RULES AND REGULATIONS

OF THE

MOJAVE BASIN AREA WATERMASTER

Adopted June 30, 1994

Revised December 11, 1996

Revised March 23, 2005

CITY OF BARSTOW, ET AL, VS. CITY OF ADELANTO, ET AL,
CASE NO. 208568 -- RIVERSIDE COUNTY SUPERIOR COURT

RULES AND REGULATIONS

OF THE

MOJAVE BASIN AREA WATERMASTER

Adopted June 30, 1994

Revised December 11, 1996

Revised March 23, 2005

Mike Page, Chairman
Mojave Basin Area Watermaster

TABLE OF CONTENTS

PAGE NO.

1. *Watermaster, Offices and Records* 1

2. *Watermaster Meetings and Notice* 1
   - A. *Regular Meetings* 2
   - B. *Holidays* 2
   - C. *Meeting Changes* 2
   - D. *Special Meetings* 2
   - E. *Adjournment* 2

3. *Quorum of Watermaster, Necessary Votes for Action and Roll Call of Votes* 2

4. *Agenda of Watermaster Meetings* 3

5. *Conduct of Meetings* 3

6. *Organization of Watermaster* 3

7. *Minutes* 3

8. *Designee to Receive Future Notices* 3
   - A. *Substitute Designee* 3
   - B. *Service Upon Designee* 4
   - C. *List of Designees* 4

9. *Election of Subarea Advisory Committees* 4
   - A. *Notice of Initial Nomination and Election* 4
   - B. *Voting* 5
   - C. *Meetings* 5

10. *Court Review of Watermaster Action* 5
    - A. *Notice of Motion by Court* 5
    - B. *Notice of Motion by a Party* 5
    - C. *Effective Date of Watermaster Action* 6

D. *Notice of Motion* 6
E. *Time for Motion* 6
F. *De Novo Nature of Proceeding* 6
G. *Payment of Assessments Pending Review* 6

11. *Quantification of Production* 7
A. *Flow Measuring Devices* 7
B. *Meters* 7
(1) *Meters Existing on Date of Entry of Judgment* 7
(2) *Surface Diversions* 7
(3) *Meter Tests* 7
(4) *Repair or Replacement of Inaccurate Meters* 8
(5) *Interim Meter Tests* 8
(6) *Meters Required for Domestic Deliveries* 8
C. *Determination by Electrical Energy Consumption or Time of Usage Records* 8
D. *Alternative Measuring Methods* 9
E. *Engine Driven Pumps* 9
F. *Records Provided to Watermaster* 9
G. *Compliance* 9

12. *Transfers of Production Rights* 10
A. *Notice to Watermaster of Transfers* 10
B. *Approved Transfer Forms and Other Forms.* 12
C. *Payment of Assessments Prior to Watermaster Acceptance of Transfers* 13
D. *Emergency Transfers of FPA to Accommodate Exports from the Basin for Emergency Domestic Use* 13

13. *Property Foreclosures or Other Forced Sales* 14

14. *Deed in Lieu of Foreclosure* 16

15. *Free Production Allowances* 18
A. *Preliminary Determinations and Recommendations* 18
B. *Notice of Hearing* 19
C. *Final Recommendations* 19

16. *Carryover Rights* 19

17. *Reports of Producers to Watermaster* 19
A. *Exception to Quarterly Reporting* 20
B. *Non Reporting.* 20

18. *Assessments* 20
A. *Prior Year Report and Annual Assessments* 20
B. *Watermaster Budget and Assessment Rates.* 21
C. *Quarterly Assessments* 21
D. *Delinquency of Assessments* 21
E. *Penalties and Interest* 22
F. *Procedures.* 22

19. *Responsibility for Watermaster Assessments* 22

20. *Annual Reconciliation of Reported Production Amounts and Applicable Assessments After Verification by Watermaster* 22
A. *Under Reporting* 23

21. *Watermaster Annual Report* 23

22. *Intervention After Entry of Judgment* 24

23. *Uniform Rules for Storage Agreements* 24
A. *Application for Storage Agreements* 24
B. *General Conditions Governing Storage Agreements* 25
C. *Available Storage Capacity* 25
D. *Priorities for Entry of Storage Agreements* 25
E. *Priorities for Use of Storage (Spreading or Injection) Facilities* 25
F. *Provisions of Storage Agreements* 26
G. *Maximum Storage* 27
H. *Watermaster to be Held Harmless* 27
I. *Reports to Watermaster* 27

