th) of
8 one (1%) percent.
- 9 h. Base Flow - That portion of the total surface flow measured annually at Lower
10 Narrows which remains after subtracting Storm Flow.
- 11 i. Carryover Right - The right of a Producer to delay and accumulate the Production
12 of such Producer's share of a Subarea Free Production Allowance until and only
13 until the following Year free of any Replacement Water Assessment.
- 14 j. Consumption or Consumptive Use - The permanent removal of water from the
15 Mojave Basin Area through evaporation or evapo-transpiration. The
16 Consumptive Use rates resulting from particular types of water use are identified
17 in Paragraph 2 of Exhibit "F" of the Judgment.
- 18 k. Free Production Allowance - The total amount of water that may be Produced
19 from a Subarea each Year free of any Replacement Obligation.
- 20 l. Groundwater - Water beneath the surface of the ground and within the zone of
21 saturation; i.e., below the existing water table, whether or not flowing through
22 known and definite channels.
- 23 m. Harper Lake Basin - That portion of the Centro Subarea identified as such on
24 Exhibit "A" of the Judgment.
- 25 n. Lower Narrows - The United States Geological Survey gauging station "Mojave
26 River near Victorville, CA."
- 27 o. Makeup Water - Water needed to satisfy a Minimum Subarea Obligation.
- 28

- 1 p. Makeup Obligation - The obligation of a Subarea to pay for Makeup Water to
2 satisfy its Subarea Obligation.
- 3 q. Minimal Producer - Any Person whose Base Annual Production, as verified by
4 MWA is not greater than ten (10) acre-feet. A Person designated as a Minimal
5 Producer whose Annual Production exceeds ten (10) acre-feet in any year
6 following the date of entry of Stipulated Judgment is no longer a Minimal
7 Producer.
- 8 r. Minimum Subarea Obligation - The minimum Annual amount of water a Subarea
9 is obligated to provide to an adjoining downstream Subarea or the Transition
10 Zone or, in the case of the Baja Subarea, the minimum Annual Subsurface Flow at
11 the MWA eastern boundary toward Afton in any Year, as set forth in Exhibit "G"
12 of the Judgment.
- 13 s. Mojave Basin Area or Basin Area - The area shown on Exhibit "A" of the
14 Judgment that lies within the boundaries of the line labeled "Limits of
15 Adjudicated Area" which generally includes the area tributary to the Mojave
16 River and its tributaries except for such area not included within the Mojave
17 Water Agency's jurisdiction.
- 18 t. MWA - Cross complainant, Mojave Water Agency.
- 19 u. Overdraft - A condition wherein the current total Annual Consumptive Use of
20 water in the Mojave Basin Area or any of its Subareas exceeds the long term
21 average Annual natural water supply to the Basin Area or Subarea.
- 22 v. Party (Parties) - Any Person(s) named in this action who has intervened in this
23 case or has become subject to the Judgment either through stipulation, default,
24 trial or otherwise.
- 25 w. Person(s) - Any natural person, firm, association, organization, joint venture,
26 partnership, business, trust, corporation, or public entity.
- 27 x. Produce - To pump or divert water.
- 28

