Stipulation to Dismiss Plaintiffs' Claims and Defendants' Counterclaim, August 20, 2007

1 FREDERIC A. FUDACZ (SBN 050546) ALFRED E. SMITH (SBN 186257) 2 **BYRON P. GEE (SBN 190919)** CLERK, US DISTRICT COURT Nossaman, Guthner, Knox & Elliott, LLP 3 445 S. Figueroa Street, 31st Floor Los Angeles, California 90071-1602 Telephone: (213) 612-7800 Facsimile: (213) 612-7801 4 AUG 2 0 2007 5 ffudacz@nossaman.com *<b>QALIFORNIA* CENTRAL DIS asmith@nossaman.com BŸ DEPUTY 6 bgee@nossaman.com Priority 7 Attorneys for Plaintiffs and Counter-Defendants Send Castaic Lake Water Agency; Newhall County Water District; Santa Clarita Water Company; and Enter 8 Closed JS-5/JS-6 Valencia Water Company Q JS-2/JS-3 \* Scan Only- $\overline{\mathbf{o}}$ 10 ä CHGED CHGED UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA  $\partial \mathcal{V}$ CASTAIC LAKE WATER AGENCY; ) Case No.: 00-12613AHM(RZx) <del>1</del>3 NEWHALL COUNTY WATER DISTRICT; SANTA CLARITA ) WATER COMPANY; and VALENCIA) 14 STIPULATION TO DISMISS PLAINTIFFS' CLAIMS AND WATER COMPANY, 15 **DEFENDANTS' COUNTERCLAIMS** Plaintiffs, 16 Hearing VS. 17 Date: N/A WHITTAKER CORPORATION; Time: N/A 18 SANTA CLARITA LLC; Place: **Courtroom 14 REMEDIATION FINANCIAL, INC.;** Hon. A. Howard Matz 19 and DOES 1-10, Inclusive, 20 Defendants. ENTERED CLERK, US DISTRICT COURT 21 22 AUG 2 | 2007 23 AND RELATED ACTIONS. DISTRICT OF CALIFORNIA CEN 24 8 DEPUTY 25 26 27 28 344788 2 DOC -1-

This Stipulation to dismiss plaintiffs' claims and defendants' counterclaims, 1 2 entered into by and among Plaintiffs and Counter Defendants Castaic Lake Water Agency, Newhall County Water District, Santa Clarita Water Company and Valencia 3 Water Company (collectively, "Plaintiffs"), Defendants and Counter Claimants Whittaker 4 5 Corporation ("Whittaker") and Santa Clarita LLC ("SCLLC") and Defendant Remediation Financial, Inc. ("RFI") (collectively, "Defendants"), (the foregoing 6 Plaintiffs, and Defendants are collectively referred to herein as the "Parties"), is made 7 with reference to the following facts and recitals: 8

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## **RECITALS**

WHEREAS, Whittaker is the former owner of approximately 960 acres of
 real property located in the City of Santa Clarita, County of Los Angeles, California, (the
 "Site"). The Site is currently owned by SCLLC.

WHEREAS, Plaintiff Santa Clarita Water Company is the operator of wells
 commonly designated as Saugus 1, Saugus 2, and the Stadium Well. Plaintiff Newhall
 County Water District is the owner and operator of a water well commonly designated as
 NC11. Plaintiff Valencia Water Company is the owner and operator of water wells
 commonly designated as V157 and Q2. Saugus 1, Saugus 2, the Stadium Well, NC11,
 V157 and Q2 are collectively referred to at all times herein the "Subject Wells."

