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File No. 00129.001

July 23, 1999

Edward G. Bernstein  
Of Counsel

Marcia Grimm, Esq.  
Senior Staff Counsel  
California State Coastal Conservancy  
1330 Broadway, 11<sup>th</sup> Floor  
Oakland, CA 94612-2530

Re: **Victorine Ranch Mutual Water Company and Bareilles property  
(formerly Helen Bibbero property) in Victorine Ranch**

Dear Ms. Grimm:

Enclosed, in accordance with your September 14, 1998 letter to Rick Bibbero, is a copy of the Permit to issue shares in the Victorine Ranch Mutual Water Company. The Permit was issued by the California Department of Corporations on May 11, 1999.

Also enclosed is the Mutual's Resolution, certified by the corporate secretary, that the Mutual stands ready to issue, upon demand, shares in the Mutual to the Conservancy or any future owner(s) of the Craven-Nation properties (two existing parcels and up to two additional parcels) for water service; that there are no pre-conditions or impediments to such issuance, except for demand by the Conservancy and as set forth in the corporate Bylaws and the Subscription Agreement; and that the Mutual acknowledges that the Conservancy will be re-conveying the water easement over the Bareilles property (formerly Helen Bibbero property) in reliance on that certification.

Please call me if you have any questions or comments about the foregoing documents. Once you have satisfied yourself that the Mutual has complied with the terms and conditions of your September 14, 1998 letter, I will prepare a Quitclaim Deed from the Conservancy, quitclaiming its easement over the (formerly Bibbero) Bareilles property.

I look forward to hearing from you shortly.

Very truly yours,

*Wendy R. Elliott*  
Wendy R. Elliott

RECEIVED  
AUG 19 1999  
COASTAL CONSERVANCY  
OAKLAND, CALIF.

WRE/brs  
Enclosures  
cc: Rick Flake  
Rick Bibbero & Barry Epstein

129/1/L-Grimm, Marcia.002

**MINUTES OF ACTION TAKEN BY WRITTEN CONSENT  
OF THE DIRECTORS OF  
VICTORINE RANCH MUTUAL WATER COMPANY  
a California corporation**

Pursuant to Section 307(b) of the California Corporations Code and the Bylaws of the corporation, the undersigned directors of VICTORINE RANCH MUTUAL WATER COMPANY, a California corporation, hereby consent to the following actions without a meeting:

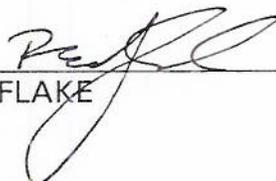
RESOLVED, that the issuance of 2 shares of the Corporation to the Conservancy or any future owner(s) of the Craven-Nation properties for water service for two primary structure water connections and accessory structure connections is hereby ratified and approved;

RESOLVED, FURTHER, that the Corporation acknowledges that there are no preconditions or impediments to the issuance of such shares of the Corporation, except for demand by the Conservancy and as set forth in the Bylaws of the Corporation and the Subscription Agreement, and further acknowledges that the Conservancy will reconvey the water easement over the Bareilles property in reliance thereof;

RESOLVED, FURTHER, that if the Craven-Nation property is subdivided to create two (2) additional parcels, the Mutual shall issue two (2) additional shares upon demand by the owner thereof and the satisfaction of the conditions set forth in the Bylaws and Subscription Agreement;

RESOLVED, FURTHER, that the officers of the Corporation are authorized and directed to take any and all actions necessary to effectuate the transfer of such shares on the books of the corporation.

Dated: June 4<sup>th</sup>, 1999

  
\_\_\_\_\_  
RICK FLAKE

\_\_\_\_\_  
DANIEL GOZZI

**MINUTES OF ACTION TAKEN BY WRITTEN CONSENT  
OF THE DIRECTORS OF  
VICTORINE RANCH MUTUAL WATER COMPANY  
a California corporation**

Pursuant to Section 307(b) of the California Corporations Code and the Bylaws of the corporation, the undersigned directors of VICTORINE RANCH MUTUAL WATER COMPANY, a California corporation, hereby consent to the following actions without a meeting:

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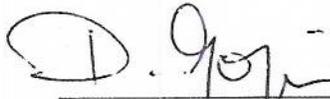
RESOLVED, FURTHER, that the Corporation acknowledges that there are no preconditions or impediments to the issuance of such shares of the Corporation, except for demand by the Conservancy and as set forth in the Bylaws of the Corporation and the Subscription Agreement, and further acknowledges that the Conservancy will reconvey the water easement over the Bareilles property in reliance thereof;

RESOLVED, FURTHER, that if the Craven-Nation property is subdivided to create two (2) additional parcels, the Mutual shall issue two (2) additional shares upon demand by the owner thereof and the satisfaction of the conditions set forth in the Bylaws and Subscription Agreement;

RESOLVED, FURTHER, that the officers of the Corporation are authorized and directed to take any and all actions necessary to effectuate the transfer of such shares on the books of the corporation.

Dated: June 26 , 1999

\_\_\_\_\_  
RICK FLAKE

  
\_\_\_\_\_  
DANIEL GOZZI

## CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting secretary of VICTORINE RANCH MUTUAL WATER COMPANY, a California corporation;

2. The foregoing Minutes comprised of 2 pages, including this page, constitute the Minutes of the corporation duly adopted by the Board thereof on June , 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation this 26 day of June, 1999.



DANIEL GOZZI, Secretary

STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS

File No. 506-1603

PERMIT

THIS PERMIT IS PERMISSIVE ONLY  
AND DOES NOT CONSTITUTE A RECOMMENDATION  
OR ENDORSEMENT OF THE SECURITIES PERMITTED TO BE ISSUED

Issuer: Victorine Ranch Mutual Water Company

is hereby qualified to offer, sell and issue the securities described in its application filed December 15, 1998, and any amendments and supplements thereto to the date hereof, to the persons described in said application, for the considerations, uses and purposes, and in the manner set forth in said application. This qualification is effective for 12 months from the date hereof.

Dated: San Francisco, California

WILLIAM KENEFICK  
Acting Commissioner of Corporations

MAY 11 1999

By



Roger Borgen  
Senior Corporations Counsel