- 1 y. Producer(s) - A Person, other than a Minimal Producer, who produces water.
- 2 z. Production - Annual amount of water Produced, stated in acre-feet of water.
- 3 aa. Production Safe Yield - The highest average Annual amount of water that can be
- 4 produced from a Subarea: 1) over a sequence of years that is representative of
- 5 long-term average annual natural water supply to the Subarea net of long-term
- 6 average annual natural outflow from the Subarea, 2) under given patterns of
- 7 Production, applied water, return flows and Consumptive Use, and 3) without
- 8 resulting in a long-term net reduction of groundwater in storage in the Subarea.
- 9 bb. Purpose of Use - The broad category of type of water use including but not
- 10 limited to municipal, irrigation, industrial, aquaculture, and lakes purposes. A
- 11 change in Purpose of Use includes any reallocation of water among mixed or
- 12 sequential uses, excluding direct reuse of municipal wastewater.
- 13 cc. Recirculated Water - Water that is Produced but not consumed by the Parties
- 14 listed in Table B-2 of Exhibit "B" of the Judgment and then returned either to the
- 15 Mojave River or to the Groundwater basin underlying the place of use.
- 16 dd. Replacement Obligation - The obligation of a Producer to pay for Replacement
- 17 Water for Production from a Subarea in any Year in excess of the sum of such
- 18 Producer's share of that Year's Free Production Allowance for the Subarea plus
- 19 any Production pursuant to a Carryover Right.
- 20 ee. Replacement Water - Water purchased by Watermaster or otherwise provided to
- 21 satisfy a Replacement Obligation.
- 22 ff. Responsible Party - The Person designated by a Party as the Person responsible
- 23 for purposes of filing reports and receiving notices pursuant to the provisions of
- 24 the Judgment.
- 25 gg. Stored Water - Water held in storage pursuant to a Storage Agreement with
- 26 Watermaster.
- 27
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- 1 hh. Storm Flow - That portion of the total surface flow originating from precipitation
2 and runoff, without having first percolated to Groundwater storage in the zone of
3 saturation and passing a particular point of reckoning, as determined annually by
4 the Watermaster.
- 5 ii. Subareas - The five (5) Subareas of the Mojave Basin Area -- Este, Oeste, Alto,
6 Centro and Baja -- as shown on Exhibit "A" of the Judgment.
- 7 jj. Subarea Obligation - The average Annual amount of water that a Subarea is
8 obligated to provide to an adjoining downstream Subarea or the Transition Zone
9 or, in the case of the Baja Subarea, the average Annual Subsurface Flow toward
10 Afton at the MWA eastern boundary as set forth in Exhibit "G" of the Judgment.
- 11 kk. Subsurface Flow - Groundwater which flows beneath the earth's surface.
- 12 ll. Supplemental Water - Water imported to the Basin Area from outside the Basin
13 Area, water that would otherwise be lost from the Basin Area but which is
14 captured and made available for use in the Basin Area, or any Producer's share of
15 Free Production Allowance that is not Produced and is acquired by Watermaster
16 pursuant to the Judgment.
- 17 mm. Transition Zone - The portion of the Alto Subarea, shown on Exhibit "A" of the
18 Judgment that lies generally between the Lower Narrows and the Helendale Fault.
- 19 nn. Watermaster - The Person(s) appointed by the Court to administer the provisions
20 of the Judgment.

1 EXHIBIT B - TIME SCHEDULES

2
3 1. Prior Year Report. Annually, not later than March 1, Watermaster shall make
4 available to each Party a report covering the prior year and setting forth at least the following:

5 a. Each Producer's Replacement Water Assessment, including any surcharges,
6 based on rates applicable during the prior year.

7 b. Each Producer's Makeup Water Assessment, based on rates applicable during
8 the prior water year.

9 2. MWA Supplemental Water Rates. Annually, not later than February 15, MWA
10 shall set the rates per acre foot to be charged for Supplemental Water for obligations incurred for
11 the prior Water Year, shall project a "not to exceed" rate for the current Water Year and project a
12 rate for the following year.

13 3. Budget and Assessment Rates. Annually, not later than March 1, Watermaster
14 shall provide to all Parties its proposal for its Administrative Budget, Administrative Assessment
15 Rates, Biological Resource Assessment Rates and Replacement and Makeup Water Rates for
16 obligations incurred for the prior Water Year, a "not to exceed" rate projection for the current
17 Water Year and a rate projection for the following Water Year. No later than April 1 of each
18 year, the Watermaster shall hold a public hearing to receive comments from Parties as to its
19 proposal, adopt its final Budget and Assessment Rates, and shall notify all Parties of its final
20 Budget and Assessment rates within fifteen (15) days of adoption.

21 4. Free Production Allowance Adjustment. In any year that Watermaster prepares a
22 report pursuant to Paragraph 24 (o) of the Judgment that includes a recommendation for an
23 adjustment of a Free Production Allowance, Watermaster shall notify all Parties as to its
24 recommendation not later than March 1, shall hold a public hearing thereon not later than April
25 1, and shall submit any such recommendation, which may be revised pursuant to the public
26 hearing, to the Court not later than May 1.

