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**BYLAWS
OF
ALBERTOLA ESTATES MUTUAL WATER COMPANY
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION**

ARTICLE I. NAME AND LOCATION

Section 1. The name of this corporation shall be Albertola Estates Mutual Water Company ("Mutual"). The Mutual's principal office shall be fixed and located at such place within Monterey County, California, as the Mutual's Board of Directors shall determine. Branch or subordinate offices may be established at any time by the Board at any other place or places and may be changed by the Board from time to time.

ARTICLE II. PURPOSES

Section 1. The Mutual's purposes are:

a. To develop, distribute, supply, and deliver water for domestic and irrigation uses and fire protection purposes to its members at actual cost plus necessary expenses, and to no one except its members. Water shall be sold, distributed, supplied or delivered to all members and only to members, except that water shall also be provided to the common areas of any subdivision within the corporation's service area having an owner's association which requests water service for such common areas. This corporation shall be authorized to do whatever may be deemed necessary, conducive, incidental or advisable to accomplish and promote the foregoing purpose. Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

b. To engage in any lawful act or activity for which a Nonprofit Mutual Benefit Corporation may be organized under the California Nonprofit Corporation law.

ARTICLE III. SERVICE AREA

Area to be Served

Section 1. The Mutual's service area is as described in Exhibit A attached to these Bylaws.

Further Annexation to the Area to be Served

Section 2. The additional real property described in Exhibit B, Exhibit C, Exhibit D, Exhibit E, Exhibit F and Exhibit G attached hereto may be annexed to the area to be served by the Mutual without a vote of the membership in accordance with Article IV of the Articles of Incorporation.

Limitation on Services

Section 3. The Mutual shall supply water services only to members of the Mutual, except as provided in section 14300 of the Corporations Code and in the Articles of Incorporation.

ARTICLE IV. DEFINITIONS

Terms As Used In Law

Section 1. Except as otherwise provided herein, the terms used in these Bylaws shall have the same meaning as they have in the California Nonprofit Corporation Law and the California Corporate Securities Rules. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and the California Corporate Securities Rules shall govern the construction of these Bylaws. References herein to any statute, regulation, code or law include any future amendments thereto and any provisions that may hereafter replace them.

Singular and Plural; Gender

Section 2. Unless the context indicates otherwise, the singular shall include the plural, and feminine, masculine, and neuter genders shall include each other.

"Board"

Section 3. "Board" means the Albertola Estates Mutual Water Company's Board of Directors.

"Corporation" or "Mutual"

Section 4. "Corporation" or "Mutual" means the Albertola Estates Mutual Water Company.

"Director"

Section 5. "Director" means a member of the Board.

"Lot" or "Parcel"

Section 6. "Lot" or "Parcel" shall mean each separate and distinct lot or parcel of real property within the Mutual's service area, and each separate and distinct townhouse unit or condominium unit within the Mutual's service area, which has been duly recorded as a separate and distinct lot, parcel, townhouse unit, or condominium unit in the office of the County Recorder of the County of Monterey, but shall exclude any lot or parcel which constitutes a common area owned by an owners' association of any subdivision within the Mutual's service area. A separate guesthouse, senior citizen unit or caretaker unit on a Lot or Parcel shall not be considered a separate Lot or Parcel. Such a unit shall be considered a part of the Lot or Parcel on which the unit is located.

"Water System"

Section 7. "Water System" means all water sources and facilities owned, controlled or operated by the Mutual for producing, supplying, treating, distributing, storing, and delivering water, including without limitation all wells, pumps, pipes, valves, tanks, generators, and appurtenances.

ARTICLE V. MEMBERSHIP

One Class; Persons Eligible

Section 1. There shall be one class of members. Any owner of a Lot or Parcel in the Mutual's service area whose property has been approved for service by the Mutual's Board of Directors and for which service all legal and regulatory requirements have been satisfied under applicable law shall, upon application and satisfaction of other applicable requirements, be eligible for membership in the Mutual. The Board may adopt reasonable requirements for membership, including, but not limited to, proof of ownership of the property described in the membership certificate, payment of fees, execution of covenants, and transfer to the Mutual of such overlying groundwater rights and riparian water rights as the owner may hold at the time of connection to the Water System, as such requirements may be determined from time to time by the Board.

Memberships

Section 2. No fractional memberships may be issued or held in the Mutual. Each person or entity entitled to membership by reason of the ownership of property in the Mutual's service area may hold one separate membership for each Lot or Parcel owned. A membership shall be issued to each Lot or Parcel purchased or owned and shall be issued to owners jointly if there be more than one owner.

Memberships Appurtenant to Land

Section 3. Memberships in the Mutual shall be appurtenant to the Lot or Parcel described in the certificates issued therefore, and shall only be transferred therewith, except after forfeiture to the Mutual for delinquent assessments as provided by section 14303 of the Corporations Code. Transfer of the Lot or Parcel to which a membership is appurtenant shall be deemed the transfer of all appurtenant rights of membership in the Mutual, including the right to receive water and the right to distribution of the Mutual's assets upon dissolution of the Mutual.

Certificates

Section 4. The following provisions shall govern certificates of membership in the Mutual:

a. Certificates evidencing membership in the Mutual shall be issued to the owners of record of the Lot or Parcel to which the memberships are appurtenant. A separate certificate shall be issued for each membership.

b. Certificates for memberships shall be of such form and device as the Board may designate and shall state the name of the owner or owners of the membership represented thereby; its number; date of issuance; the number of votes that the holder or holders thereof are entitled to; a statement that it is appurtenant to the Lot or Parcel described therein; a statement of the restrictions upon transfer; a statement that the membership is assessable and the method of enforcement or collection of said assessments.

c. Every certificate of membership shall be signed by the president or a vice president, and by the secretary or an assistant secretary or the treasurer or an assistant treasurer.

d. A certificate shall become void and of no legal effect when there is a change in the record ownership of the property described in the certificate.

