**ELECTRONICALLY** Thomas S. Virsik, SB # 188945 **FILED** 1 Attorney at Law 3/24/2020 12:19 PM 2 2363 Mariner Square Drive, Suite 240 Alameda, CA 94501 SAN LUIS OBISPO SUREFU 3 Tel: (510) 521-3565 Fax: (510) 748-8997 4 CLAIRE M. CORCORAN, SB #140133 5 Attorney at Law 979 Osos Street, Suite C-2 6 San Luis Obispo, CA 93401 Tel: (805) 541-3260 Fax: (805) 541-3270 7 8 Attorneys for Plaintiff Lorraine J. Andrews, aka Lorraine Janet Zuiderweg, Trustee of The Andrews Living Trust dated February 8, 2010 9 OGDEN & FRICKS LLP 10 Roy E. Ogden, SBN 126961 11 Sue N. Carrasco, SBN 139080 656 Santa Rosa Street, Suite 2B 12 San Luis Obispo, CA 93401 Tel: (805) 544-5600 Fax: (805) 544-7700 13 14 Attorneys for Plaintiffs Lori A. Gill and Craig A. Gill, Trustees of the Gill Inter Vivos Revocable Trust dated 6/29/05 15 SUPERIOR COURT OF THE STATE OF CALIFORNIA 16 **COUNTY OF SAN LUIS OBISPO** 17 18 20CV-0184 LORI A. GILL and CRAIG A. GILL, Case No. Trustees of the Gill Inter Vivos Revocable 19 Trust, dated June 29, 2005; and LORRAINE COMPLAINT FOR IMPOSITION OF A J. ANDREWS, aka LORRAINE JANET PHYSICAL SOLUTION RELATING TO A 20 ZUIDERWEG, Trustee of The Andrews WATER RIGHT; DECLARATORY 21 Living Trust dated February 8, 2010 RELIEF, AND PETITION FOR A WRIT OF MANDATE 22 Plaintiffs and Petitioners. ٧. 23 24 CITY OF SAN LUIS OBISPO, 25 Defendant and Respondent. 26 COME NOW Plaintiffs and Petitioners, LORI A. GILL AND CRAIG A. GILL, TRUSTEES 27 OF THE GILL INTER VIVOS REVOCABLE TRUST DATED JUNE 29, 2005 and LORRAINE J. 28 Complaint for Imposition of a Physical Solution Relating to a Water Right; Declaratory Relief, and Petition for a Writ

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ANDREWS, aka LORRAINE JANET ZUIDERWEG, TRUSTEE OF THE ANDREWS LIVING TRUST DATED FEBRUARY 8, 2010, (collectively "Plaintiffs") who allege as follows.

## **GENERAL ALLEGATIONS**

- 1. Lorraine J. Andrews, aka Lorraine Janet Zuiderweg, is a resident of the County of San Luis Obispo, State of California and, in her capacity as Trustee of The Andrews Living Trust Dated February 8, 2010 ("Andrews"), is the owner of the real property commonly known as 2702 and 2710 Reservoir Canyon Road, San Luis Obispo, California and comprised of APN 070-271-020 and APN 070-271-022, the legal description of which is attached hereto as Exhibit "A" ("Andrews Property").
- 2. Lorraine J. Andrews is 79 years of age, in poor health, and is thereby entitled to trial setting preference pursuant to Code of Civil Procedure Section 36. Andrews intends to file a Motion for Preference following service of this Complaint.
- 3. Lori A. Gill and Craig A. Gill are residents of the County of San Luis Obispo, State of California and, in their capacity as Trustees of The Gill Inter Vivos Revocable Trust Dated June 29, 2005 ("Gills"), are the owners of real property commonly known as 2778 Reservoir Canyon Road, San Luis Obispo, California, with APN 070-501-003, the legal description of which is attached hereto as Exhibit "B" ("Gill Property").
- 4. Defendant and Respondent City of San Luis Obispo ("City") is a municipal corporation located and operating in the County of San Luis Obispo, State of California.
- This Action concerns a right to receive water from the City, free of charge, pursuant to that certain Indenture dated August 10, 1911 [88 Deeds 602] ("the August 1911 Indenture") under the terms of which S. J. Lowe, and his brother, Robert L. Lowe, conveyed certain water rights to the City in return for monetary payment and the City's agreement to:
  - "...furnish to [S.J. Lowe and Robert L. Lowe], their heirs and successors in ownership, water from its main or pipe, when constructed, for one trough to be located on the lands of [S.J. Lowe and Robert L. Lowe] secondly hereinabove described and near the westerly boundary thereof, and said city agrees to pipe the water to said trough by means of a 3/4 inch pipe and to furnish at said trough sufficient water for thirty head of live stock; provided, however, said city shall not be required to furnish more than 1,500 feet of pipe; and [S.J. Lowe and Robert L. Lowe], their successors and assigns, shall provide such trough and float valve faucets to prevent the waste of water, and shall thereafter maintain the same in good order and condition at all times, and said pipe."