24. *Water Quality* 27

25. *Production Adjustment for Change in Purpose of Use* 27

26. *Reporting of Use of Treated Municipal Wastewater* 28

27. *Procedure for Intervention by Minimal Producers* 28

28. *Biological Resource Trust Fund* 28

29. *Entry of Judgment* 28

ATTACHMENTS 29

RULES AND REGULATIONS OF THE
MOJAVE BASIN AREA WATERMASTER

Adopted June 30, 1994

Revised December 11, 1996

Revised March 23, 2005

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

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

22450 Headquarters Drive
Apple Valley, California 92307-4304
Telephone (760) 946-7000
Telefax (760) 946-240-2642

Mailing Address:

22450 Headquarters Drive
Apple Valley, California 92307-4304

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

2. *Watermaster Meetings and Notice*. All meetings and hearings by Watermaster shall be noticed and conducted according to current requirements of the Ralph M. Brown Act, government Code Section 54950, et seq. Regular meetings of Watermaster shall be held at least

quarterly at 4:30 p.m. in the Board Room of the Mojave Water Agency (hereafter MWA) at 22450 Headquarters Drive, Apple Valley, California 92307. In the event any of these rules conflict with Brown Act, Brown Act will prevail.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. *Notice of Initial Nomination and Election.* Upon entry of the Judgment, Watermaster will send a notice to Producers in each Subarea advising them of the time, date and place for the receipt of nominations for candidates for the initial Subarea Advisory Committee. Within thirty (30) days following receipt of nominations the

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

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

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

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

A. *Notice of Motion by Court.* In the event the Court decides to conduct a review on its own motion, Watermaster shall prepare copies of the Court's motion and mail a copy to each Designee according to the official service list maintained by Watermaster pursuant to Paragraph 37 of the Judgment.

B. *Notice of Motion by a Party.* Any Party filing a motion petitioning the Court to conduct a review must deliver a copy to Watermaster together with a service fee sufficient to cover the cost to photocopy and mail the motion to each Designee. Watermaster shall annually establish the service fee rates to be charged.

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

D. *Notice of Motion.* Any Party, may, by a regularly noticed motion, petition the Court for review of Watermaster's action or decision pursuant to this Judgment. The motion shall not be deemed filed until a copy, conformed as filed with the Court, has been delivered to Watermaster together with the service fee established by Watermaster sufficient to cover the cost to photocopy and mail the motion to each Party. Watermaster shall prepare copies and mail a copy of the motion to each Party or its designee according to the official service list which shall be maintained by Watermaster according to Paragraph 37 of the Judgment. A Party's obligation to serve notice of a motion upon the Parties is deemed to be satisfied by filing the motion with the Watermaster as provided herein. Unless ordered by the Court, any such petition shall not operate to stay the effect of any Watermaster action or decision which is challenged.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Execution and notice requirements:

(a) Permanent Transfers are executed by both Transferee(s) and Transferor(s). At least thirty (30) days prior to filing with Watermaster any proposed permanent transfer of a Base Annual Production Right, the proposed Transferor shall provide written notice by

certified mail (with return receipt requested) of the proposed transfer to any party with a recorded security interest, deed of trust or a lien in such real property or in crops growing or to be grown thereon. A list of those so notified shall be provided to the Watermaster together with copies of the notice and return receipts. A Preliminary Title Report on seller's property shall also be provided to the Watermaster for permanent transfers. If a real estate sale is completed prior to notification to Watermaster of the proposed permanent transfer, the Transferee shall provide Watermaster with a copy of the recorded Deed and a Title Insurance Policy showing ownership of the land associated with the Base Annual Production Right.

(b) Temporary transfers over one (1) year are executed by both Transferee(s) and Transferor(s). At least thirty (30) days prior to filing with Watermaster any proposed temporary transfer over one (1) year, the proposed transferor shall provide written notice by certified mail (with return receipt requested) of the proposed transfer to any party with a recorded security interest, deed of trust or a lien in such real property, or in crops growing or to be grown thereon. A list of those so notified shall be provided to the Watermaster together with copies of the notice and return receipts. A Preliminary Title Report on seller's property shall also be provided to the Watermaster for temporary transfers in excess of one (1) year.