Transfer on the Books

Section 5. Whenever there is a change in the record ownership of Lot or Parcel to which a membership is appurtenant, whether voluntary or involuntarily, by operation of law or otherwise, the secretary of the Mutual shall, upon being presented with a recorded deed or similar proof of record title, issue to the transferee named in said instrument a new certificate of membership appurtenant to the Lot or Parcel. The secretary of the Mutual shall enter the name of the transferee upon the membership books of the Mutual and shall cancel upon the books of the Mutual the former membership. The conveyance of a security interest in the land is not a change in record ownership for purposes of this Section.

Lost or Destroyed Certificates

Section 6. Any person claiming a certificate of membership to be lost or destroyed shall make an affidavit or affirmation of that fact and advertise the same in such manner as the Board may require, and shall, if the Board so requires, give the Mutual a bond of indemnity, in form and

with one or more sureties satisfactory to the Board, in at least double the then value of the membership as determined by the Board, whereupon a new certificate of membership may be issued carrying the same rights as the one alleged to be lost or destroyed.

Sale

Section 7. Memberships in the Mutual cannot be sold, alienated, or encumbered in any manner whatsoever separate and apart from the real property described in the membership certificates. Sale of the real property described in a membership certificate will automatically transfer the membership for the property to the new owner, subject to the (1) issuance of a new membership certificate to the new owner by the Mutual's secretary, and (2) payment of any unpaid water bills and assessments.

Voting Rights

Section 8. Members shall have the right to vote, as set forth in these Bylaws, on the election of Directors, on the disposition of all or substantially all of the assets of the Corporation, on any merger and its principal terms, on any election to dissolve the Mutual, and on any other matter lawfully before the members for vote. In addition, members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. Each membership in good standing shall have one vote. When there is more than one person or entity named in a membership certificate as a holder, all voting rights to which the holders are entitled may be exercised by any one of the holders, and if more than one holder vote, the act of the majority so voting binds all. There shall be no cumulative voting. Voting shall in all cases be subject to the provisions of chapter 6 of the California Nonprofit Mutual Benefit Corporation Law.

Good Standing

Section 9. A membership for which the required dues, fees, and assessments have been paid and the other requirements for membership have been satisfied in accordance with these Bylaws and which has not been terminated or for which the membership rights have not been wholly or partially suspended shall be in good standing.

Termination and Suspension of Membership

Section 10. The following provisions shall govern termination and suspension of memberships:

a. **Termination.** A membership may be terminated as follows:

(1) By voluntary resignation, and relinquishment of the right to receive water for any property to which a membership has been made appurtenant. Such resignation shall become effective on the 30th day following the receipt by the Mutual's secretary of written notice signed by all persons having legal interest in the property, with the signatures of the persons duly acknowledged by a notary public, and a current title report showing that all necessary persons have signed the resignation, and upon satisfaction of any reasonable conditions of resignation imposed

by the Board, including payment of a termination fee. Such voluntary termination of the right to receive water shall not relieve the person relinquishing such right from any obligation arising from contract as to the property affected, or for charges incurred, services or benefits actually rendered, dues, assessments or fees, and shall not entitle a resigning member to reconveyance of the water rights for Lots or Parcels to which membership in the Mutual has been appurtenant. The Board shall determine whether it would be fair, just and equitable and in exercise of good business judgment to relieve the person who owns such Lot or Parcel from obligations which would otherwise accrue after the effective date of the written notice, and whether any water rights should be reconveyed to the resigning member. The Board shall determine, based upon the value of assets on the effective date of the resignation, the distribution to be made on account of the resigned membership in the event the Mutual dissolves.

(2) By the Board, pursuant to section 14303 of the Corporations Code and according to the procedure established by Section 10.c. of this Article V, for failure of a member to pay fees, charges, or other assessments duly established by the Board, within 60 days after payment is due and within 30 days after the member is given notice that the member is delinquent in a payment, or for failure of a member to satisfy any membership qualifications within 30 days after the member is given notice that the membership qualification has not been satisfied. In the event the Mutual dissolves, the Board shall determine the distribution to be made on account of the terminated membership. The amount of such distribution shall be based upon the value of assets and the amount of any delinquent assessments and other sums owed to the Mutual on account of the membership on the effective date of the termination.

(3) Automatically, upon occurrence of any event that renders a member ineligible for membership.

b. Suspension. Membership rights, including the right to receive water, may be suspended in whole or in part upon the good faith determination by the Board that a membership obligation duly established in accordance with these Bylaws has not been performed for a membership within thirty (30) days after performance is due, or that a member has failed materially to observe the Mutual's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Mutual. The Board shall suspend the voting rights of any membership three (3) months in arrears for fees, charges, or other assessments duly established by the Board. If the member is an officer of the Mutual, the member shall be suspended from duty until the member's payments are current. All the membership rights shall be suspended for any membership six (6) months in arrears for fees, charges, or other assessments duly established by the Board. No membership rights shall be suspended except by the procedure specified in Section 10.c of this Article V.

c. Procedure. Upon determination pursuant to this Section 10 that membership rights should be suspended or terminated, the following procedure shall be implemented:

(1) A notice shall be sent by mail by prepaid first-class or registered mail to the most recent address of the member as shown on the Mutual's records, setting forth the intended termination or suspension and the reasons therefore. Such notice shall be sent at least 15 days before the proposed effective date of said termination or suspension.

(2) The member whose membership rights are being terminated or suspended shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than five (5) days before the effective date of the proposed action. The hearing will be held by the Board of Directors or a person designated by the Board. The notice to the member of the proposed termination or suspension shall state the membership rights which are proposed to be terminated or suspended, and the date, time, and place of the hearing on the proposed termination or suspension.