Pursuant to the August 1911 Indenture, the subject trough is to be located on "the lands of [S.J. Lowe and Robert L. Lowe]" which is described as "Lot One (1) of Section Thirty (30) in Township Thirty (30) south, Range Thirteen (13) East, M.D.M., containing forty-two (42) acres." (88 Deeds 602) A true and correct copy of the August 1911 Indenture is attached hereto as Exhibit "C". The right to receive City water free of charge pursuant to the August 1911 Indenture is herein referred to as "the right to free City water".

- 6. Andrews is the mother of Plaintiff Lori Gill. Andrews' parents, and Lori Gill's grandparents, were Edith and Peter Zuiderweg. Edith Zuiderweg's parents were S.J. Lowe (the grantee of the free City water right) and Annie Lowe. S. J. Lowe is the Plaintiffs' common predecessor in title, as he once owned substantial property in the Reservoir Canyon area, including what are now the Gill Property and the Andrews Property. A portion of the Andrews Property is located in Lot 1 of section 30, in Township Thirty (30) south, Range Thirteen (13) East, M.D.M ("Lot 1") and the balance is in section 19. The Gill Property is entirely located in Lot 1.
- 7. Pursuant to the August 1911 Indenture, the City is required to deliver the water free of charge, via a pipeline, to a trough and the owners of the right to receive that water are to use it for watering up to "30 head" of livestock. In accordance with its obligation, the City has in fact historically supplied water, free of charge, to a trough on Lot 1. Each Plaintiff claims the trough was located on that Plaintiff's own property in Lot 1, and that the water has been used by them to water livestock.
- 8. Plaintiffs are informed and believe, and based thereon allege, that there is not, in the chains of title from S.J. Lowe to the current owners of real property in Reservoir Canyon, any recorded document subsequent to the August 1911 Indenture conveying or transferring the right to receive the free City water or any part thereof.
- 9. On January 25, 2013, the Gills filed an action for partition entitled "Lori A. Gill, Trustee of the Gill Inter Vivos Revocable Trust, dated June 29, 2005; Craig A. Gill, Trustee of the Gill Inter Vivos Revocable Trust, dated June 29, 2005 v. Lorraine J. Andrews, et. al.", San Luis Obispo County Superior Court Case No. CV 130041 (the "Partition Action") seeking partition by sale of the Andrews Property, which, at that time, was owned by the Gills and Andrews as tenants in common, each side owning an undivided 50% interest. Ultimately, the Court ordered the sale of

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the Andrews Property on December 27, 2017. Andrews was the successful bidder and purchased the Gills' 50% interest in the Andrews Property, thus acquiring 100% ownership. Andrews subsequently transferred her interest in the Andrews Property to her trust.

10. On January 10, 2018, an order confirming the sale of the Andrews Property to Andrews was entered, but no judgment in the Partition Action was entered. On February 8, 2018, a Stipulation and Order wherein the parties stipulated to the appointment of a Special Referee to conduct mediation was entered by the Court as follows:

"The parties' dispute as to which party and/or which of the parties' respective real property is the recipient of and entitled to use the 'free water' provided by the City of San Luis Obispo ('City Water Dispute'). The parties further stipulate that, if the City Water Dispute is not resolved in mediation, the Court shall retain jurisdiction (even after the transfer of Plaintiffs' interest in the Ranch Property to Defendant) to and shall determine the City Water Dispute, including but not limited to, claims relating to easements for the operation, maintenance and repair of the water line."

The stipulation further stated that the appointment of the Special Referee to conduct the mediation "shall not delay the closing of the escrow opened in connection with the sale of the [Andrews] Property...unless the parties stipulate in writing to such an extension." The mediation was held in 2018 but was not successful.

- On July 9, 2019, Andrews filed a Motion for the Imposition of a Physical Solution in the Partition Action seeking to adjudicate the division or allocation of the right to the free City water between Andrews and the Gills ("Solution Motion"), with a hearing set for July 31, 2019. The Gills opposed the Solution Motion and the matter was fully briefed. Andrews, in her Solution Motion, sought the allocation of 100% of the free City water to the Andrews Property, while the Gills also claimed an exclusive right for use of the free City water by the Gill Property.
- 12. On July 31, 2019, the Court in the Partition Action continued the hearing on the Solution Motion to allow the Parties to the Partition Action to mediate the free City water issue. On September 19, 2019, the Gills and Andrews mediated the matter before a private mediator and entered into a written Settlement Agreement with respect to the City Water Dispute ("Settlement"). The Plaintiffs' Settlement is conditioned upon the City's approval. The terms of their Settlement, insofar as relevant here, are as follows:

- "a. Andrews and the Gills shall split the Free City Water equally (50% and 50%) between the Gill Property and the Andrews Property, so that a trough on each Property shall receive 50% (i.e., sufficient for 15 head of livestock) for the purpose of watering livestock. Each Property may take its 50% share on an annualized basis (i.e., need not take the same amount equally on a monthly basis).
- b. The Andrews and Gill Properties will each have its own, separate meter to receive its respective share of the Free City Water. Andrews and her successors in title will have ownership, custody and control of one meter and the existing pipeline, as marked in pink on the attached map of the Parties' respective properties (Exhibit "D"). The Gills and their successors in title will have ownership, custody, and control of one meter and a new pipeline to be constructed outside and West of the existing Andrews fence line from the approximate location of the existing meter to the Northwest corner of the property line of real property commonly known as 2746 Reservoir Canyon Road, as marked in green on Exhibit "D". The addition of one new meter and the construction of the new pipeline marked in green on Exhibit "D" is referred to herein as the "Project". The Parties shall share the cost of the Project equally, 50% and 50%, including the cost of any necessary permitting and any reasonable incidental fees or costs associated with the Project."

The Plaintiffs also agreed to and did obtain the Court's order to retain jurisdiction over the parties and the action pursuant to *Code of Civil Procedure* Section 664.6.

- 13. The Gills and Andrews have agreed that the amount of water needed to water 15 head of livestock should be determined and defined and, based upon academic studies of livestock watering needs, have therefore agreed that the amount each property should receive in a one-year period is 130 City units or 97,200 gallons at a rate of 18 gallons' optimal daily need (18 gallons x 15 head x 30 days x 12 months).
- 14. The implementation of the Settlement would not result in any expense to the City as, under its terms, the Gills and Andrews will pay for the additional meter and associated costs. The reading of an additional meter creates no added burden on the City, since the City must read the existing meter for the free City water and the existing meter for paid City water in any case. Moreover, the Settlement in no way purports to obligate the City to provide to either party free water for any non-livestock purpose, to exceed the amount of water stated in the August 1911 Indenture, or to deliver the water to lands not within the scope of the August 1911 Indenture. The only difference between the August 1911 Indenture and the Settlement is that the Plaintiffs' collective right is split via two pipes, two meters, and two pipe termini.

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- 15. The use of a single, shared trough is no longer practical, given that the Gill and Andrews Properties are in separate ownership and are separately fenced. Without separate meters and separate troughs, it would be impossible to monitor or measure each party's use of the free City water. Moreover, requiring both parties to share a single trough to be located on only one of their properties would require one property owner to allow unfettered access to the other party's livestock. Since cattle and other livestock are flight risks and sometimes destructive, this would impose an undue burden on the property upon which the one trough was located.
- 16. The Settlement would benefit the City because it places a numeric cap on annual water use per the August 1911 Indenture language, which vastly simplifies enforcement by the City because Plaintiffs are informed and believe that under the City's current interpretation of the August 1911 Indenture, the City must supply whatever amount of water thirty head of livestock will drink. This interpretation presents obvious problems for the City from an enforcement standpoint, because the amount of water needed by the livestock will vary depending upon the weather, time of year, the type of livestock and whether the animals are pregnant or lactating.
- 17. The use of two troughs, each to receive 50% of the allocated amount of free City water, rather than one trough to receive 100%, will not burden the City, nor is it a significant departure from the terms of the August 1911 Indenture. Such physical changes are permitted even in the absence of a Court Order and the Court has power to order them in furtherance of the constitutional obligation to use all water in California reasonably and beneficially. (California Constitution Art. X § 2; Water Code § 100) The City itself has, in the past, made such a physical change by installing a meter, something that is not mentioned or specified in the August 1911 Indenture.
- 18. Although Section 13.16.010 of the City Municipal Code (added in 1983) provides that the City shall not approve "any provision or entitlement to water or sewer service for the use or benefit of properties outside the city limits", Section 13.16.010(b) creates an exception for "[a]ny public or private party with which the city had an effective agreement for provision of services prior to the effective date of the ordinance codified herein." Moreover, Section 13.04.120 A of the Municipal Code provides, in pertinent part, that "[s]eparate parcels will be supplied through individual service connections" and Section 13.04.120 B provides, in pertinent part, that "water

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services will be installed in the size and at the location desired by the applicant where such requests are reasonable." Accordingly, and for the reasons previously set forth herein, the terms of the Settlement are eminently reasonable and Constitutionally sound.