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

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

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

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

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

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

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

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

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

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

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

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

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 Payment of Makeup Water Assessments

C. *Payment of Assessments Prior to Watermaster Acceptance of Transfers.* The Watermaster shall take no action on any proposed transfer unless all past due assessments, interest and penalties owed to Watermaster by either Transferee or Transferor have been paid prior to the date that the proposed transfer is submitted to Watermaster. Transferee and Transferor must also be in compliance with Section 11, Quantification of Production.

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

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

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

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

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

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

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

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

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

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

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

A. The transaction shall be reported on a completed "Request for Transfer of Base Annual Production Right After Foreclosure" form; Exhibits "G" to these Rules and Regulations. The form shall be executed by the Purchaser. The form shall be

accompanied by a map showing the service area where the water was used by the Trustor and showing the service area where the water is intended to be used by the Purchaser. The map shall include assessor's parcel numbers shown for each parcel affected, and a listing of identification and locations of production facilities affected by the requested transfer. In addition thereto, Exhibit "G-2"(Page 1 and 2), an affidavit of Purchaser stating current lien holders and title holders to the property, priority of the lien foreclosed upon, and any other applicable facts relative to water rights, water production and the property relevant to the transfer shall be provided.

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

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

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

E. At least thirty (30) days prior to the hearing set by the Watermaster to consider a proposed transfer, Purchaser shall provide evidence to Watermaster that the Trustor and Trustee received notice by certified mail, return receipt requested of the proposed action, and of the time, date and location of the hearing. Purchaser shall also provide notice to any other party with a recorded security interest, deed of trust, or a lien in such real property, or in crops growing or to be grown thereon. A copy of the returned

receipt shall be provided to Watermaster within thirty (30) days prior to said hearing. Watermaster shall notify other parties to the Judgment of the proposed transfer, as may be required.

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

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

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

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

A. The transaction shall be reported on a completed "Request for Transfer of Base Annual Production Right After Accepting Deed in Lieu of Foreclosure" form;

Exhibit "H-1" to these Rules and Regulations. The form shall be executed by the Purchaser. The form shall be accompanied by a map showing the service area where the water was used by the Trustor and showing the service area where the water is intended to be used by the Purchaser. The maps shall include assessor's parcel numbers shown for each parcel affected, and a listing of identification and locations of production facilities affected by the requested transfer. In addition thereto, Exhibit "H-2"(Page 1 and 2), an affidavit of Purchaser stating current lien holders and title holders to the property, and any other applicable facts relative to water rights, water production, and the property relevant to the transfer shall be provided.

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

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

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

E. At least thirty (30) days prior to the hearing set by the Watermaster to consider a proposed transfer, Purchaser shall provide evidence to Watermaster that the Trustor, Trustee, and Beneficiary received notice by certified mail, return receipt requested of the proposed action, and of the time, date and location of the hearing. Purchaser shall also provide notice to any other party with a recorded security interest or

deed of trust, in such real property, or in crops growing or to be grown thereon. A copy of the returned receipt shall be provided to Watermaster within thirty (30) days prior to said hearing. Watermaster shall notify other parties to the Judgment of the proposed transfer, as may be required.

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

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

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

15. *Free Production Allowances*. Not later than April 1 of the fifth full year after entry of Judgment, and annually thereafter, Watermaster shall submit in its Annual Report any recommended adjustment to the Free Production Allowance for any Subarea for the following year. In arriving at its recommendations as to any such adjustment, Watermaster shall be guided by the factors set forth in Exhibit "C" of the Judgment. Watermaster's recommendations for an adjustment of Free Production Allowance shall be made in accordance with the following procedures and time schedule:

A. *Preliminary Determinations and Recommendations*. Not later than February 1 of the fifth full year after the date of the entry of the Judgment, and annually

thereafter, Watermaster shall make a determination of the Production Safe Yield of each Subarea and a preliminary recommendation for any adjustment of the Free Production Allowance. Said determination and preliminary recommendation shall be made in the form of a report containing a statement of the considerations, calculations and factors utilized by Watermaster in arriving at said Production Safe Yield and preliminary recommendation for adjustment of the Free Production Allowance.