(3) Following the hearing, the Board or person designated by the Board shall decide whether or not any membership rights should in fact be terminated or suspended. The decision of the Board or person designated by the Board shall be final.

d. Forfeiture. No termination or suspension shall work a forfeiture of the rights or interest of a member or former member in the Mutual's assets. However, any such interest shall be charged with and subject to any debts owed to the Mutual by the member or former member.

Reinstatement of Membership

Section 11. Any person seeking to reinstate any membership right may do so upon (a) determination by the Board that reinstatement would be lawful, (b) payment to the Mutual of all sums owed to the Mutual on account of the membership at the time the membership was suspended or terminated, together with reasonable late charges and interest as established by the Board, (c) payment to the Mutual of a pro rata share of expenses and assessments incurred or levied during the time membership was terminated or suspended, (d) performance of any membership obligations the nonperformance of which was the reason the membership right was suspended, and (e) proof of actions taken to remedy any damage caused to the Mutual or the Mutual's other members by the suspended member's conduct. Application for reinstatement of a terminated membership will be considered a new membership application and treated as prescribed in the section dealing with new memberships. A previously terminated membership shall be given credit for any termination fee paid, against assessments during the time the membership was terminated.

Subdivision; Additional Memberships

Section 12. Subdivision of a Lot or Parcel to which membership is appurtenant will not automatically create any additional membership. The member shall designate in writing to the Secretary of the Mutual the new Lot or Parcel to which an existing membership will be appurtenant. New memberships may be granted to owners of new Lots or Parcels created from property already admitted to membership upon compliance with all applicable laws, regulations and requirements of membership and if the Directors determine that adequate quality and quantity of water is available under applicable laws and regulations. As a condition precedent to any new parcel created by the subdivision receiving a new membership and water from the Water System, the owner of the Lot or Parcel being subdivided, shall comply with all the requirements applicable to additions to the Mutual's service area as more fully set forth in Article IV of the Mutual's Articles of Incorporation.

Distributions to Members

Section 13. No gains, profits, or dividends shall be distributed to the members of the Mutual except upon the dissolution of the Mutual. The patronage rights of each membership being equal, upon dissolution, after complying with applicable provisions of the California Corporations Code (for example, sections 8713 and 8714 regarding payment of debts and liabilities, section 8715 relating to transfer of assets subject to a condition, section 8716 regarding distribution of assets in charitable trust), and after appropriate distributions on account of each membership terminated pursuant to Article V, Section 10, one equal share of the Mutual's remaining assets shall be distributed for each membership issued and outstanding on the books of the Corporation on the date the members approved dissolution pursuant to section 8610 of the California Corporations Code. The Board shall give written notice by certified mail, return receipt requested, at the last address shown on the Mutual's books, to any person entitled to a distribution on account of each membership terminated pursuant to Article V, Section 10. The notice shall state that the person receiving the notice must respond within 30 days after the notice is mailed. If the Mutual receives no response within 30 days after the notice is mailed, the assets which would have been distributed to the person to whom the notice was mailed shall be added to the Mutual's remaining assets for distribution on account of memberships issued and outstanding on the date the members approved dissolution.

Record Date

Section 14. The record date for determining membership for voting purposes shall be the tenth (10th) day before the day on which the meeting is held or the written ballot is mailed, unless the Board fixes some other date which shall not be more than sixty (60) days before the meeting or mailing of the written ballot.

ARTICLE VI. ASSESSMENTS

General

Section 1. The Mutual shall provide water services to its members at actual cost plus necessary expenses.

Structure

Section 2. The following provisions shall govern the structure of fees, rates, charges, and assessments of the Mutual:

a. The Board may levy and collect from the members of the Mutual such fees, charges, and other assessments as the Board may from time to time determine to be necessary or desirable in connection with developing, producing, distributing, storing or delivering water for domestic use and for irrigation to its members at actual cost plus necessary expenses. The Board may establish a payment rate schedule for the sale of water and standby charges, to include penalty fees for late payments, and may also establish charges for water provided to common areas of subdivisions within the Mutual's service area and to others on an emergency basis. The amount of

the levy and method of collection of fees, rates, charges and assessments shall be fixed and determined by the Board from time to time and shall be payable at such times and intervals, and upon such notice, and by such methods of collection, including the impressing of a lien upon the delinquent membership appurtenant to the lands described in the certificate of membership of any member or members, as the Board may prescribe. Assessments may be enforced as provided in these Bylaws and in section 14303 of the Corporations Code, except that the right to receive water or dividends shall not be sold or transferred without the land to which such rights are appurtenant.

b. The Mutual shall establish and maintain a structure of fees, rates, charges and other assessments which will result in the accumulation and maintenance of a fund for the repair, administration, maintenance and replacement of the Water System and the rate structure shall bear a reasonable relationship to the cost of furnishing water and maintaining the Water System. Lots or Parcels not receiving or using water, whether improved or unimproved, shall bear a pro rata share of the costs of repair, maintenance and replacement of the Water System, as well as a pro rata share of the cost of maintaining said fund. If the Mutual purchases water for distribution from a public utility, municipal water company or water district, the assessment structure shall provide for charging members a pro rata amount of the cost of water supplied to an entity providing fire protection service. The structure of fees, rates, charges and assessments should satisfy the requirements for tax exempt status for the Mutual under section 501(c)(12) of the Internal Revenue Code and section 23701 and following of the California Revenue and Taxation Code.

c. Rates established by the Board and charged to members for the sale of water shall be based on volume or unit of water used.

Annual Budget

Section 3. The Board of Directors shall annually prepare and adopt a budget for the forthcoming year. The budget shall include the estimated cost of producing and distributing water and of operating and maintaining the Mutual's facilities, including the creation of a reasonable reserve for future repairs and replacements of the Water System. The rate structure for the forthcoming year shall then be adopted, which shall provide for sufficient income to meet the expenses shown in the budget.

Collection Action

Section 4. The Mutual may take legal action to collect accounts more than thirty (30) days past due. All costs of collection, including actual legal fees and costs, may be recovered by the Mutual from the member in arrears.