1 5. Payment of Administrative Assessments and Biological Resource Assessments.

2 Each Producer shall submit quarterly, along with the Production report required by Paragraph 24
3 (p), an Administrative Assessment payment in an amount equal to the current year
4 Administrative Assessment Rate multiplied times the acre-feet of water Produced during the
5 quarter, and a Biological Resource Assessment payment in an amount equal to the current year
6 Biological Resource Assessment Rate multiplied times the acre-feet of water Produced during
7 the quarter.

8 6. Payment of Replacement Water Assessments and Makeup Water Assessments.

9 Replacement Water Assessments and Makeup Water Assessments for the prior year shall be due
10 and payable on July 1.

11 7. Delinquency of Assessments. Any assessment payable pursuant to the Judgment

12 shall be deemed delinquent: i) if paid in Person, if not paid within five (5) days of the date due;
13 ii) if paid by electronic funds transfer, if not paid within three (3) banking days of the date due;
14 or iii) if paid by any other means, if not paid within ten (10) days of the date due. "Payment"
15 shall occur when good and sufficient funds have been received by the Watermaster.

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PERMANENT TRANSFER OF BASE ANNUAL PRODUCTION RIGHT

To be executed by both Transferee and Transferor, be accompanied by a map of the service area where the water was used by Transferor, and a map of the service area where the water is intended to be used by the Transferee, together with a listing identifying and showing the location(s) of production facilities involved in or affected by Transfer. Have the attached acknowledgments completed by both Transferee and Transferor.

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER WITHIN 15 DAYS OF EXECUTION.
(To be accompanied by completed Exhibit "F" if Transferee is not a party to the Judgment
and by a Preliminary Title Report on Transferor's property)

For a valuable consideration, in the amount of \$ _____ per acre-foot, for a total amount of \$ _____, receipt of which is hereby acknowledged, _____ ("Transferor") does hereby assign and transfer in perpetuity to _____ ("Transferee") the Base Annual Production Right of Transferor in the amount of _____ acre-feet and any Carryover Right, if applicable in the amount of _____ acre-feet, in the _____ Subarea as adjudicated to Seller or his predecessor in the Judgment in the case of "City of Barstow, et al" vs. "City of Adelanto, et al" Riverside Superior Court No. 208568, together with the attendant rights, powers and privileges pertaining thereto, effective _____.

(Date)

TRANSFEEE

TRANSFEROR

(Signature)

(Date)

Name and Address of Designee of Transferee to receive service of Processes & Notices:

Telephone No.: _____

The following are holders of Deed of Trust or Lien on the affected lands and/or the Base Annual Production Right affected by this transfer.

DEED OF TRUST or LIEN HOLDER

(Signature)

(Date)

Name and Address of Designee of Transfer to receive service of Processes & Notices:

Telephone No.: _____

ADDRESS

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/~~she~~/~~they~~, ~~is~~/~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

TEMPORARY ASSIGNMENT OF FREE PRODUCTION ALLOWANCE

To be executed by both Transferee and Transferor, be accompanied by a map of the service area where the water was used by Transferor, and a map of the service area where the water is intended to be used by the Transferee. Have the appropriate individual(s) or corporate attached acknowledgments completed as part of the temporary transfer.

(To be accompanied by completed Exhibit "F" if Transferee is not a party to the Judgment and Preliminary Title Report on Seller's property, if over one (1) year)

For a valuable consideration, in the amount of \$ _____ per acre-foot receipt of which is hereby acknowledged, _____ ("Transferor") does hereby assign and transfer to _____ ("Transferee") during the water year _____ and the following:

(Check the following appropriate category)

- Free Production Allowance of _____ acre-feet in the _____ Subarea
- Carryover Right of _____ acre-feet in the _____ Subarea

WATERMASTER USE ONLY
<u>Required Adjustments</u>

adjudicated to Transferor or his predecessor in the Judgment in the case of "City of Barstow", et al vs. "City of Adelanto", et al, Riverside Superior Court No. 208568.