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

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

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

17. *Reports of Producers to Watermaster*. Each Producer shall file with Watermaster a quarterly report accompanied by any applicable Administrative and Biological Assessments, for all water Produced from the applicable Subarea, the purpose and place of use of such water and the Subarea(s) within which the water was used on forms provided by Watermaster. Watermaster shall state at a minimum the current applicable Administrative and Biological Assessment rates to be paid by the Producers. Such Quarterly Production Reports and Assessments shall be filed and paid not later than the last day of the month succeeding the end of the relevant quarter, i.e., January 31 for the first quarter, April 30 for the second quarter, July 31

for the third quarter, and October 31 for the fourth quarter. Quarterly reports shall show the total water production of such party for each reporting period rounded off to the nearest tenth (10th) of an acre-foot and applicable assessments shall be calculated by multiplying the applicable assessment rate times the number of acre-feet of production. Sufficient information must be provided to establish the method of measurement and calculations to enable verification of said production to assure the fairness to all parties of assessments paid, and accuracy of calculating production. Forms will also require sworn statements, under penalty of perjury, of the accuracy of the production and assessment amounts.

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

B. *Non Reporting*. Producers that do not submit quarterly production reports and applicable assessments by the due dates shall be deemed to have produced not less than twenty-five (25%) percent of that Producer's Base Annual Production in a given Subarea. Ten (10) days after the due date for reporting production and paying assessments for any quarter, Watermaster shall mail an invoice to the Producer showing the applicable assessments based on twenty-five (25%) percent of the Producer's Base Annual Production multiplied times the current assessment rates for administrative and biological assessments. Such invoice shall be immediately due and payable. Past due assessments shall bear interest and penalties pursuant to Section 18E of these Rules and Regulations.

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

A. *Prior Year Report and Annual Assessments*. By February 1 of each year, Watermaster shall provide to each party a report setting forth each Producer's

Replacement Water Assessment and Makeup Water Assessment for the prior Year. Replacement Water Assessments and Makeup Water Assessments for the prior Year shall be due and payable on July 1 of each year.

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

C. *Quarterly Assessments*. Administrative Assessments and Biological Resource Assessments, are due thirty (30) days following the end of each quarter, except as provided for in Section 17 A. The Administrative Assessment payment is the amount of the current year Administrative Assessment Rate multiplied times the acre-feet of water produced during the quarter. The Biological Assessment payment is the amount of the current year Biological Resource Assessment Rate multiplied times the acre-feet of water produced during the quarter.

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

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

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

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

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

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

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

In the event that a Producer has overpaid its assessments for the previous Water Year, Watermaster shall issue a credit to such Producer to be applied against future, current, or past due assessments. In the event that a Producer has underpaid its assessments for the previous year, Watermaster shall bill the Producer for the amounts owed. No refunds shall be made except

as authorized by this Section and this Section may not apply to over reporting unless there has been compliance with the provisions of Section 11 hereof.

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

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

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

21. *Watermaster Annual Report*. Pursuant to Paragraph 24 (k) of the Judgment Watermaster shall file an Annual Report with the Court not later than April 1 of each year beginning April 1 following the first full year after entry of Judgment. The report shall include

an annual fiscal report of the preceding year's operations, including details as to operation of each of the Subareas and an audit of all Assessments and expenditures and a review of Watermaster's activities pursuant to the Judgment as well as other factors set forth in Paragraph 24 (k). Prior to filing the Annual Report with the Court, Watermaster shall notify all Designees, that a draft of the report is available for review at the Watermaster's office and shall provide notice of a hearing to receive comments and recommendations for changes in the report. The public hearing shall be conducted on the same date and at the same place as the hearing for the Annual Budget.

22. *Intervention After Entry of Judgment*. Any person who is not a Party or successor to a Party and who proposes to produce water from the Basin Area may seek to become a Party to this Judgment through a Stipulation for Intervention entered into with Watermaster. Watermaster may execute said Stipulation on behalf of the Parties but such Stipulation shall not preclude a Party from opposing such Intervention at the time of the Court hearing thereon. Watermaster will execute such Stipulation, file with the Court if accompanied by the necessary filing fee, and obtain a Court hearing date, giving thirty (30) days notice to the Parties. Thereafter, if approved by the Court, such intervenor shall be a Party bound by the Judgment and entitled to the rights and privileges accorded under the Physical Solution therein. Watermaster shall, within thirty (30) days after intervention is ordered by the Court, determine the Base Annual Production Right, if any, of such Party. Watermaster shall give notice to all Designees of any such determination of a Base Annual Production Right. Any Party contesting such Right shall file a motion in opposition thereto within thirty (30) days following the service of the Watermaster Notice.

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

A. *Application for Storage Agreements.* Any Party desiring to store Supplemental Water within the Basin Area for subsequent recovery and use or for credit against replacement obligations shall first make application to Watermaster for a Storage Agreement. Watermaster will not enter into Storage Agreements with non-Parties unless

such non-Parties become subject to the provisions of this Judgment and the jurisdiction of the Court.

