

EXHIBIT 21-C

Seaside Groundwater Basin Watermaster
2600 Garden Road, Suite 228
Monterey, CA 93940
(831) 641-0113

September 19, 2008

Mr. Ed Ghandour
Security National Guaranty, Inc.
505 Montgomery, Suite 1019
San Francisco, CA 94111

Re: SNG's Water Distribution Plan

Dear Mr. Ghandour:

Water for Use by SNG Onsite:

The Seaside Groundwater Basin Watermaster ("Watermaster") understands that Security National Guaranty, Inc. ("SNG") has made application to the Monterey Peninsula Water Management District ("MPWMD") for necessary connection permits to produce 90 acre feet of water from the Seaside Groundwater Basin (the "Basin") for beneficial use on property owned by SNG located in Sand City (the "SNG Property") and more particularly described in Exhibit "C" to the final Judgment entered March 27, 2006 in *California American Water Company v. City of Seaside, et al.* (the "Basin Adjudication Decision").

SNG was granted an 'Alternative Production Allocation' under the Basin Adjudication Decision. SNG's Alternative Production Allocation gives it the right to produce up to 149 acre feet of water on an annual basis from the Seaside Groundwater Basin, for beneficial use on the SNG Property. SNG's proposal to produce 90 acre feet of water annually from the Basin for use on the SNG Property is well within SNG's 149 acre foot Alternative Production Allocation.

Water for Use Offsite:

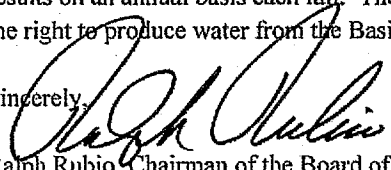
The Watermaster further understands that SNG may propose that some of the water produced from the Basin under its production allocation not be used on the SNG Property.

Prior to January 1, 2009, unless this date is extended by the Court, SNG also has the right to convert some or all of its Alternative Production Allocation to a 'Standard Production Allocation' by filing a declaration in *California American Water Company v. City of Seaside, et al.* and serving that declaration on all parties to that action. If SNG makes the election to convert some or all of its Alternative Production Allocation to a Standard Production Allocation, the amount of water which could be produced from the Seaside Groundwater Basin under the Standard Production Allocation would be subject to calculation as provided in the Basin Adjudication Decision. Water produced from the Basin under a Standard Production Allocation is not restricted to use on the SNG Property.

SNG's approach as described above is consistent with the terms of the Basin Adjudication Decision.

Under the Rules adopted by the Watermaster, SNG must report the water levels in its production well(s) to the Watermaster on a monthly basis; the amount of water it has produced on a quarterly basis; and certain water quality test results on an annual basis each fall. The Rules also require SNG to give notice to the Watermaster prior to transferring the right to produce water from the Basin under a Standard Production Right.

Sincerely,


Ralph Rubio, Chairman of the Board of Directors
Seaside Groundwater Basin Watermaster

Attachment: Exhibit C, Seaside Groundwater Basin Adjudication Court Judgment