- 19. The terms of the Settlement, e.g., providing for specific quantitative limits and separate metering, comport with the Constitution's requirement that all methods of water diversion, delivery, and use be beneficial and reasonable. (California Constitution Art. X § 2; Water Code § 100)
- 20. Plaintiffs sought the City's agreement to and cooperation in implementing the terms of the Settlement via in-person meetings among Plaintiffs' and the City's counsel and written communications with said City counsel starting on or about October 8, 2019. Despite the obvious advantages to itself and in contravention of the City's paramount duty to effectuate all water delivery arrangements consistent with the Constitution's reasonable and beneficial requirement, the City has refused to consent to the terms of the Settlement.
- This Action is exempt from the claim presentation requirement of the Government 21. Tort Claims Act because it is not a claim for money or damages (Government Code Section 905).

## JURISDICTION, VENUE, AND EXHAUSTION

- 22. This Court has subject matter jurisdiction over the Complaint pursuant to, among other laws, Code of Civil Procedure Sections 526, 1060, 1085, 1086, and other applicable legal authorities.
- 23. Venue is appropriate in this Court pursuant to Code of Civil Procedure Sections 392, 394, and 395 as the real properties at issue in the litigation are located in this County, the causes of action arose in this County, and the party Defendant and Respondent City of San Luis Obispo is located in this County.
- 24. Plaintiffs have exhausted their administrative remedies by informing the City's counsel in writing and by conducting in-person, telephone, and electronic conferences to meet and confer with the City's counsel concerning Plaintiffs' right to continued water service consistent with the terms of the Settlement, binding legal precedent, and applicable City ordinances. No further administrative remedies are available because the City does not provide an appeal right for nondiscretionary decisions. (Chapters 1.20 and 17.26 of the Municipal Code)

**FIRST CAUSE OF ACTION** 

(For Imposition of a Physical Solution Against the City)

- 25. Plaintiffs incorporate herein by reference each and every allegation contained in paragraphs 1 through 24, inclusive, as though fully set forth herein and made a part hereof.
- 26. The August 1911 Indenture, like all rights to water in California, is subject to the reasonable and beneficial standard contained within the California Constitution. Article 10, § 2 (in part) states:
  - "SEC. 2. It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare. The right to water or to the use or flow of water in or from any natural stream or water course in this state is and shall be limited to such water as shall be reasonably required for the beneficial use to be served, and such right does not and shall not extend to the waste or unreasonable use or unreasonable method of diversion of water.

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This section shall be self-executing, and the Legislature may also enact laws in the furtherance of the policy in this section contained."

- 27. Pursuant to binding precedents interpreting the reasonable and beneficial standard in the California Constitution, Courts can impose physical solutions involving changes to infrastructure, capital improvements, quantitative limits, and other physical and fiscal changes in the furtherance of equity, to promote the beneficial use of water and to prevent the waste of water.
- 28. The physical solution reflected in the terms of the Settlement is consistent with the reasonable and beneficial standard in the California Constitution, e.g., it imposes quantitative limits where none had previously existed in the August 1911 Indenture, provides for more granular metering of water delivered by the City to the Plaintiffs and more efficient delivery and use of water by the respective Plaintiffs -- all without increasing or changing the purpose, place of use, or quantity of water pursuant to the August 1911 Indenture.

- 29. The physical solution reflected in the terms of the Settlement provides the City substantial advantages in enforcing quantitative limits and overall management of its obligations under the August 1911 Indenture, at little or no net cost to the City.
- 30. Pursuant to binding precedent interpreting the reasonable and beneficial standard in the California Constitution, physical solutions may be imposed by Courts in the exercise of their equity powers even in the absence of agreement of all parties, so long as no senior priority rights are offended.
- 31. The August 1911 Indenture provides no senior priority right to the City or to one Plaintiff party against the other.
- 32. Plaintiffs ask the Court in the exercise of its equity powers to impose a physical solution on the City and the Plaintiffs, consistent with the terms of the Settlement.

# **SECOND CAUSE OF ACTION**

(For Writ of Mandate Against City)

- 33. Plaintiffs incorporate herein by reference each and every allegation contained in paragraphs 1 through 32, inclusive, as though fully set forth herein and made a part hereof.
- 34. At all times material herein, City incurred a non-discretionary duty to (a) provide continuing water service to Plaintiffs pursuant to 13.16.010 of the City Municipal Code and binding legal precedent and (b) supply the free City water separately to their parcels through individual service connections pursuant to section 13.04.120 A and B of the Municipal Code. The Settlement does not create a new right to water service pursuant to Section 13.16.010 of the City Municipal Code or binding legal precedent.
- 35. The Settlement provides that the continuing water service pursuant to the August 1911 Indenture be subject to specific quantitative limits and contemporary metering standards, all of which are consistent with and in furtherance of the paramount duty to effect all water delivery arrangements consistent with the Constitutional reasonable and beneficial requirement.
- 36. On or about October 8, 2019 (or, at the latest, December 6, 2019), the City incurred a non-discretionary duty to provide water service consistent with the terms of the Settlement to Plaintiffs pursuant to, inter alia, Section 13.16.010 of the City Municipal Code and binding legal precedent.