19 WHEREAS, on or about November 29, 2000, a civil action was brought in 3. the United States District Court for the Central District of California ("Court"), Case No. 20 21 CV 00-12613 AHM (RZx) by Plaintiffs (the "CLWA action"). Whittaker, SCLLC and RFI were named as defendants in the CLWA action. In the CLWA action, Plaintiffs 22 vdldsflkdsfkl;alleged, among other things, that 1) the groundwater in and around the Site 23 has been contaminated by perchlorate and other hazardous materials; 2) perchlorate 24 25 contamination has been found in Subject Wells owned by Plaintiffs; and 3) Whittaker, SCLLC, and RFI caused and/or permitted the contamination. Plaintiffs further alleged 26 27 that they have incurred "response costs" in addressing this contamination, including the 28 costs of engaging consultants to undertake environmental assessment, water treatment

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1 studies, groundwater analysis and characterization work in connection with the alleged
2 perchlorate contamination.

WHEREAS, on or about January 19, 2001, Whittaker answered the 3 4. allegations of Plaintiffs and filed its affirmative defenses in support thereof, and filed its 4 5 own counter-claims against Plaintiffs alleging, among other things, that Plaintiffs were responsible for the release or threatened release of hazardous substances in and around 6 7 the Site and as a result Whittaker was entitled to a Declaratory Judgment pursuant to the 8 Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") 9 §113(g)(2), contribution pursuant to CERCLA §113(f), and response costs pursuant to 10 the Hazardous Substances Account Act ("HSAA"). The action commenced by Whittaker's filing of its counter-claims is hereinafter referred to as the "Whittaker 11 Action." On or about January 18, 2001, SCLLC answered the allegations of Plaintiffs 12 13 and filed its affirmative defenses in support thereof, and SCLLC filed a counter-claim against Plaintiffs (the "SCLLC Action") alleging substantially identical facts as the 14 Whittaker Action and seeking declaratory relief under CERCLA §§ 107(a), contribution 15 under CERCLA §113(f), and recovery of response costs under the HSAA. 16

WHEREAS, Whittaker, SCLLC and RFI, and Plaintiffs have entered into
 the Interim Settlement and Funding Agreement dated as of July 28, 2003 (the "Interim
 Agreement") and the First Amendment to the Interim Settlement and Funding Agreement
 dated October 11, 2004, which, among other things, extended the term of the Interim
 Agreement through January 2005.

WHEREAS, in or around July, 2004, SCLLC and two of its affiliates filed
 voluntary Chapter 11 bankruptcy petitions, and the cases thereby commenced are
 pending in the United States Bankruptcy Court for the District of Arizona (the "Arizona
 Bankruptcy Court"), denominated Cases Nos. 2-04-BK-11910 CGC, 2-04-BK 11911
 CGC and 2-04-BK-17294 CGC, respectively, which cases are jointly administered with a
 bankruptcy case previously commenced by a petition filed by a third affiliate of SCLLC,
 RFI, and denominated as Case No. 2-04-BK-10486 CGC. Case Nos. 2-04-BK-11910

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 CGC, 2-04-BK 11911 CGC, 2-04-BK-17294 CGC and 2-04-BK-10486 are jointly
 administered under Case No. 2-04-BK-10486 CGC and are collectively referred to as the "Bankruptcy Cases."

7. WHEREAS, on April 6, 2007, Plaintiffs and Defendants entered into two
settlement agreements that resolve Plaintiffs' claims and Defendants' counterclaims. The
settlement agreements require that a joint stipulation to dismiss the claims and
counterclaims be filed with the court after the settlement agreements are funded. The
claims settlement agreement was funded on or about August 9, 2007 and the
counterclaim settlement was funded on or about August 10, 2007.

NOW, THEREFORE, the parties hereby stipulate to dismiss Plaintiffs'
claims against Defendants in accordance with the "Castaic Lake Water Agency Litigation
Settlement Agreement," (previously filed as Exhibit 1 to the Parties' June 18, 2007 Joint
Motion for Court Approval of Settlement Agreements and Good Faith Settlement
Determination) with prejudice to the extent expressly released therein, and otherwise
without prejudice, as to the claims asserted in the underlying complaint.