Said assignment is made upon condition that:

- (1) Transferee shall exercise said right on behalf of Transferor during the water year described hereinabove and the first water produced by Transferee from the relevant Subarea of the MOJAVE Basin Area after the date hereof shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said transfer to reasonable beneficial use; and
- (3) _____ shall pay all Watermaster assessments on account of the water production hereby assigned or leased.

DATED: _____

TRANSFEEEE

TRANSFEROR

(Signature)

Name of Designee of Transferee to receive service of Processes & Notices:

Address

Telephone No. of Designee: _____

(Signature)

Name of Designee of Transferor to receive service of Processes & Notices:

Address

Telephone No. of Designee: _____

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/~~she~~/~~they~~, ~~is~~/~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

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3 SUPERIOR COURT OF THE STATE OF CALIFORNIA

4 FOR THE COUNTY OF RIVERSIDE

5 CITY OF BARSTOW, ET AL)
6 Plaintiff,)
7 v.)
8 CITY OF ADELANTO, ET AL)
9 Defendants.)

NO. 208568
DESIGNEE TO RECEIVE FUTURE
NOTICES FOR AND ON BEHALF OF
DEFENDANT(S)

10 Defendant(s) _____ hereby
11 designate(s): _____ whose address is _____

12 _____, whose electronic
13 address (e-mail) is _____ and whose telephone
14 number is (_____) _____ as said defendant's Designee to receive service of

15 all future notices, determinations, requests, demands, objections, reports and other papers and processes
16 to be served upon said defendant(s) or delivered to said defendants(s) herein.

17 Defendant(s) elect(s) to receive service indicated above by one of the following methods (choose one):

- 18 First Class Mail postage prepaid to the address indicated above
19 Electronic Mail (e-mail) to the address indicated above
20 I/we hereby waive notice and service requirements

21 A copy hereof has been served upon the Watermaster herein, by mail, on _____
22 _____, 20____.

23 Executed under penalty of perjury at _____, California, this _____ day of
24 _____, 20____.

25 _____
26 _____
27 Signature(s)
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Exhibit "E"

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Attorney for Watermaster

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

CITY OF BARSTOW, ET AL)
)
Plaintiff,)
)
v.)
)
CITY OF ADELANTO, ET AL)
)
Defendants.)

NO. 208568
STIPULATION FOR INTERVENTION
AFTER ENTRY OF JUDGMENT

OF _____
as Defendant(s)

IT IS HEREBY STIPULATED by and between the Mojave Basin Area Watermaster for
and on behalf of all parties to the instant action and _____

_____ the proposed Intervenor(s) herein, that said proposed
Intervenor(s) may intervene in the instant action and become entitled to all of the benefits and bound by
all of the burdens of the Stipulated Judgment herein.

The Court will consider the attached proposed Order confirming said Intervention at ____
o'clock ____ M on _____ 20____, in Department _____ located at _____

To be set by Watermaster

Watermaster shall give at least 30 days notice to the parties herein of said hearing.

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DATED: _____

Watermaster

By _____
Chairman

Attest:

Secretary

DATED: _____

Intervenor(s)

By _____

By _____

Name of Intervenor's Designee:

Address of Designee:

Telephone Number of Designee:

**REQUEST FOR TRANSFER OF BASE ANNUAL PRODUCTION RIGHT
AFTER FORECLOSURE**

TO BE EXECUTED BY PURCHASER AT FORECLOSURE, and if separately requested by Watermaster, be accompanied by a map of the service area showing the prior point of water use, if known and/or map of the parcel foreclosed upon, together with a map of the service area where the water is intended to be used by the said PURCHASER AT FORECLOSURE showing thereon the location of production facilities and a listing showing the identity of each such facility.

Purchaser at Foreclosure shall provide herewith Affidavit form G-2, a Certified copy of the recorded Trustee's Deed conveying title to property hereinafter described, Future Notice Form G-3 and Stipulation regarding Intervention After Judgment Form G-4 (Page 1 and 2), and a copy of the Trustees Guarantee Policy of Title Insurance, if made available to the Purchaser at Foreclosure.