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

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

D. *Priorities for Entry of Storage Agreements.* Watermaster shall as a first priority, enter a Storage Agreement with MWA to provide Supplemental Water to Watermaster to comply with the Judgment and, as a second priority, enter Storage Agreements with other Parties on the basis of the date of application to Watermaster.

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

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

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

Third: Supplemental Water for delivery to individual storage accounts of Parties to the Judgment. In the event that more than one Party wishes to deliver water to

Storage accounts simultaneously and there is inadequate spreading and injection capacity available, deliveries for each such Party shall be scheduled so that the total quantity of water in such Parties' individual storage accounts can be increased proportionately in percent of their maximum allowed storage.

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

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

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

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

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

(5) A fixed term and provision for extension.

(6) A recovery schedule.

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

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

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

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

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

25. *Production Adjustment for Change in Purpose of Use.* Any change in Purpose of Use must be reported in advance to Watermaster. If Watermaster determines, using the Consumptive Use ratios set forth in Exhibit "F" of the Judgment, that a new Purpose of Use of any Producer's Production for any year has resulted in a higher rate of consumption than the rate applicable to the original Purpose of Use of that Producer's Production in the year for which Base Annual Production amount was determined, Watermaster shall use a multiplier 1) to adjust upward such Production for the purpose of determining the Producer's Replacement Water Assessment and, 2) to adjust upward the Free Production Allowance portion of such Production for the purpose of determining the Producer's Makeup Water Assessment. The multiplier shall

be determined by dividing the number of acre-feet, of consumption that occurred under the new Purpose of Use by the number of acre-feet of consumption that would have occurred under the original Purpose of Use of the same Production.

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

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

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

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

ATTACHMENTS

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

EXHIBIT A - DEFINITIONS

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

a. Afton - The United States Geological Survey gauging station "Mojave River at Afton, CA."

b. Annual or Year - As used in these Rules and Regulations refers to the twelve (12) month period beginning October 1 and ending September 30.

c. Aquaculture Water - Water so identified in Exhibit "B" of the Judgment. Such water may be used only for fish breeding and rearing. The Annual Consumptive Use of such water in acre-feet is equal to the water surface area, in acres, of the fish rearing facilities multiplied by seven (7) feet.

d. Assessments - Those Assessments levied and collected pursuant to the Judgment including Replacement Water, Makeup Water, Administrative and Biological Resource Assessments.

e. Barstow - The United States Geological Survey Gauging Station "Mojave River at Barstow, CA."

f. Base Annual Production - The verified maximum calendar Year (January through December) Production, in acre-feet, for each Producer for the five (5) calendar Year Period 1986-90 as set forth in Table B-1 of Exhibit "B," except where otherwise noted therein. The maximum Production for each Producer was verified based on one (1) or more of the following: flow meter readings, electric power usage records or estimated applied water duty. The Base Annual Production for recreational lakes in the Baja Subarea and for Aquaculture shall be equal either to the area of water surface multiplied by seven (7) feet or to verified Production, whichever is less. The five (5) calendar Year period 1986-90 shall also be the time period for which Base Annual Production for Minimal Producers shall be calculated.

g. Base Annual Production Right - The relative right of each Producer to the Free Production Allowance within a given Subarea, expressed as a percentage of the aggregate of all Producers' Base Annual Production in the Subarea. The percentage for each Producer is calculated by multiplying that Producer's Base Annual Production in a Subarea times one hundred (100) and dividing the result by the aggregate Base Annual Production for all Producers in the Subarea. The percentage shall be rounded off to the nearest one ten-thousandth (1/10,000th) of one (1%) percent.

h. Base Flow - That portion of the total surface flow measured annually at Lower Narrows which remains after subtracting Storm Flow.

i. Carryover Right - The right of a Producer to delay and accumulate the Production of such Producer's share of a Subarea Free Production Allowance until and only until the following Year free of any Replacement Water Assessment.

j. Consumption or Consumptive Use - The permanent removal of water from the Mojave Basin Area through evaporation or evapo-transpiration. The Consumptive Use rates resulting from particular types of water use are identified in Paragraph 2 of Exhibit "F" of the Judgment.

k. Free Production Allowance - The total amount of water that may be Produced from a Subarea each Year free of any Replacement Obligation.

