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E-filed 10/29/2009

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

UNITED STATES OF AMERICA,

 Plaintiff,

 v.

ALISAL WATER CORPORATION, et al.,

 Defendants.

Case Number C 97-20099 JF (HRL)

ORDER¹ (1) EXTENDING
RECEIVERSHIP FOR LIMITED
PURPOSE; AND (2) ADDRESSING
MATTERS HEARD ON OCTOBER 2,
2009

[re: docket entries 906, 909, 910]

On October 2, 2009, the Court conducted a hearing addressing: (1) Defendants’ ex parte applications for an order directing the Receiver to take certain actions and terminating the receivership; (2) the Receiver’s motion for contempt; and (3) the County of Monterey’s request that the receivership be maintained. For the reasons stated on the record, the Court orders as follows:

¹ This disposition is not designated for publication in the official reports.

- 1 (1) the transfer of the San Jerardo water system is approved;
- 2 (2) the \$23,500 in trust funds held by Defendants' counsel, Gary Varga, shall be
3 applied to the receivership fees and expenses previously approved by the Court²;
- 4 (3) all remaining outstanding receivership fees and expenses previously approved by
5 the Court shall be paid from the \$100,000 in funds held by the Receiver;
- 6 (4) the parties shall meet and confer with respect to any additional receivership fees
7 and expenses, and such fees and expenses shall be submitted for Court approval
8 only if the parties cannot agree with respect to payment of such fees and expenses;
- 9 (5) the Receiver's motion for contempt is denied;
- 10 (6) the receivership is extended until November 1, 2010 for the limited purpose of
11 ensuring that the monthly shortfall with respect to San Jerardo's operation costs is
12 paid³; and
- 13 (7) the Receiver is authorized to expend up to \$2,000 per month of receivership
14 funds, without further Court approval, to cover the shortfall with respect to San
15 Jerardo's operation costs.

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17 IT IS SO ORDERED.

18 DATED: October 29, 2009

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20 JEREMY FOGEL
21 United States District Judge

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26 ² This order applies to any additional funds that may have been deposited in the trust
27 account since the hearing.

28 ³ As discussed at the hearing, the operations costs to which the Court refers do not include
the filtration costs, which will continue to be covered by the County of Monterey.

1 This Order was served on the following persons:

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3 David Patrick Nemecek , Jr dnemecek@manatt.com, mchavez@manatt.com

4 Diana Donabedian ddonabedian@luce.com

5 Joe Alfred Izen , Jr joeizen@joeizen.com, joeslowgo@hotmail.com

6 Jonathan Mark Schwartz jms01@i.frys.com

7 Kevin T. Haroff kharoff@ssd.com, sdavid@ssd.com

8 Lenard Garsen Weiss lweiss@steefel.com, ycano@steefel.com

9 Lori Jonas lori.jonas@usdoj.gov

10 Marc Peter Fairman Mfairman@pacbell.net

11 Mary Grace Perry perrym@co.monterey.ca.us, andradar@co.monterey.ca.us,
12 coatsir@co.monterey.ca.us

13 Paul Daniel Gullion pauldgullion@aol.com, ndgullion@aol.com

14 Stephen Gary Varga Vargalaw@mbay.net, Vargalaw@SBCGlobal.net

15 Steven O'Rourke Steve.ORourke@usdoj.gov

16 Vanessa W. Vallarta vanessav@ci.salinas.ca.us, julian@ci.salinas.ca.us

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