Contracts With Subdividers

Section 5. The Mutual shall enter into a written contract with any subdivider of any land within the Mutual's service area, whereby the subdivider agrees with the Mutual to pay monthly a proportional part of the repair and replacement fund according to a ratio of the number of lots owned or controlled by the subdivider to the total number of lots in the Mutual's service area. The contract may also contain such other provisions as are permitted by law.

ARTICLE VII. DISTRIBUTION OF WATER USE AND MAINTENANCE

Entitlement for Memberships

Section 1. Each membership shall be entitled equally to water from the Mutual in such quantities and at such pressures as may from time to time be available and pursuant to such rules and regulations as may from time to time be promulgated by the Board and subject to such charges as may be established and adopted by the Board pursuant to these Bylaws.

Water Use

Section 2. The following provisions shall govern water use:

a. Water from the Water System may be used by members solely for domestic purposes. Domestic purposes shall include household use, residential landscaping and gardening purposes, swimming pools, for livestock, pasture and crop irrigation, and for fire protection purposes. Domestic use shall include one single-family residence, and accessory structures which may include one barn, a garage, and one guesthouse, senior citizen unit, or caretaker unit per Lot or Parcel. The Board may limit or terminate the right of common areas in any subdivision within the Mutual's service area to receive water at any time that the Board in its discretion determines that such action is reasonably necessary to protect the rights of existing members within the Mutual's service area to receive water.

b. A majority of the Board may declare that a water shortage exists and that immediately upon notification to the members, whether oral or written, water from the Water System shall not be used for landscaping, gardening, swimming pool, livestock, crop and pasture uses. Water shall thereafter be used in accordance with the notice. Notice of the lifting of such restriction shall be given to the members, orally or in writing, within five (5) days after the restriction is lifted by the Board.

c. All water use shall be subject to applicable governmental regulations, including, but not limited to, Ordinance No. 3539 of the Monterey County Water Resources Agency.

Measurement of Water

Section 3. All water use shall be measured. The Board may prescribe the manner in which such use shall be measured, and may install or cause to be installed suitable meters. The expense of installation of any such meters shall be borne by the owner of the Lot, Parcel or common area served as determined by the Board.

Connection with Water System

Section 4. All expenses of making connection with the main Water System of the Mutual and of conducting the water via connection pipes on to the place of use, and the upkeep of such

connection pipes shall be borne by the owner of the Lot, Parcel or common area desiring such connection. Each service connection shall be located within a pipeline or utility easement inside the property line of the Lot, Parcel or common area being served. There shall be a separate service connection and meter for each Lot, Parcel or common area being served. Each member or other user shall maintain a separate service lateral from the service connection to the structure or structures to be served by that connection.

Hazardous Substances

Section 5. No member shall maintain or use any toxic or hazardous materials or substances on any Lot or Parcel in a place or in a manner which may cause contamination of the Water System. Violation of this section shall be a nuisance, and in addition to the other remedies provided by law shall obligate the violator to pay all costs of investigating and remedying any contamination, all costs of responding to any investigations undertaken by third parties pursuant to law, and all costs and damages incurred by the Mutual because of the violation.

ARTICLE VIII. MEETINGS OF MEMBERS

Place of Meetings

Section 1. All meetings shall be held at the Mutual's principal office or at such other place or places within Monterey County or within 25 miles of the Mutual's service area as the Board may designate from time to time.

Annual Meetings

Section 2. The annual meeting of the members shall be held on the last Wednesday of the last month of the fiscal year for the purpose of electing Directors and for the transaction of such business as may come before the meeting.

Special Meetings

Section 3. Special meetings of the members may be called by the president or by any two (2) Directors or by members holding not less than five percent (5%) of the voting power of the Mutual. Upon request in writing to the Chairman of the Board, president, vice president, or secretary by any person (other than the Board) entitled to call a special meeting of members, the officer forthwith shall cause notice to be given to the members entitled to vote, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least 35, but no more than 90 days after receipt of the request. If the notice is not given within 20 days after receipt of the request, the person requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

Notice of Meetings

Section 4. Written notice of annual and special meetings shall be delivered personally or mailed to all of the members of the Mutual at their last known address by first class mail, postage prepaid, at least 10 days and not more than 90 days prior to the day set for such meeting, and such notice shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting of the Mutual except such as is stated in the notice. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to members. The record date for determining members entitled to notice of any meeting shall be at the close of business on the business day before the day the notice is given or, if notice is waived, at the close of business on the business day before the day on which the meeting is held, unless the Directors choose some other date in accordance with law.

Notice of Certain Agenda Items

Section 5. Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- a. Removing a Director without cause;
- b. Filling vacancies on the Board;
- c. Amending the Articles of Incorporation;
- d. Approving a contract or transaction between the Corporation and one or more Directors, or between the Corporation and any entity in which a Director has a material financial interest;
- e. Electing to wind up and dissolve the Corporation.

Quorum

Section 6. A quorum at any meeting of the members shall consist of a majority of the voting power of the Mutual, present in person or represented by proxy, for any action except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum. In the absence of a quorum, no business may be transacted at the meeting other than to adjourn the meeting and to continue the meeting to another time. If a meeting is adjourned because a quorum is not present and continued to another time, the quorum requirement at the continued meeting shall be twenty-five percent (25%) of the total voting powers of all the members.

Adjourned Meetings and Notice

Section 7. Any members' meeting, whether or not a quorum is present, may be adjourned and continued to another time by the vote of a majority of the votes represented either in person or by proxy, but in the absence of a quorum (except as provided in the preceding section) no other business may be transacted at such meeting. It shall not be necessary to give any notice of the time and place of the continued meeting or of the business to be transacted, other than by announcement at the meeting at which such adjournment is taken; provided, however, when any members' meeting is adjourned for more than forty-five (45) days or, if after adjournment a new record date is fixed for the continued meeting, notice of the continued meeting shall be given as in the case of the meeting as originally called, whether annual or special.