The Parties further stipulate to dismiss defendants Whittaker Corporation's and Santa Clarita, LLC's counterclaims against Plaintiffs in accordance with the Counterclaim Settlement Agreement and Release (previously filed as Exhibit 2 to the Parties' June 18, 2007 Joint Motion for Court Approval of Settlement Agreements and Good Faith Settlement Determination) with prejudice to the extent expressly released therein, and otherwise without prejudice, as to the claims asserted in the underlying counter-complaints.

23 Dated: August <u>17</u>, 2007

IT IS SO ORDERED nated Marint 2412017 Dated United States District Judge

FREDERIC A. FUDACZ ALFRED E. SMITH BYRON P. GEE NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP

By:

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Attorneys for Plaintiffs and Counter-Defendants Castaic Lake Water Agency; Newhall County Water District; Santa Clarita Water Company; and Valencia Water Company

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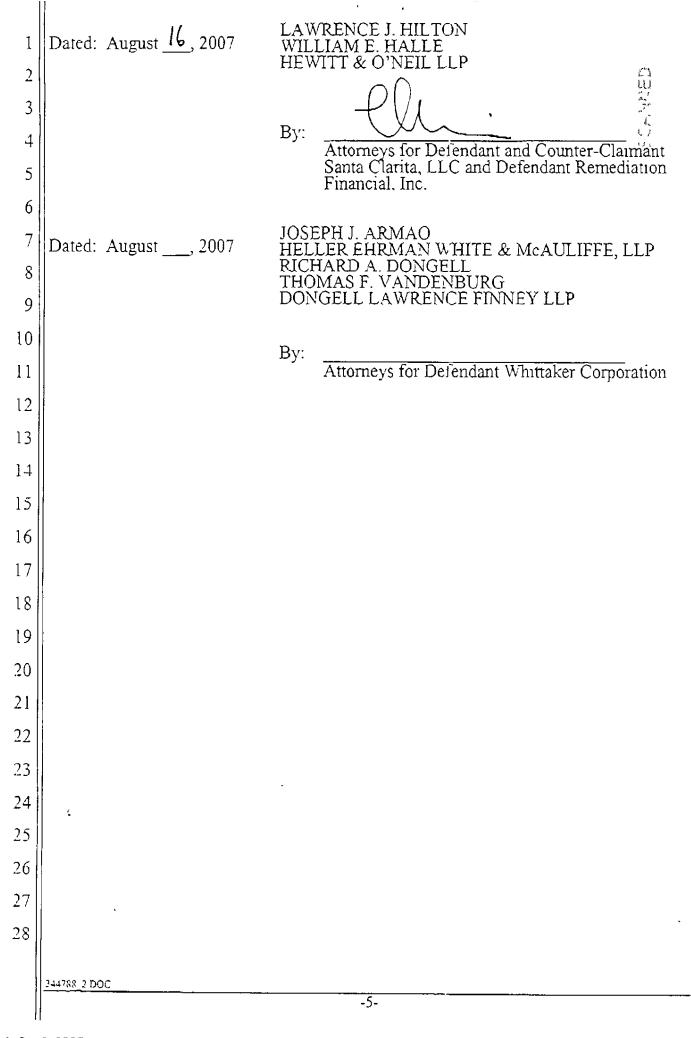
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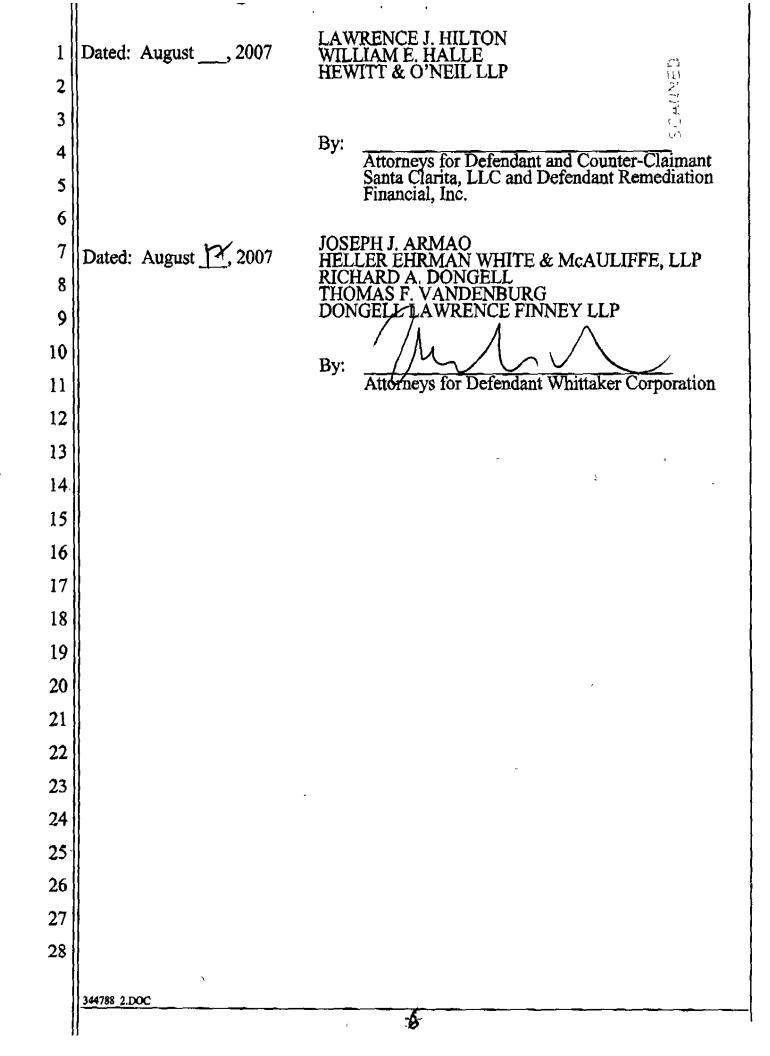
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1	PROOF OF SERVICE		
2	The understand dealerson		
3	The undersigned declares:		
4	& Elliott, LLP, 445 S. Figueroa Street, 31st Floor Los Angeles, California 900/1-160		
5 On August 17, 2007, I served the foregoing	On August 17, 2007, I served the foregoing		
6 7	STIPULATION TO DISMISS PLAINTIFFS' CLAIMS AND DEFENDANTS'		
8	COUNTERCLAIMS		
	an parties to the within action by placing () the original $(x)$ a true copy thereof enclosed		
9	in a sealed envelope, addressed as shown on the attached service list.		
10	(XX) (By U.S. Mail) On the same date, at my said place of business, said correspondence was sealed and placed for collection and mailing following the		