STATEMENT OF PURCHASER

The undersigned purchased at FORECLOSURE SALE the following described Real Property located in the County of San Bernardino, State of California, to wit:

Being Tax Parcel No. _____

Prior Trustor: _____

and received a Trustees Deed dated: _____

The undersigned PURCHASER AT FORECLOSURE of said deed of trust hereby requests transfer to said purchaser the Base Annual Production Right of said Trustor in the verified amount of _____ acre-feet in the _____ Subarea of the Mojave Basin Area as adjudicated to Trustor or his predecessor in the Judgment in the case of the City of Barstow, et al, vs. the City of Adelanto, et al, Riverside County Superior Court Case No. 208568 together with the attendant rights, powers and privileges pertaining thereto.

Dated: _____

Print Name of Purchaser at Foreclosure

Signature

Address

Telephone No.

Note: Purchaser at Foreclosure sale acknowledged that all required items, above referenced, must be provided to Watermaster at least forty five (45) days prior to the meeting at which the Watermaster will consider the requested transfer and all assessments due and owing to Watermaster must be paid prior to transfer.

AFFIDAVIT OF PURCHASER AT FORECLOSURE

_____, of legal age, being first duly sworn, deposes and says:

That on _____, 20____, Affiant(s) purchased at Foreclosure Sale, the following described Real Property, in the County of San Bernardino, State of California:

Tax Parcel No. _____

The instrument foreclosed upon was a () First Deed of Trust () Second Deed of Trust () Third Deed of Trust () Other _____ on the property herein above described.

On _____, 20____, Affiant(s) received a Trustees Deed of Sale naming he/she/it as Grantees, which said Trustees Deed has been duly recorded in the office of the County Recorder of said County on _____, 20____, as instrument No. _____.

Affiant(s) have not conveyed the property to any other party by any instrument after acquiring title by Trustees Deed EXCEPT _____.

Affiant(s) have not created any additional liens upon said property in favor of any other party after acquiring title by Trustees Deed, EXCEPT _____.

The name and address of all lien holders on the property of public record and/or known to the Affiant(s) and their priorities are:

This affidavit is made for the protection and benefit of all other parties hereinafter dealing with or who may acquire an interest in the property herein described and particularly for the benefit of the Watermaster who is about to effect the transfer of Base Annual Production Right in reliance hereon.

Affiant(s) acknowledge that prior to said transfer of Base Annual Production Right, any existing lien holder upon the subject property must be notified of Affiant(s) claim to said Base Annual Production Right and acknowledges that prior lien holders may have a prior lien right upon said rights, unless Affiant(s) first obtain a release of lien thereof from said lien holders.

That Affiant(s) and each of them will testify, declare, depose, and/or certify before any competent tribunal, officer or person in any case now pending or which may hereafter be instituted to the truth of the particular facts hereof.

That in event of suit against the Watermaster by any party seeking claim to said water rights, Affiant(s) and each of them shall indemnify and hold harmless the Watermaster and shall bear all cost of said suit including and not limited to attorney fees.

Print Name of Affiant

Signature

Date

Date

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

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- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/~~she~~/~~they~~, ~~is~~/~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
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 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

1 Attorney for Watermaster

2
3 SUPERIOR COURT OF THE STATE OF CALIFORNIA
4 FOR THE COUNTY OF RIVERSIDE

5 CITY OF BARSTOW, ET AL)
6 Plaintiff,)
7 v.)
8 CITY OF ADELANTO, ET AL)
9 Defendants.)

NO. 208568
DESIGNEE TO RECEIVE FUTURE
NOTICES FOR AND ON BEHALF OF
INTERVENOR PURCHASERS AT
FORECLOSURE.

10
11 Intervenor Purchasers at Foreclosure hereby designate _____
12 _____ whose address is _____

13
14 _____, whose electronic
15 address (e-mail) is _____ and whose telephone
16 number is (____) _____ as said intervenors Designee to receive service of all future
17 notices, determinations, requests, demands, objections, reports and other papers and processes to be
18 served upon said intervenor(s) or delivered to said intervenor(s) herein.