Proxies

Section 8. Each person entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the secretary of the Mutual. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, typewriting, electronic transmission, or otherwise) by the member or the member's attorney-in-fact.

a. Any proxy solicited by the Board shall satisfy the requirements for solicitation of a written ballot as provided in Article VIII, Section 10.

b. No proxy shall be valid with respect to a vote on the following proposals to be approved by the Members unless the general nature of the matter to be voted on was set forth in the proxy:

- (1) removing a Director without cause;
- (2) filling vacancies on the Board;
- (3) amending the Articles of Incorporation;
- (4) the sale, lease, conveyance, exchange, transfer, or other disposal of all or substantially all of the Mutual's assets, or the approval of the principal terms of a merger or the amendment to the principal terms of a merger;
- (5) approving a contract or transaction between the Mutual and one (1) or more Directors, or between the Mutual and any entity in which a Director has a material financial interest;
- (6) electing to wind up and dissolve the Mutual; or
- (7) approving a plan of distribution of assets, other than money, not in accordance with the liquidation rights of any class of members (applicable only if the Mutual is in the process of winding up and there is more than one class of membership outstanding at the time).

c. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until (a) revoked by the member executing it before the vote is cast under that proxy, (i) by a writing delivered to the Mutual stating that the proxy is revoked, (ii) by a subsequent proxy executed by that member and presented to the meeting, or (iii) as to any meeting, by the member's personal attendance and voting at the meeting, or (b) written notice of the death or incapacity of the maker of the proxy is received by the Mutual before the vote under the proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by section 7613 of the California Corporations Code.

Consent of Absentees

Section 9. The transactions of any meeting of members, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by the California Nonprofit Mutual Benefit Law to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of members need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes except as provided in Article VIII, Section 5.

Action without Meeting

Section 10. Any action that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice upon compliance with the provisions of this section.

a. Solicitation of Written Ballots. The Corporation shall distribute one written ballot to each member entitled to vote; such ballots shall be mailed or delivered in the manner required by these Bylaws for giving notice of special meetings. All solicitations of votes by ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to pass the measure(s); and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall: (1) set forth the proposed action; and (2) provide the members an opportunity to specify approval or disapproval of each proposal, if more than one proposal is set forth.

b. Approval by Written Ballot. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot (including those ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

c. Revocation. A written ballot may not be revoked.

d. Filing. All such written ballots shall be filed with the secretary of the Corporation and maintained in the corporate records for at least three (3) years.

e. Effect of Non-Compliance. Failure to comply with this section shall not invalidate any corporate action taken, but may be the basis for challenging any written ballot, and any member may petition the Superior Court of California to compel compliance with California Law.

f. Election of Directors. Directors may be elected by written ballot.

ARTICLE IX. DIRECTORS

Powers

Section 1. Subject to limitations of the Articles of Incorporation, of these Bylaws, and of the California Nonprofit Mutual Benefit Corporation Law relating to action required to be approved by the members or by a majority of members, the activities and affairs of the Mutual shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Mutual to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the Mutual shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Number

Section 2. The authorized number of Directors of the Mutual shall be three (3).

Term of Office

Section 3. Directors shall hold office for a term of two (2) years, except that one (1) of the initial Directors shall hold office for a term of three (3) years, and two (2) of the initial Directors shall hold office for a term of four (4) years. Directors shall be elected at the annual meeting of members of the Mutual and shall hold office until their successors have been elected and have accepted office. If the annual meeting is not held or if the Directors are not elected at the annual meeting, they may be elected at a special meeting of members held for that purpose.

Removal

Section 4. Any Director may be removed from the Board, with or without cause, by the affirmative vote of a majority of the voting power of the Mutual.

Compensation

Section 5. No Director shall receive compensation for any service he may render to the Mutual. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Rights of Inspection

Section 6. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the Mutual.

Qualifications

Section 7. Directors shall be residents of the State of California. With the exception of the initial Directors, the Directors shall also be members of the Mutual.

ARTICLE X. NOMINATION AND ELECTION OF DIRECTORS

Nomination

Section 1. Any person qualified to be a Director under Article IX, Section 7 of these Bylaws may be nominated by the method of nomination authorized by the Board. If there is a meeting of members to elect Directors, any member present at the meeting in person or by proxy may place names in nomination.

Election

Section 2. Election of the Board of Directors need not be by ballot; provided, however, that all elections for Directors must be by ballot upon demand made by a member at the meeting and before the voting begins. At such election the members may cast, for each vacancy, as many votes as they hold memberships in the Mutual. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Vacancies

Section 3. The following provisions shall govern vacancies on the Board:

a. Any Director may resign effective upon giving written notice to the Chairman of the Board, the president, the secretary, or the Board, unless the notice specifies a later

time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time to take office when the resignation becomes effective.

b. Vacancies in the Board may be filled by a majority of the remaining Directors, although less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until the expiration of the term of the replaced Director and until such replacement Director's successor has been elected and qualified.

c. A vacancy in the Board shall be deemed to exist in case of the death, resignation or removal of any Director, or if the authorized number of Directors be increased, or if the members fail, at any regular or special meeting of members at which any Director(s) are elected, to elect the full authorized number of Directors to be voted for at that meeting.

d. The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under section 7238 of the California Nonprofit Mutual Benefit Law or has failed to attend three (3) consecutive meetings of the Board.

e. The members may elect a Director at any time to fill any vacancy not filled by the Directors.

f. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

ARTICLE XI. MEETINGS OF DIRECTORS

Regular Meetings

Section 1. Immediately after the meeting held for the annual election of Directors, the newly elected Directors shall meet for the purpose of electing officers and for the transaction of any other business which may be brought before the meeting. No notice of the meeting need be given. Other regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Special Meetings

Section 2. Special meetings of the Board of Directors shall be held when called by the president or the vice president or the secretary or any two (2) Directors, after not less than four (4) days' notice to each Director by first class mail or forty-eight (48) hours' notice given personally or electronically.