l. Groundwater - Water beneath the surface of the ground and within the zone of saturation; i.e., below the existing water table, whether or not flowing through known and definite channels.

m. Harper Lake Basin - That portion of the Centro Subarea identified as such on Exhibit "A" of the Judgment.

n. Lower Narrows - The United States Geological Survey gauging station "Mojave River near Victorville, CA."

o. Makeup Water - Water needed to satisfy a Minimum Subarea Obligation.

p. Makeup Obligation - The obligation of a Subarea to pay for Makeup Water to satisfy its Subarea Obligation.

q. Minimal Producer - Any Person whose Base Annual Production, as verified by MWA is not greater than ten (10) acre-feet. A Person designated as a Minimal Producer whose Annual Production exceeds ten (10) acre-feet in any year following the date of entry of Stipulated Judgment is no longer a Minimal Producer.

r. Minimum Subarea Obligation - The minimum Annual amount of water a Subarea is obligated to provide to an adjoining downstream Subarea or the Transition Zone or, in the case of the Baja Subarea, the minimum Annual Subsurface Flow at the MWA eastern boundary toward Afton in any Year, as set forth in Exhibit "G" of the Judgment.

s. Mojave Basin Area or Basin Area - The area shown on Exhibit "A" of the Judgment that lies within the boundaries of the line labeled "Limits of Adjudicated Area" which generally includes the area tributary to the Mojave River and its tributaries except for such area not included within the Mojave Water Agency's jurisdiction.

t. MWA - Cross complainant, Mojave Water Agency.

u. Overdraft - A condition wherein the current total Annual Consumptive Use of water in the Mojave Basin Area or any of its Subareas exceeds the long term average Annual natural water supply to the Basin Area or Subarea.

v. Party (Parties) - Any Person(s) named in this action who has intervened in this case or has become subject to the Judgment either through stipulation, default, trial or otherwise.

w. Person(s) - Any natural person, firm, association, organization, joint venture, partnership, business, trust, corporation, or public entity.

x. Produce - To pump or divert water.

y. Producer(s) - A Person, other than a Minimal Producer, who produces water.

z. Production - Annual amount of water Produced, stated in acre-feet of water.

aa. Production Safe Yield - The highest average Annual amount of water that can be produced from a Subarea: 1) over a sequence of years that is representative of long-term average annual natural water supply to the Subarea net of long-term average annual natural outflow from the Subarea, 2) under given patterns of Production, applied water, return flows and Consumptive Use, and 3) without resulting in a long-term net reduction of groundwater in storage in the Subarea.

bb. Purpose of Use - The broad category of type of water use including but not limited to municipal, irrigation, industrial, aquaculture, and lakes purposes. A change in Purpose of Use includes any reallocation of water among mixed or sequential uses, excluding direct reuse of municipal wastewater.

cc. Recirculated Water - Water that is Produced but not consumed by the Parties listed in Table B-2 of Exhibit "B" of the Judgment and then returned either to the Mojave River or to the Groundwater basin underlying the place of use.

dd. Replacement Obligation - The obligation of a Producer to pay for Replacement Water for Production from a Subarea in any Year in excess of the sum of such Producer's share of that Year's Free Production Allowance for the Subarea plus any Production pursuant to a Carryover Right.

ee. Replacement Water - Water purchased by Watermaster or otherwise provided to satisfy a Replacement Obligation.

ff. Responsible Party - The Person designated by a Party as the Person responsible for purposes of filing reports and receiving notices pursuant to the provisions of the Judgment.

gg. Stored Water - Water held in storage pursuant to a Storage Agreement with Watermaster.

hh. Storm Flow - That portion of the total surface flow originating from precipitation and runoff, without having first percolated to Groundwater storage in the zone of saturation and passing a particular point of reckoning, as determined annually by the Watermaster.

ii. Subareas - The five (5) Subareas of the Mojave Basin Area -- Este, Oeste, Alto, Centro and Baja -- as shown on Exhibit "A" of the Judgment.

jj. Subarea Obligation - The average Annual amount of water that a Subarea is obligated to provide to an adjoining downstream Subarea or the Transition Zone or, in the case of the Baja Subarea, the average Annual Subsurface Flow toward Afton at the MWA eastern boundary as set forth in Exhibit "G" of the Judgment.

kk. Subsurface Flow - Groundwater which flows beneath the earth's surface.

ll. Supplemental Water - Water imported to the Basin Area from outside the Basin Area, water that would otherwise be lost from the Basin Area but which is captured and made available for use in the Basin Area, or any Producer's share of Free Production Allowance that is not Produced and is acquired by Watermaster pursuant to the Judgment.

mm. Transition Zone - The portion of the Alto Subarea, shown on Exhibit "A" of the Judgment that lies generally between the Lower Narrows and the Helendale Fault.

nn. Watermaster - The Person(s) appointed by the Court to administer the provisions of the Judgment.