Intervenor(s) elect(s) to receive service indicated above by one of the following methods (choose one):

- 19 First Class Mail postage prepaid to the address indicated above
20 Electronic Mail (e-mail) to the address indicated above
21 I/we hereby waive notice and service requirements

A copy hereof has been served upon the Watermaster herein, by mail, on _____, 20__.

22 Executed under penalty of perjury at _____, State
23 of _____, this _____ day of _____, 20__.

24
25 _____
26 Intervenor, Purchaser at Foreclosure

1 Attorney for Watermaster

2 SUPERIOR COURT OF THE STATE OF CALIFORNIA
3 FOR THE COUNTY OF RIVERSIDE

4 CITY OF BARSTOW, ET AL)
5)
6 Plaintiff,)
7 v.)
8 CITY OF ADELANTO, ET AL)
9 Defendants.)

NO. 208568
STIPULATION RE INTERVENTION
AFTER STIPULATED JUDGMENT
BY PURCHASER AT FORECLOSURE
OF _____
as Defendant(s)

10 IT IS HEREBY STIPULATED by and between the Mojave Basin Area Watermaster for
11 and on behalf of all parties to the instant action and _____
12 _____ the Purchaser at
13 Foreclosure and proposed Intervenor(s) herein, that said proposed Intervenor(s) may intervene in the
14 instant action and become entitled to all of the benefits and bound by all the burdens of the Stipulated
15 Judgment herein.

16
17 The Court will consider the attached proposed Order confirming said Intervention at _____
18 _____ o'clock ____ M on _____, 20 __, in Department ____ located
19 at _____ To be set by Watermaster

20
21 Watermaster shall give at least thirty (30) days notice to the parties herein of said hearing.

22 Watermaster

23 Dated: _____, 20 __.

24 By: _____
Chairman

25 Attest: _____
Secretary

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Dated: _____, 20__.

Intervenor(s)

Name of Intervenor(s) Designee to receive
further notices:

Address: _____

Telephone No.: _____

Name of Designee

Prior Trustor(s)

Address: _____

Telephone No.: _____

Address: _____

Telephone No.: _____

**REQUEST FOR TRANSFER OF BASE ANNUAL PRODUCTION RIGHT
AFTER ACCEPTING DEED IN LIEU OF FORECLOSURE**

TO BE EXECUTED BY PURCHASER OF REAL PROPERTY AFTER ACCEPTING GRANT DEEDS AND/OR QUITCLAIM DEED IN LIEU OF FORECLOSURE (the "PURCHASER"), and if separately requested by Watermaster, be accompanied by a map of the service area showing the prior point of water use, if known and/or map of the parcel, together with a map of the service area where the water is intended to be used by the PURCHASER showing thereon the location of production facilities and a listing showing the identity of each such facility.

The PURCHASER shall provide herewith an Affidavit describing how property was acquired, Certified copies of the recorded Deeds conveying title to property hereinafter described, Future Notice form H-3 and Stipulation Re Intervention After Judgment form H-4 (Page 1 and 2).

STATEMENT OF PURCHASER

The undersigned acquired the following described Real Property located in the County of San Bernardino, State of California, to wit:

Being Tax Parcel No. _____

Prior Trustors: _____

The undersigned PURCHASER of said property hereby requests transfer to the PURCHASER the Base Annual Production Right in the verified amount of _____ acre-feet in the _____ Subarea of Mojave Basin Area as adjudicated to Trustor or his predecessor in the Judgment in the case of the City of Barstow et al. vs. City of Adelanto, et al., Riverside County Superior Court Case No. 208568 together with the attendant rights, powers and privileges pertaining thereto.

Dated: _____

Print Name of Purchaser After Accepting Grant Deed
or Quitclaim Deed in Lieu of Foreclosure

Signature

Address

Telephone No.

Note: PURCHASER acknowledges that all required items, above referenced, must be provided to Watermaster at least forty-five (45) days prior to the meeting at which the Watermaster will consider the requested transfer and all assessments due and owing to Watermaster must be paid prior to transfer.