Quorum

Section 3. Two (2) Directors shall constitute a quorum for the transaction of business. Action by the Board of Directors shall require a majority of affirmative votes. Every act or decision done or made by an affirmative vote of the majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, except as otherwise provided by law, the Articles, or these Bylaws.

Participation in Meetings by Conference Telephone

Section 4. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another.

Waiver of Notice

Section 5. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Adjournment

Section 6. A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Action Without Meeting

Section 7. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action (except that the consent of an "interested director" as defined in section 5233 of the Nonprofit Corporation Law is not required). Such consent(s) shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

Open Meetings

Section 8. Regular and special meetings shall be open to all members, provided that members who are not Directors may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of a quorum of the Board. The Board may, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in

executive session to discuss and vote on personnel matters, litigation in which the Corporation is or may become involved, and orders of business of a similar or otherwise sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE XII. OFFICERS AND THEIR DUTIES

Enumeration of Officers

Section 1. The officers of the Mutual shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, who need not be from the Board, and such other officers as the Board may create from time to time.

Election of Officers

Section 2. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Term

Section 3. The officers shall be elected annually by the Board and each shall hold office for one (1) year (unless the officer resigns, is removed, or is otherwise disqualified to serve), or until a successor officer is elected and qualified.

Special Appointments

Section 4. The Board may elect such other officers as the affairs of the Mutual may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Resignation and Removal

Section 5. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Vacancies

Section 6. A vacancy in any office may be filled by appointment by the Board. The officers appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Multiple Offices

Section 7. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Duties

Section 8. The duties of the officers are as follows:

a. **President:** The president shall be the chief executive officer of the Corporation and shall, subject to control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the members and at all meetings of the Board of Directors. He shall be an ex officio member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

b. **Vice-President:** The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be prescribed by the Board or the Bylaws.

c. **Secretary:** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Mutual and affix it on all papers requiring the seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Mutual, together with their addresses, and shall perform such other duties as prescribed by the Board or the Bylaws.

d. **Treasurer:** The treasurer is the Mutual's chief financial officer. He shall receive and deposit in appropriate bank accounts all monies of the Mutual and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Mutual; keep proper books of account; shall cause an annual operating statement reflecting income and expenditures of the Mutual to be prepared for each fiscal year, a copy of which shall be distributed to each member within 105 days after the end of the Mutual's fiscal year; and shall have such other duties as prescribed by the Board or the Bylaws.

ARTICLE XIII. EXECUTIVE AND OTHER COMMITTEES

The Board may appoint an Executive Committee, and such other committees as may be necessary from time to time, consisting of such number of its members and with such powers as it may designate, consistent with the Articles of Incorporation and Bylaws and the Nonprofit Mutual Benefit Corporation Law of the State of California. Such committee shall hold office at the pleasure of the Board.

ARTICLE XIV. INDEMNIFICATION AND INSURANCE

Indemnification

Section 1.

a. Right of Indemnity. To the fullest extent permitted by law, the Mutual shall indemnify its Directors, officers, employees, and other persons described in section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this bylaw, shall have the same meaning as in section 7237(a) of the California Corporations Code.

b. Approval of Indemnity. On written request to the Board by any person seeking indemnification under section 7237(b) or section 7237(c) of the California Corporations Code, the determination that the agent did act in a manner complying with the standard of conduct set forth in section 7237(b) or section 7237(c) of the California Corporations Code and is therefore entitled to indemnification shall be made promptly as follows:

(1) By the Board by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or

(2) By the affirmative vote or written ballot of a majority of the votes represented and voting at a duly held meeting or written ballot of members for which a quorum is present (which affirmative votes also constitute a majority of the required quorum); or

(3) By the court in which the proceeding is or was pending. The request for indemnification may be made by the Mutual, or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by the Mutual.

Advancement of Expenses

Section 2. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred in defending any proceeding may be advanced by the Mutual before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified by the Mutual for those expenses.

Contractual Rights of Nondirectors and Nonofficers

Section 3. Nothing contained in this Article shall affect any right to indemnification to which persons other than Directors and officers of the Mutual may be entitled by contract or otherwise.

Insurance

Section 4. The Mutual may purchase and maintain insurance to the fullest extent permitted by law on behalf of any agent of the Mutual against any liability other than for violating provisions against self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this Mutual would have the power to indemnify the agent against that liability under the provisions of this section.

ARTICLE XV. LIMITATION OF SALARIES

Salaries paid to the persons operating, or employed by, the Mutual, including officers and Directors, shall not exceed salaries paid by other similar entities for similar services in Monterey County, for services actually rendered to the Mutual which relate to the purposes of the Mutual.

ARTICLE XVI. CORPORATE RECORDS, PAPERS, AND REPORTS

Books and Records

Section 1. The books, records and papers of the Mutual shall be at all times, during reasonable business hours, available for inspection by any member, in accordance with the California Nonprofit Mutual Benefit Corporation Law, for a purpose reasonably related to such person's interests as a member. The Articles of Incorporation and the Bylaws of the Mutual shall be available for inspection by any member at the principal office of the Mutual, where copies may be purchased at a reasonable cost.

Checks, Drafts, Etc.

Section 2. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Mutual, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board.

Contracts, Etc.-How Executed

Section 3. The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Mutual. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Mutual by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount.

Annual Report to Members

Section 4. The following provisions shall govern annual reports to members:

a. An annual report shall be prepared within 90 days after the end of the Mutual's fiscal year. Such report shall contain the following information in reasonable detail:

(1) The assets and liabilities, including the trust funds, of the Mutual as of the end of the fiscal year.

(2) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(3) The revenue or receipts of the Mutual, both unrestricted and restricted to particular purposes, for the fiscal year.