EXHIBIT B - TIME SCHEDULES

1. Prior Year Report. Annually, not later than February 1, Watermaster shall provide to each Party a report covering the prior year and setting forth at least the following:

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

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

2. MWA Supplemental Water Rates. Annually, not later than December 1, MWA shall set the rates per acre foot to be charged for Supplemental Water for the following year, and shall project the rates for the following two (2) years.

3. Budget and Assessment Rates. Annually, not later than February 1, Watermaster shall provide to all Parties its proposal for its Administrative Budget, Administrative Assessment Rates, Replacement Water Rates, and Makeup Water Rates for the next ensuing year and its rate projections for the next two (2) years. No later than March 1 of each year, the Watermaster shall hold a public hearing to receive comments from Parties as to its proposal. Not later than April 1 of each year, Watermaster shall adopt its final Budget and Assessment rates for the next year, and shall notify all Parties of its final Budget and Assessment rates within fifteen (15) days of adoption.

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

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

6. Payment of Replacement Water Assessments and Makeup Water Assessments. Replacement Water Assessments and Makeup Water Assessments for the prior year shall be due and payable on July 1.

7. Delinquency of Assessments. Any assessment payable pursuant to the Judgment shall be deemed delinquent: i) if paid in Person, if not paid within five (5) days of the date due; ii) if paid by electronic funds transfer, if not paid within three (3) banking days of the date due; or iii) if paid by any other means, if not paid within ten (10) days of the date due. "Payment" shall occur when good and sufficient funds have been received by the Watermaster.

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)

TRANSFEREE	TRANSFEROR
_____	_____
_____	_____
_____	_____
(Signature) (Date)	(Signature) (Date)
Name and Address of Designee of Transferee to receive service of Processes & Notices:	Name and Address of Designee of Transfer to receive service of Processes & Notices:
_____	_____
_____	_____
_____	_____
Telephone No.:_____	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	ADDRESS
_____	_____
_____	_____
_____	_____

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as

_____or on behalf of the Corporation therein named and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

INDIVIDUAL(s) ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who name(s) subscribed to the within instrument and acknowledged to me that _____ executed the same.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

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:

WATERMASTER USE ONLY
Required Adjustments
_____
_____

(Check the following appropriate category)

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

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:_____

TRANSFEREE	TRANSFEROR
_____	_____
_____	_____
_____	_____
(Signature)	(Signature)
Name of Designee of Transferee to receive service of Processes & Notices:	Name of Designee of Transferor to receive service of Processes & Notices:
_____	_____
_____	_____
_____	_____
Address	Address
Telephone No. of Designee:_____	Telephone No. of Designee:_____

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as

_____or on behalf of the Corporation therein named and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

INDIVIDUAL(s) ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who name(s) subscribed to the within instrument and acknowledged to me that _____ executed the same.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

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 DESIGNEE TO RECEIVE FUTURE NOTICES FOR AND ON BEHALF OF DEFENDANT(S) _____

Defendant(s) _____ hereby designate(s): _____ whose address is_____ _____, whose electronic address (e-mail) is _____and whose telephone number is (_____) _____ as said defendant's Designee to receive service of all future notices, determinations, requests, demands, objections, reports and other papers and processes to be served upon said defendant(s) or delivered to said defendants(s) herein.

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

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

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

Executed under penalty of perjury at _____, California, this _____day of _____, 20___.

_____

Sign Here

Signature(s)

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.

DATED:_____ Watermaster

By _____
Chairman

Attest:

_____
Secretary

DATED:_____ Intervenor(s)

_____

By _____ Sign Here

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: _____

Sign Here

_____ _____
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.

Sign Here

_____ _____

Print Name of Affiant Signature

_____ _____

Date Date

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as

_____or on behalf of the Corporation therein named and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

INDIVIDUAL(s) ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who name(s) subscribed to the within instrument and acknowledged to me that _____ executed the same.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

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 DESIGNEE TO RECEIVE FUTURE NOTICES FOR AND ON BEHALF OF INTERVENOR PURCHASERS AT FORECLOSURE. _____

Intervenor Purchasers at Foreclosure hereby designate _____ _____ whose address is _____ _____ _____ , whose electronic address (e-mail) is _____and whose telephone number is (_____)_____ as said intervenors Designee to receive service of all future notices, determinations, requests, demands, objections, reports and other papers and processes to be 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):

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

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

Executed under penalty of perjury at _____, State of _____, this _____ day of _____, 20___.