37. Plaintiffs have no plain, speedy, or adequate legal remedy while the City has a mandatory duty to continue to provide water service consistent with the terms of the Settlement and should be ordered to do so immediately.

# THIRD CAUSE OF ACTION

(For Declaratory Relief Against the City)

- 38. Plaintiffs incorporate herein by reference each and every allegation contained in paragraphs 1 through 37, inclusive, as though fully set forth herein and made a part hereof.
- 39. An actual, present, and substantial controversy exists between the Plaintiffs, on the one hand, and the City on the other. The Plaintiffs contend that the City has wrongfully refused to agree to and implement the terms of the Settlement. The City contends it has no duty to effect any terms of the Settlement and/or it has discretion to refuse to do so in whole or part.
- 40. A declaration as to the respective rights and duties of the parties is necessary and appropriate.

## PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment as follows:

1. On the First Cause of Action, the imposition of a physical solution tracking the material terms of the Settlement, i.e., a. "Andrews and the Gills shall split the Free City Water equally (50% and 50%) between the Gill Property and the Andrews Property, so that a trough on each Property shall receive 50% (i.e., sufficient for 15 head of livestock) for the purpose of watering livestock. Each Property may take its 50% share on an annualized basis (i.e., need not take the same amount equally on a monthly basis)" and b. "The Andrews and Gill Properties will each have its own, separate meter to receive its respective share of the Free City Water. Andrews and her successors in title will have ownership, custody and control of one meter and the existing pipeline, as marked in pink on the attached map of the Parties' respective properties (Exhibit "D"). The Gills and their successors in title will have ownership, custody, and control of one meter and a new pipeline to be constructed outside and West of the existing Andrews fence line from the approximate location of the existing meter to the Northwest corner of the property line of real property commonly known as 2746 Reservoir Canyon Road, as marked in green on Exhibit 'D'. The addition of one new meter and the

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Complaint for Imposition of a Physical Solution Relating to a Water Right; Declaratory Relief, and Petition for a Writ of Mandate

construction of the new pipeline marked in green on Exhibit 'D' is referred to herein as the 'Project'. The Parties shall share the cost of the Project equally, 50% and 50%, including the cost of any necessary permitting and any reasonable incidental fees or costs associated with the Project."

- 2. That the Court retain jurisdiction over the judgment imposing a physical solution not only to enforce it, but to permit changes therein as experience under the judgment may show it to be necessary.
- 3. On the Second Cause of Action, for a writ of mandate ordering the City to implement the material terms of the Settlement.
- 4. On the Third Cause of Action, for a declaration that the City has a duty to implement the terms of the settlement as they are consistent with, and in furtherance of, 13.16.010 of the City Municipal Code, binding legal precedent—on the duty to continue service outside of municipal limits, and the Constitution's reasonable and beneficial methods and use of water requirements.
  - 5. For attorneys' fees and costs of suit.
  - 6. And for such other and further relief as the court deems proper.

Dated: March (), 2020

Thomas S. Virsik

Attorney for Plaintiff and Petitioner Lorraine Janet Andrews, Trustee

Dated: March \_\_\_\_\_, 2020

Claire M. Corcoran

Attorney for Plaintiff and Petitioner Lorraine Janet Andrews, Trustee

OGĐĘN & ERIGKS LILP

Dated: March \_ 1, 2020

Roy E. Oglion
Sue N. Carrasco

Attorneys for Plaintiffs and Petitioners Lori A. Gill and Craig A. Gill, Trustees

Complaint for Imposition of a Physical Solution Relating to a Water Right; Declaratory Relief, and Petition for a Writ of Mandate

#### VERIFICATION

We, Craig Gill and Lori Gill, are Plaintiffs in the above-entitled proceeding in our respective capacity as a Co-Trustees of The Gill Inter Vivos Revocable Trust Dated June 29, 2005. We have read the foregoing COMPLAINT FOR IMPOSITION OF A PHYSICAL SOLUTION RELATING TO A WATER RIGHT; DECLARATORY RELIEF, AND PETITION FOR A WRIT OF MANDATE and know the contents thereof. The same is true of our own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters, we believe them to be true.

We declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 2020 at San Luis Obispo, California

Craig Gill, Trustee

Lori Gill. Trustee

## **VERIFICATION**

I, Lorraine Janet Andrews, am a Plaintiff in the above-entitled proceeding, in my capacity as Trustee of the Andrews Living Trust dated February 8, 2010. I have read the foregoing COMPLAINT FOR IMPOSITION OF A PHYSICAL SOLUTION RELATING TO A WATER RIGHT; DECLARATORY RELIEF, AND PETITION FOR A WRIT OF MANDATE and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

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

Executed this 🗋 day of March 2020 at San Luis Obispo, California

Lorraine Janet Andrews, Trustee

#### **LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of San Luis Obispo, State of California, described as follows:

PARCEL 3 OF PARCEL MAP NO. COAL-82-175 IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED APRIL 15, 1983 IN BOOK 33, PAGE 46 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION LYING SOUTH AND EAST OF THE BOUNDARY LINE AS ESTABLISHED BY SECOND AMENDED JUDGMENT RECORDED SEPTEMBER 24, 1991 IN BOOK 3758, PAGE 251 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND DESCRIBED IN THE DEED RECORDED IN VOLUME 2356 OF OFFICIAL RECORDS AT PAGE 32 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF SAID LAND SOUTH 89°30' EAST 482.81 FEET TO THE SOUTHEAST CORNER OF SAID LAND; THENCE ALONG THE EASTERLY LINE OF SAID LANDS, NORTH 0°30' EAST, 998.31 FEET TO THE NORTHEAST CORNER OF SAID LAND; THENCE SOUTH 82°53' EAST 162.81 FEET TO THE SOUTHEASTERLY CORNER OF PARCEL 2 DESCRIBED IN A DEED FROM JACK L. LOWE, EDWARD D. LOWE, ANNA J. MAININI, HAROLD R. LOWE, EDITH LORRAINE ZUIDERWEG AND GEORGE A. LOWE, TO ANNIE J. LOWE, RECORDED IN BOOK 797 OF OFFICIAL RECORDS AT PAGE 363; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 2 NORTH 37°47'40" EAST 67.10 FEET TO AN ANGLE POINT; THENCE ALONG THE LINE OF A FENCE SOUTH 86°33'54" EAST 1340.32 FEET TO A FENCE CORNER; THENCE ALONG THE LINE OF A FENCE, NORTH 01°22'12" EAST 5240 FEET MORE OR LESS TO THE NORTHERLY LINE OF SECTION 19; THENCE CONTINUING ALONG SAID FENCE NORTH 00°51'35" EAST 1200 FEET MORE OR LESS TO A POINT ON THE NORTHERLY LINE OF THE SOUTH HALF OF THE SOUTH WEST QUARTER OF SAID SECTION 18.

APN: 070-271-020 and 070-271-022

Exhibit A, pg. 1 of 1

#### PARCEL 2:

All that part of Lot 1 in Section 30, Township 30 South, Range 13 East, Mount Diablo Base and Meridian, according to the Official Plat of the survey of said land approved by the Surveyor General on December 5, 1867, described as follows:

Beginning at a point on the North line of said Lot 1, as said North line was fixed and established by Deed and Agreement between Bank of America National Trust and Savings Association, first party, and S. Jackson Lowe and Annie J. Lowe, Husband and Wife, second party, recorded June 1, 1935, in Book 168, at Page 131 of Official Records, said point being South 82° 53' East along said Northerly line, 635.22 feet from the Northwest corner of said Lot as established in Deed and Agreement above referred to; said point being the Northeast corner of the property described as Parcel 1, in deed to Annie J. Lowe, a Widow, dated March 11, 1955, as recorded March 29, 1955, in Book 797, at Page 363 of Official Records; thence along the Easterly and Southerly lines of the property so conveyed the following courses and distances: South 14° 14' West, 190.34 feet; South 60° 25' West, 202.55 feet; South 71 ° 34' West, 398.78 feet, more of less, to the Easterly line of a road 40 feet in width as said road existed on December 25, 1959; thence South 38° 28' West along said Easterly line of said road, 12.45 feet; thence continuing along said Easterly line of said road. South 11° 23' West, 94.46 feet; thence continuing along said Easterly line of said road, South 16° 03' East, 94.34 feet; thence continuing along said Easterly line of said road, South 20° 10' East, 437.46 feet; thence leaving said Easterly line of said road, South 89° 30' East, 482.81 feet; thence North 0° 30' East, 354.55 feet to the Southeast corner of said land conveyed to Harold R. Lowe, et ux., by deed dated July 24, 1952 and recorded July 25, 1952, in Book 667, at Page 354 of Official Records: thence North 85° 17' West along the Southerly line of the land so conveyed to Lowe and the land conveyed to P.J. Zuiderweg, ex ux., by deed dated July 24, 1952 and recorded July 25, 1952, in Book 667, at Page 353 of Official Records, 440.34 feet to the Southwest corner of the land conveyed to Zuiderweg; thence North 22° 06' East along the Westerly line of the land conveyed to Zuiderweg, 214.39 feet to the Northwest corner thereof; thence North 78° 05' East along the Northerly line of the lands conveyed to Zuiderweg and Lowe, as aforesaid, 368.72 feet to the Northeast corner of the lands so conveyed to Lowe; thence North 0° 30' East, 332.80 feet, more of less, to the North line of said Lot 1; thence North 82° 22' 50" West (record North 82° 53' West) along said North line, 64.62 feet to the point of beginning.