(4) The expenses or disbursements of the Mutual, for both general and restricted purposes, during the fiscal year.

(5) Any information required by Section 5 of this Article.

b. The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is not such report, by the certificate of an authorized officer of the Mutual that such statements were prepared without audit from the books and records of the Mutual.

c. No later than 90 days after the close of the Corporation's fiscal year, the Board shall cause the members to be notified of each member's right to receive a financial report upon written request. Upon written request an annual report shall be sent to each requesting member.

Annual Statement of Certain Transactions and Indemnifications

Section 5. No later than the time the Corporation gives its annual report, if any, to the members, and in any event no later than 105 days after the close of the Corporation's fiscal year, the Corporation shall prepare and mail or deliver to each member a statement of the amount and circumstances of any transaction or indemnification of the following kind:

a. Unless approved by the members under section 7233(a) of the California Corporations Code, any transaction (excluding compensation of officers and Directors) (i) to which the Mutual, its parent, or its subsidiary was a party, (ii) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (iii) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):

(1) Any Director or officer of the Mutual, its parent, or its subsidiary;

(2) Any holder of more than 10 percent of the voting power of the Mutual, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Mutual, the nature of their interest in the transaction, and, when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

b. Any loans, guarantees, indemnifications or advances aggregating more than \$10,000.00 paid during the fiscal year to any officer or Director of the Mutual pursuant to Article XIV herein, unless such indemnification has already been approved by the members under section 5034 of the California Corporations Code, or unless the loan or guaranty is not subject to the provisions of section 7235(a) of the California Corporations Code.

ARTICLE XVII. CORPORATE SEAL

Section 1. The corporate seal shall be circular in form, and shall have inscribed thereon the name of the Mutual, the date of its incorporation, and the word "California."

ARTICLE XVIII. AMENDMENTS TO BYLAWS

By Members

Section 1. New Bylaws may be adopted or these Bylaws may be repealed or amended by the members at an annual meeting, or at any other meeting of the members called for that purpose, by a vote of members entitled to exercise two-thirds (2/3) of the voting power of the Corporation, or by the written assent of such members, except that unanimous approval of the members shall be required to repeal or amend subsection d of Section 2 of Article VI or to repeal or amend Section 2 of Article VII of these Bylaws. Any proposed repeal or amendment shall be mailed to each member with the notice of the meeting, and shall be read at a meeting of the Board of Directors prior to the membership meeting at which the repeal or amendment is voted upon.

Powers of Directors

Section 2. Subject to the right of the members to adopt, amend or repeal Bylaws, as provided in Bylaw, the Articles of Incorporation or these Bylaws, the Board of Directors may adopt, amend or repeal any of these Bylaws other than a Bylaw or amendment changing the authorized number of Directors, increasing the terms of Directors, providing that the Board may fill vacancies occurring in the Board by reason of the removal of Directors, increasing the quorum for meetings of members, restricting, creating, or expanding proxy rights, or authorizing cumulative voting.

Record of Amendments

Section 3. Whenever an amendment or new Bylaw is adopted, it shall be copied in the Book of Bylaws with the original Bylaws, in the appropriate place. If any Bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in the Book of Bylaws.

ARTICLE XIX. JURISDICTION

Section 1. The courts of Monterey County, California, shall have jurisdiction of all actions and disputes arising under these Bylaws.

ARTICLE XX. MEMBERSHIPS NOT AFFECTED BY ENCUMBRANCES

Section 1. No membership shall be affected by an encumbrance such as a mortgage or deed of trust. The mortgagor or trustor shall be deemed to be the owner.

ARTICLE XXI. FISCAL YEAR

Section 1. The Mutual's fiscal year shall end on December 31 of each year.

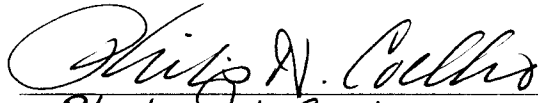
ARTICLE XXII. PARLIAMENTARY PROCEDURE

Section 1. All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

**SECRETARY'S CERTIFICATE
OF
ALBERTOLA ESTATES MUTUAL WATER COMPANY
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION**

I hereby certify that I am the duly elected and acting Secretary of said Mutual and that the foregoing Bylaws, comprising 33 pages, constitute the Bylaws of said Mutual as duly adopted at a meeting of the initial Board of Directors thereof held on April 17, 2006.

Dated: April 17, 2006.

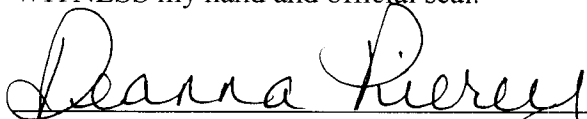


Philip H. Coelho, Secretary

State of California)
County of Sacramento) ss.

On April 17, 2006, before me, ^{DP} Philip H Coelho, personally appeared Deanna Piercy, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public, State of California

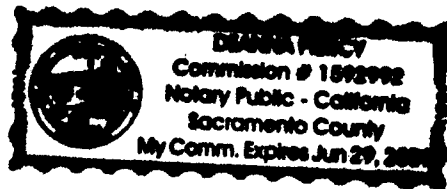


EXHIBIT A

SERVICE AREA

All that certain real property situate in the County of Monterey, California, as shown and designated as Lot 1, Lot 2, Lot 3, Lot 4, Lot 5, Lot 6, Lot 7, Lot 8, and Lot 9 on that certain Subdivision Map filed for record on April 6, 2006, in Volume 23 of Cities and Towns at Page 24, Official Records of Monterey County, California.