Sign Here

_____
Intervenor, Purchaser at Foreclosure

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 RE INTERVENTION AFTER STIPULATED JUDGMENT BY PURCHASER AT FORECLOSURE 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 Purchaser at Foreclosure and 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 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 thirty (30) days notice to the parties herein of said hearing.

Watermaster

Dated:_____, 20___.

By:_____
Chairman

Attest:_____
Secretary

Dated:_____, 20___.

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

Name of Designee

_____

Address:_____

_____

Telephone No.:_____

Intervenor(s)

_____

Sign Here

_____

_____

Address:_____

_____

Telephone No.:_____

Prior Trustor(s)

_____

_____

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:_____

Sign Here

_____ _____
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.

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.

_____	Sign Here
Print Name of Affiant	Signature
_____	_____
Date	Date

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as

_____or on behalf of the Corporation therein named and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

INDIVIDUAL(s) ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who name(s) subscribed to the within instrument and acknowledged to me that _____ executed the same.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

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 DESIGNEE TO RECEIVE FUTURE NOTICES FOR AND ON BEHALF OF INTERVENOR PURCHASERS AFTER ACCEPTING DEED IN LIEU OF FORECLOSURE. _____

Intervenor Purchasers by Grant Deed and/or Quitclaim Deed in Lieu of Foreclosure hereby designate _____ _____ whose address is _____ _____ , whose electronic address (e-mail) is _____and whose telephone number is (_____)_____ as said intervenors Designee to receive service of all future notices, determinations, requests, demands, objections, reports and other papers and processes to be 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):

- ☐ First Class Mail postage prepaid to the address indicated above
- ☐ Electronic Mail (e-mail) to the address indicated above

- ☐ I/we hereby waive notice and service requirements

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

Executed under penalty of perjury at _____, State of _____, this _____ day of _____, 20___.

Sign Here

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

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 RE INTERVENTION AFTER STIPULATED JUDGMENT BY PURCHASER AFTER ACCEPTING DEED IN LIEU OF FORECLOSURE 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 Purchaser After Accepting Grant Deed and/or Quitclaim Deed in Lieu of Foreclosure and 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 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 thirty (30) days notice to the parties herein of said hearing.

Watermaster

Dated:_____, 20___. By:_____
Chairman

Attest:_____
Secretary

Intervenor(s)

Dated: _____, 20___.

_____

Sign Here

_____

_____

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

Address:_____

_____

Telephone No.:_____

Name of Designee

_____

Address:_____

_____

Telephone No.:_____

Prior Trustor(s)

_____

_____

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:_____

TRANSFEREE	TRANSFEROR
_____	_____
_____	_____
_____	_____
_____	_____
(Signature)	(Signature)
Name of Designee of Transferee to receive service of Processes & Notices:	Name of Designee of Transferor to receive service of Processes & Notices:
_____	_____
_____	_____
_____	_____
Address	Address
Telephone No. of Designee:_____	Telephone No. of Designee:_____
Notes:	

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as

_____or on behalf of the Corporation therein named and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

INDIVIDUAL(s) ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who name(s) subscribed to the within instrument and acknowledged to me that _____ executed the same.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

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 and payable on 07/01/2002.
DATED:_____

TRANSFEREE	TRANSFEROR
_____	_____
_____	_____
_____	_____
(Signature)	(Signature)
Name of Designee of Transferee to receive service of Processes & Notices:	Name of Designee of Transferor to receive service of Processes & Notices:
_____	_____
_____	_____
_____	_____
Address	Address
Telephone No. of Designee:_____	Telephone No. of Designee:_____

Notes:

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as

_____or on behalf of the Corporation therein named and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)

INDIVIDUAL(s) ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF)

On this _____ day of _____. 20____, before me, the undersigned Notary Public, personally appeared

_____

known to me ____ proved to me on the basis of satisfactory evidence to be the person(s) who name(s) subscribed to the within instrument and acknowledged to me that _____ executed the same.

WITNESS my hand and official seal.

Signature_____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(SEAL)