EXCEPTING THEREFROM all oil, gas, minerals, metals, and or in, under or upon

Exhibit 
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said land together with rights, rights of way and easements necessary for prospecting, mining, working, reducing, producing, and taking said minerals therefrom as reserved by Dawson Lowe, in deed recorded July 11, 1908, in Book 77, at Page 325 of Official Records.

### PARCEL 3:

Commencing at a 3 inch by 4 inch stake described as the point beginning of a parcel of land conveyed in S. Jackson Lowe in Book 192, Page 76 of Official Records said stake being on the East line of 30 foot road, and running thence South 31° 52' 30" East 560.99 feet to a one-inch iron pipe, the true point of beginning; thence from said true point of begin in North 73° 05' East 220.47 feet to a 1 inch iron pipe; thence South 0° 37' East 268.82 feet to a 1 inch iron pipe; thence North 85° 17' West 300.17 feet to a 1 inch iron pipe; thence North 22° 06' East 214.39 feet to the true point of beginning; containing 1.372 acres and being a part of the Northwest quarter of the Northwest Quarter of Section 30, Township 30 South, Range 13 East Mount Diablo Base & Meridian.

EXCEPTING THEREFROM all oil, gas, minerals, metals, and or in, under or upon said land together with rights, rights of way and easements necessary for prospecting, mining, working, reducing, producing, and taking said minerals therefrom as reserved by Dawson Lowe, in deed recorded July 11, 1908, in Book 77, at Page 325 of Official Records.

#### PARCEL 4:

An undivided one-half interest in and to that certain property, described as follows:

Beginning at the Northeast corner of the aforesaid Parcel 1 and running thence South 78° 05' West 5.22 feet to a point; thence North 28° 29' West 329.28 feet to a point thence South 61° 31' West 5 feet to a point; thence North 28° 29' West 20 feet to a point; thence North 61° 31' East 20 feet to a point; thence South 28° 29' East 20 feet to a point; thence South 61° 31' West 5 feet to a point; thence South 28° 29' East 332.25 feet to a point; thence South 73° 05' West 5.22 feet to the point of beginning, being a 10 foot right of way for a pipe line and a 20 foot square area around the present wellsite, all located in the Northwest Quarter of the Northwest Quarter of Section 30, Township 30 South, Range 13 East.

Exhibit B, ps. 2 of 3

Also, the right of egress and ingress from the County Road to the wellsite for the purpose of maintaining and repairing the wellsite.

The right of ingress and egress to build and maintain a road from the County Road to parcel 3 aforesaid, over the route used as of July, 1952.

EXCEPTING THEREFROM all oil, gas, minerals, metals, and or in, under or upon said land together with rights, rights of way and easements necessary for prospecting, mining, working, reducing, producing, and taking said minerals therefrom as reserved by Dawson Lowe, in deed recorded July 11, 1908, in Book 77, at Page 325 of Official Records.

COMMON ADDRESS: 2778 Reservoir Canyon Road, San Luis Obispo, CA 93401

APNs: 070-501-003 & 070-501-002

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first above written. W. H. Spencer Notary Public in and for said downty of San Luis Oblayo, State of California. Filed for record at request of W. J. Miles, August 16th A.D. 1911, at 24 min. past 1 o'clock P. M.

D. F. Mahoney, Recorder.

S. Jackson Lowe et al THIS INDENTURE made this tenth day of August, 1911, by and

between S. JACKSON LOWE and ROBERT L. LOWE of the county of San city of San Luis Obispo: Luis Obispo, State of California, the parties of the first part and the diff OF SAN LUIS OBISPO, a municipal corporation, the

party of the second part, WITNESSETH: That the said parties of the first part, for and in consideration of the sum of Ten Dollars, lawful money of the United States of America, to them in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained and sold, conveyed and confirmed and by these presents do grant, bargain, sell, convey and confirm unto the said party of the second part and to its successors and assigns forever, all their right, title and interest of, in and to the waters of the San Luis Obispo Greek, including the waters of what is known as the "Axel Hanson" creek, which the parties of the first part as riparian proprietors or otherwise, have owned, enjoyed or possessed in or to said waters or in anywise appurtenant to the following parts or parcels of land, to wit:-

First. The East half of Section Bighteen (18), in Township Thirty (30) South, Range Thirteen (13) East, M.D.M., excepting therefrom a small piece containing from one-half to one acre of ground cituate in the North West corner of the North West quarter of the Sout East quarter of said Section Eighteen (18), and particularly described in that certain conveyance executed by J. P. Andrews to James Glennon, dated July 28, 1881, and recorded in Liber "H" of Reeds, at pages 194 et seq., San Luis Obispo county Records, to which said record reference is hereby made for a particular description of said tract.