EXHIBIT "B"

All that certain real property situated in Monterey County, California, and more particularly described as follows:

A portion of the northwest quarter of Section 33 of Township 19 South Range 5 East, MDBM, particularly described as follows:

Beginning at a point in the southerly side line of the Arroyo Seco Road, a County road 60 feet wide, 30.0 feet left of Engineer's centerline station 115+80.62 BC of the county survey of the said road and running thence along the said side line, parallel to the centerline as surveyed,

1. South $81^{\circ} 08' 10''$ East 121.77 feet, thence leaving the said road line,
2. South $09^{\circ} 14' 00''$ West, at 150.5 feet an iron pipe standing in the north bank of the Arroyo Seco River, 200.5 feet to a point in the centerline of the said river, thence following the said river centerline,
3. South $81^{\circ} 48' 20''$ West 90.0 feet to a point from which an iron pipe standing in the North bank of the said river bears $N 18^{\circ} 27' W.$, 44.9 feet distant, thence
4. South $59^{\circ} 48' 20''$ West 183.50 feet, thence
5. South $77^{\circ} 18' 20''$ West 139.10 feet to the west line of the said section 33, thence along said Section line
6. North $0^{\circ} 17' 05''$ East, at 142.8 feet an iron pipe standing in the north bank of the said river, 302.80 feet to the aforesaid southerly road line, thence
7. North $63^{\circ} 20' 50''$ East 11.77 feet, thence
8. Tangentially, on the arc of a circular curve to the right, with a radius of 470.0 feet, through a central angle of $35^{\circ} 31'$, distance of 291.35 feet to the point of beginning.

Containing 2.508 acres.

(Current APN 419-381-001)

EXHIBIT "C"

All that certain real property situated in Monterey County, California, and more particularly described as follows:

Parcel 1 as shown and so designated on that certain Record of Survey recorded in Volume 21 of Surveys at Page 93, Official Records of Monterey County.

(Current APN 419-381-002 and APN 419-381-026)

EXHIBIT "D"

All that certain real property situated in Monterey County, California, and more particularly described as follows:

A portion of the northwest quarter of Section 33 of Township 19 South, Range 5 East, MDBM, particularly described as follows:

Beginning at a point in the southerly side line of the Arroyo Seco Road, a County road 60 feet wide, 30.00 feet left of Engineer's centerline station 114+58.85 of the county survey of the said road, and being also the northeast corner of that certain 2.508 acre parcel of land described in the deed from DeEtta Cline, a single woman, to Albert J. Coelho and Viola F. Coelho, his wife, in joint tenancy, as to an undivided one-half interest, and Robert E. Flores and Erline M. Flores, his wife, in joint tenancy, as to an undivided one-half interest, dated December 21, 1964, and recorded December 21, 1964, on Reel 381 of Official Records at page 586, Records of Monterey County, said deed was rerecorded February 9, 1965, on Reel 389 of Official Records at page 273 to correct an error in description, thence running along the said road southerly side line

1. South 81° 08' 10" East 283.24 feet, thence tangentially
2. Along the arc of a circular curve to the right with a radius of 470.00 feet through a central angle of 14° 46' 00" for a distance of 121.13 feet, thence tangentially
3. South 66° 22' 10" East 74.19 feet, thence leaving said road southerly side line
4. South 35° 49' 39" West 300.49 feet to an iron pipe monument standing at the top of the northerly bank of the Arroyo Seco River, thence
5. South 34° 51' 15" East 161.00 feet to a point, thence
6. North 71° 55' 30" West 109.20 feet to a 12d nail on a 6" sycamore root, thence
7. North 30° 11' 24" West 103.90 feet to a point from which a 12d nail on a 2" sycamore root bears South 35° 49' 33" West 15.08 feet distance, thence
8. North 06° 32' 21" West 38.86 feet to a point, thence
9. South 83° 27' 39" West 27.38 feet to a point in the centerline of the Arroyo Seco River, thence along said river centerline
10. North 09° 48' 09" East 42.01 feet to a point, thence
11. North 57° 55' 23" West 152.93 feet to a point, thence
12. North 88° 10' 40" West 102.02 feet to a point, thence leaving said river centerline
13. North 09° 14' 00" East 200.50 feet to the point of beginning.

Containing 2.500 acres of land.

(Current APN 419-381-003)

EXHIBIT "E"

All that certain real property situated in Monterey County, California, and more particularly described as follows:

Parcel "A" as shown and so designated on that certain map filed in Volume 12 of Parcel Maps at Page 245, Records of Monterey County.

(Current APN 419-381-004)

EXHIBIT "F"

All that certain real property situated in Monterey County, California, and more particularly described as follows:

Parcel "B", as said parcel is shown on Parcel Map recorded November 22, 1978, in Volume 12 of Parcel Maps, at Page 208, Monterey County Records.

Excepting therefrom an undivided one-half interest in "all of oil, gas and mineral rights in and under the subject property and each and every parcel thereof," as excepted in the Deed from Albert J. Coelho and Viola F. Coelho, his wife, dated October 11, 1978, and recorded October 13, 1978, on Reel 1282, Official Records, Page 793, Monterey County Records.

Reserving unto Grantor a 1/32 interest in and to all of the oil, gas and mineral rights in and under the subject property.

(Current APN 419-371-015)

EXHIBIT "G"

All that certain real property situated in Monterey County, California, and more particularly described as follows:

Parcel "A", as said parcel is shown on Parcel Map recorded November 22, 1978, in Volume 12 of Parcel Maps, at Page 208, Monterey County Records.

Excepting therefrom an undivided one-half interest in "all of the oil, gas and mineral rights in and under the subject property and each and every parcel thereof," as excepted in the Deed from Albert J. Coelho and Viola F. Coelho, his wife, dated October 11, 1978, and recorded October 13, 1978, on Reel 1282, Official Records, at Page 793, Monterey County Records.

Excepting therefrom, and reserving unto the grantors, their successors and assigns, an undivided 1/4 interest in and to all oil, gas and/or minerals in said land, together with the right at all times to enter on the above described land and to take all of the usual, necessary or convenient means to bore wells, make excavations and to remove the oil, gas and/or minerals herein reserved.

(Current APN 419-371-020)