11	usual business practice of my said employer. I am readily familiar with my said		
12 13	mailing with the United States Postal Service, and, pursuant to that practice, the		
14	postage thereon fully prepaid, on the same date at Los Aligeles, California.		
15	() (By Facsimile) I served a true and correct copy by facsimile pursuant to C.C.P. 1013(e), to the number(s) listed on the attached sheet. Said transmission was reported complete and without error. A transmission report was properly issued by		
16 17	the transmitting facsimile machine, which report states the time and date of sending and the telephone number of the sending facsimile machine. A copy of that transmission report is attached hereto.		
18	() (By Overnight Service) I served a true and correct copy by overnight delivery		
19	service for delivery on the next business day. Each copy was enclosed in an envelope or package designated by the express service carrier; deposited in a facility regularly maintained by the express service carrier or delivered to a courier		
20	facility regularly maintained by the express service carrier or delivered to a courier or driver authorized to receive documents on its behalf; with delivery fees paid or provided for; addressed as shown on the accompanying service list.		
21	Executed on August 17, 2007.		
22	() (STATE) I declare under penalty of perjury under the laws of the State of		
23	California that the foregoing is true and correct.		
24	(XX) (FEDERAL) I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.		
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27	Mina Muñoz		
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2	CASTAIC LAKE WATER AGENCY, et al. v. WHITTAKER CORPORATION; et al. USDC Case No. CV 00-12613 AHM (RZx)		
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