Exhibit "H"
H-1

**AFFIDAVIT OF PURCHASERS ACCEPTING DEED
IN LIEU OF FORECLOSURE**

_____ (the "AFFIANTS"), of legal age, being first duly sworn, depose and say:

The Affiant(s) have not conveyed the property to any other party by any instrument after acquiring title by Deeds in Lieu of Foreclosure.

The Affiant(s) have not created any additional liens upon said property in favor of any other party after acquiring title by Deeds in Lieu of Foreclosure.

This statement is made for the protection and benefit of all other parties hereinafter dealing with or who may acquire an interest in the property herein described and particularly for the benefit of the Watermaster who is about to effect the transfer of Base Annual Production Right and acknowledges that prior lien holders may have a prior lien right upon said rights, unless Affiant(s) first obtain a release of lien thereof from said lien holders.

The Affiant(s) acknowledge that prior to said transfer of Base Annual Production Right, any existing lien holder upon the subject property must be notified of Affiant(s) claim to said Base Annual Production Right and acknowledges that prior lien holders may have a prior lien right upon said rights, unless Affiant(s) first obtain a release of lien thereof from said lien holders.

That the Affiant(s), and each of them, will testify, declare, depose, and/or certify before any competent tribunal officer or person in any case now pending or which may hereafter be instituted to the truth of the particular facts hereof.

That in event of suit against the Watermaster by any party seeking claim to said water rights, the Affiant(s), and each of them shall indemnify and hold harmless the Watermaster and shall bear all cost of said suit including and not limited to attorney fees.

In addition to the above, set forth any pertinent facts that you wish Watermaster to consider in consideration of this request for transfer.

Print Name of Affiant

Signature

Date

Date

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

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- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

1 Attorney for Watermaster

2 SUPERIOR COURT OF THE STATE OF CALIFORNIA

3 FOR THE COUNTY OF RIVERSIDE

4 CITY OF BARSTOW, ET AL)

5 Plaintiff,)

6 v.)

7 CITY OF ADELANTO, ET AL)

8 Defendants.)

NO. 208568
DESIGNEE TO RECEIVE FUTURE
NOTICES FOR AND ON BEHALF OF
INTERVENOR PURCHASERS AFTER
ACCEPTING DEED IN LIEU OF
FORECLOSURE.

10 Intervenor Purchasers by Grant Deed and/or Quitclaim Deed in Lieu of Foreclosure
11 hereby designate _____

12 _____ whose address is _____

13 _____, whose

14 electronic address (e-mail) is _____ and whose

15 telephone number is (_____) _____ as said intervenors Designee to receive

16 service of all future notices, determinations, requests, demands, objections, reports and other papers and

17 processes to be served upon said intervenor(s) or delivered to said intervenor(s) herein.

18 Intervenor(s) elect(s) to receive service indicated above by one of the following methods (choose one):

- 19 First Class Mail postage prepaid to the address indicated above
- 20 Electronic Mail (e-mail) to the address indicated above
- 21 I/we hereby waive notice and service requirements

22 A copy hereof has been served upon the Watermaster herein, by mail, on _____,
23 20____.

24 Executed under penalty of perjury at _____, State
25 of _____, this _____ day of _____, 20____.

26 _____
27 Intervenor, Purchaser by Grant Deed and/or
Quitclaim Deed in Lieu of Foreclosure

1 Attorney for Watermaster

2 SUPERIOR COURT OF THE STATE OF CALIFORNIA
3 FOR THE COUNTY OF RIVERSIDE

4 CITY OF BARSTOW, ET AL)
5)
6 Plaintiff,)
7 v.)
8 CITY OF ADELANTO, ET AL)
9 Defendants.)

NO. 208568
STIPULATION RE INTERVENTION
AFTER STIPULATED JUDGMENT
BY PURCHASER AFTER ACCEPTING
DEED IN LIEU OF FORECLOSURE
OF _____
as Defendant(s)

10
11 IT IS HEREBY STIPULATED by and between the Mojave Basin Area Watermaster for
12 and on behalf of all parties to the instant action and _____
13 _____ the Purchaser After Accepting Grant Deed and/or Quitclaim Deed in Lieu of Foreclosure
14 and proposed Intervenor(s) herein, that said proposed Intervenor(s) may intervene in the instant action
15 and become entitled to all of the benefits and bound by all the burdens of the Stipulated Judgment herein.