Second. Lot One (1) of Section Thirty (30) in Township Thirty (30) South, Range Thirtoen (13) East, M.D.M., containing forty-two (43) acres.

Third. The "Axel Hanson" Ranch, more particularly described as Lot Thirteen (13) of Section Eight (8), West Half of North West quarter and South East quarter of North West quarter of Section Seventeen (17), Township Thirty (30) South, Range Thirteen (13) East M.D.M., containing 163.20 acres, also a strip of land forty (40) feet wide conveyed to Axel Hanson by Maria Y. Harris et al by deed dated May 4, 1893 and recorded in the office of the county Recorder of san Luis Obispo County in Vol. "19" of Deeds, page 607 et seq., San Luis Obispo (sic) County Records; said strip of land being a part of South East quarter of Section Seven (7), Township Thirty (30) South, Range Thirteen (13) East M.D.M. and containing 5.29 acres, to which deed reference is hereby made for a more particular description thereof. Said parties of the first part also give end grant unto said party of the second part the perpetual right and easement to divert and remove said waters from the natural channel of said creek at a point on said Creek above the said lands. Said parties of the first part also grant unto said party of the second part the perpetual right of way and easement to lay, maintain, repair, replace, enlarge, operate and remove pipe lines for the transportation of water to. from, in and across that part of the public road leading from San Luis Obispo to Santa Margarita which traverses and crosses a parcel of land first hereinabove described. As a further consideration for this conveyance, said party of the second part agrees to furnish to said parties of the first part, their hedrs and successors in ownership, water from its main or pipe, when constructed, for one trough to be located on the lands of said parties of the first part secondly hereinabove described and near the westerly boundary thereof, and said city agrees to pipe the water to said trough by means of a 2 inch pipe and to furnish at said trough sufficient water for thirty head of stock; provided, however, said city shall

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not be required to furnish in excess of 1,500 feet of pipe; and said parties of the first part, their successors and assigns, shall provide such trough and float valve faucets to provent the waste of water, and shall thereafter maintain the same in good order and condition at all times, and said pipe. The said city is also hereby given and granted the right to divert the water of the "Axel Hanson" Greek at the springs on said "Axel Hanson" Ranch, the waters of which now naturally flow or percolate into said "Axel Hanson" Creek, or at any point along the course of said stream on the said "Axel Hanson" Ranch, together with the right to erect and construct necessary dams for that purpose, and rights of way over said "Axel Hanson" Ranch for necessary pipe lines, provided, however that all pipe lines shall be buried a sufficient depth below the surface of the ground so as not to interfere with the use of the land for agricultural or stock purposes. The said City is also hereby given and granted the right to, at any time, enter upon said "Axel Hanson" Ranch, and open and develope those springs thereon the waters of which now naturally flow or percolate into the said "Axel Hanson" Greek, and in the event said city should so do then it may fonce so much of the land about each spring as will protect the work done by said city in opening and developing the same; provided, however, if the said city should divert the waters of said Creek at said springs, or should said City fence such springs, then said parties of the first part shall have the right to take sufficient water therefrom to water fifteen head of stock on said "Axel Hanson" Ranch; they to supply the trough and necessary float valve faucets to prevent waste of water. To have and to Hold the said property, rights and easements unto said party of the second part, its successors and assigns forever. IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seals, the day and year first above written. S. Jackson Lowe (SEAL) Robt. L. Lowe (SHAL)

State of California, SS.

County of San Luis Obispo SS.

County of San Luis Obispo, California. Filed for rocord at request of W. J. Miles, August 16th A. D. 1911, at 25 min. past 1 O'clock P. M.

D. F. Mahoney, Recorder.

and Joe Lewis Santos, of said county of Sam Luis Obispo of the State of California, the party of the second part, WITNESSETH: THAT WHEREAS, on the fifth day of June, Nineteen hundred and Eleven, the Superior court in and for the county of Sam Luis Obispo, State of California, made an order of sale authorizing the said party of the first part to soll certain real estate of the said Henri Raymond Cantaloube, deceased, situated in Soc Canyon, in said county of Sam Luis Obispo, State of California, and specified and particularly described in said order of sale, either in one parcel or in sub-divisions, as the said party of the first part should judge most beneficial to said estate: and which said order of sale, now on file and record in the said Superior court is hereby referred to and made a

Tommy Gong, County Clerk-Recorder

By \_\_\_\_\_ Deputy
San Luis Obilipo County, Galifornia