16 The Court will consider the attached proposed Order confirming said Intervention at _____
17 _____ o'clock _____ M on _____, 20____, in Department _____ located
18 at _____ To be set by Watermaster

19
20 Watermaster shall give at least thirty (30) days notice to the parties herein of said hearing.

21 Watermaster

22 Dated: _____, 20____.

23 By: _____
Chairman

24 Attest: _____
25 Secretary

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Intervenor(s)

Dated: _____, 20__.

Name of Intervenor(s) Designee to receive further notices:

Address: _____

Telephone No.: _____

Name of Designee

Prior Trustor(s)

Address: _____

Telephone No.: _____

Address: _____

Telephone No.: _____

**REQUEST FOR ASSIGNMENT OF CARRYOVER RIGHT
IN LIEU OF PAYMENT OF REPLACEMENT WATER ASSESSMENTS**

WATER YEAR ENDING SEPTEMBER 30, 20____.

To be executed by both Transferee and Transferor and, if separately requested by Watermaster, be accompanied by a map of the service area where the water was used by Transferor and a map of the service area where the water is intended to be used by the Transferee.

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER NOT LATER THAN 30 DAYS PRIOR TO THE REGULARLY SCHEDULED WATERMASTER MEETING IN MAY.

(To be accompanied by completed Exhibit "F" if Transferee is not a party to the Judgment)

For a valuable consideration, in the amount of \$_____ per acre-foot receipt of which is hereby acknowledged, _____ ("Transferor") does hereby assign and transfer to _____ ("Transferee") Carryover Right of _____ acre-feet in _____ Subarea.

Said assignment is made upon condition that Transferee shall apply said Carryover Right to the Transferee's Replacement Water Obligation due July 1, 20____, and shown on Appendix B of the Annual Watermaster Report filed with the Riverside Superior Court.

DATED: _____

TRANSFEEE

TRANSFEROR

(Signature)

Name of Designee of Transferee to receive service of Processes & Notices:

Address

Telephone No. of Designee: _____

Notes:

(Signature)

Name of Designee of Transferor to receive service of Processes & Notices:

Address

Telephone No. of Designee: _____

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

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- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

**REQUEST FOR ASSIGNMENT OF FREE PRODUCTION ALLOWANCE
IN LIEU OF PAYMENT OF MAKE-UP WATER ASSESSMENTS**

WATER YEAR ENDING SEPTEMBER 30, 20____.

To be executed by both Transferee and Transferor and, if separately requested by Watermaster, be accompanied by a map of the service area where the water was used by Transferor and a map of the service area where the water is intended to be used by the Transferee.

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER NOT LATER THAN 30 DAYS PRIOR TO THE REGULARLY SCHEDULED WATERMASTER MEETING IN MAY.

(To be accompanied by completed Exhibit "E" if Transferee is not a party to the Judgment)

For a valuable consideration, in the amount of \$_____ per acre-foot receipt of which is hereby acknowledged, _____ ("Transferor") does hereby assign and transfer to _____ ("Transferee")

(Check the following appropriate category)

- Carryover FPA of _____ acre-feet in the _____ Subarea and/or
- Current Year FPA of _____ acre-feet in the _____ Subarea.

Transferee hereby requests that the consumptive use portion of the transferred FPA, as determined by Watermaster, be applied to Transferee's _____ acre-feet share of the Alto _____ Subarea's Make-up Water Obligation to the Centro _____ Subarea that is due July 1, 20____, and shown on Appendix B of the Annual Watermaster Report filed with the Riverside Superior Court.

DATED: _____

TRANSFEEE

TRANSFEROR

(Signature)

Name of Designee of Transferee to receive service of Processes & Notices:

Address

Telephone No. of Designee: _____

Notes:

(Signature)

Name of Designee of Transferor to receive service of Processes & Notices:

Address

Telephone No. of Designee: _____

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

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CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____