

# Attachment 2

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Recording Requested by:  
Michael P. Groom

REEL 2906 PAGE 1188

After Recording, Return to:  
Michael P. Groom  
Groom & Cave  
150 Almaden Blvd., #1050  
San Jose, CA 95113

09612

RECORDED AT REQUEST OF

*M. P. Groom*

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#A-06258

OFFICE OF RECORDER  
COUNTY OF MONTEREY  
SALINAS, CALIFORNIA

REAL PROPERTY

MANAGEMENT AGREEMENT

This Real Property Management Agreement (the "Joint Management Agreement") is effective this \_\_\_\_\_ day of \_\_\_\_\_, and is made with reference to the following facts and objectives:

RECITALS

WHEREAS, Frederick R. Holt and Patricia Lynn Holt, Trustees of the Holt Restated Revocable Trust dated May 25, 1990 (the "Holt Trust") currently own approximately 929 acres of real property (the "Property") located in Carmel Valley, Monterey County, California. The Property previously consisted of two (2) parcels designated as Assessor Parcel No. 197-061-50 (containing ±274 acres) and Assessor Parcel No. 197-061-51 (containing ±655 acres), was zoned as Permanent Grazing with a 150 acre minimum parcel size, and was the subject of an Agricultural Preserve Contract 69-7 (the "Williamson Act Contract"); and

WHEREAS, the Holt Trust desired to combine the two parcels and concurrently create three (3) new parcels consisting of Parcel A containing ±225.7 acres, Parcel B containing ±313.77 acres and Parcel C containing ±389.67 acres; and

WHEREAS, in furtherance of such objective, the Holt Trust filed a Development Project Application for a Tentative Parcel Map (MS-88-34) with the Monterey County Planning and Building Inspection Department on August 25, 1989, therein requesting authority to divide the two existing contiguous parcels into three contiguous parcels; and

WHEREAS, in accordance with the policies of the Monterey County General Plan and pursuant to an agreement dated January 8, 1990, the County engaged Sage Associates to prepare an Agricultural Viability Report on the Property to determine what effect, if any, the proposed division of the Property into three parcels would have on the agricultural viability of the Property; and

WHEREAS, Sage Associates prepared and submitted to the County of Monterey an Agricultural Viability Report, dated February 1990 (the "Sage Report"), which concluded (among other things) that portions of the Property had a moderate to high agricultural suitability for grazing and oat hay production based on their physical

characteristics, but a low economic viability based on existing and projected revenues to be generated by utilizing the Property for grazing cattle; and

WHEREAS, the Sage Report further concluded that the proposed division of the Property into three parcels would not have an adverse impact on the agricultural utility of the Property, so long as the Holt Trust executed and recorded a joint management agreement therein providing each of the three parcels with access to water and to the irrigation system serving the ±80 acre oat hay field, in order to facilitate the continued agricultural use of the Property during the remaining term of the Williamson Act Contract; and

WHEREAS, the Sage Report further concluded that a joint management agreement was also required for any proposed transfers of an interest in the Property during the remaining term of the Williamson Act Contract, in order to conform to the requirements of California Government Code section 51230.1, which provides that land subject to an Agricultural Preserve Contract may be transferred to immediate family members, so long as the parcel being transferred is (among other conditions) the subject of a written agreement between the immediate family members providing for the joint management of the property subject to the terms and conditions and for the duration of the Agricultural Preserve Contract; and

WHEREAS, the County of Monterey approved the Holt Trust's Development Project Application for a Tentative Parcel Map on August 29, 1990, thereby authorizing the division of the Property into the three new parcels, Parcels A, B and C, which parcels are more particularly described in the legal description attached hereto as Exhibit "A," and

WHEREAS, the approval was conditioned on (among other things) the Holt Trust submitting an agricultural management agreement subject to the approval of the County of Monterey prior to the recordation of the parcel map or Record of Survey and that said agreement provide for the continued grazing of all three parcels as a unit during the term of the Williamson Act Contract, but shall also allow the placement of any allowed structure or use with a permit upon the making of a finding or findings that said development will not adversely effect the agricultural viability of the aggregate three parcels; and

WHEREAS, the parties now desire to execute and record this Joint Management Agreement, for the purpose of establishing the terms and conditions pursuant to which the owners of Parcels A, B and C shall jointly manage and operate the Property in conformance with the existing Agricultural Preserve Contract, the conditions to approval of the Holt Trust's Development Project Application for a Tentative Parcel Map and with the laws of the State of California.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and restrictions contained herein, the Holt Trust hereby agrees as follows:

1. The Agricultural Preserve Contract: In accordance with the provisions of California Government Code section 51230.1, each of the parties hereto acknowledge and agree that so long as Parcels A, B and C remain subject to the Williamson Act Contract, each of the parcels shall be subject to the terms and provisions of this Joint Management Agreement from and after the date of recordation.

2. Rights with Respect to Water and Irrigation System: The parties acknowledge that (i) the availability of water from sources located on the Property and (ii) access to the irrigation system installed on the ±80 acre oat hay field located on the Property, are essential ingredients to the continued agricultural production. Consequently, so long as the Property remains subject to Agricultural Preserve Contract 69-7, each of the owners of Parcels A, B and C shall have access to water located on or produced from each of Parcels A, B and C, and to the water storage, distribution and irrigation system located on the Property, in order to provide for the irrigation of the ±80 acres of alluvial plain located adjacent to Tulercitos Creek, which is located immediately adjacent to and runs parallel with Carmel Valley Road.

a. Rights to Reimbursement: Nothing in this agreement shall be construed to preclude the owner of any one or more of Parcels A, B or C, from being reimbursed for the reasonable cost of providing water and water related facilities and equipment to any other parcel.

3. General Purpose: The general purpose and intent of this Joint Management Agreement is to ensure that the owners of Parcels A, B and C are able to continue the agricultural operation of the Property, so long as the Property remains subject to Agricultural Preserve Contract 69-7. The joint management unit shall consist of the group of owners of each parcel and shall have the right to conduct any and all agricultural operations or related activities to the extent allowed by Agricultural Preserve Contract 69-7 on each and all parcels of the entire property. The joint management unit shall have the obligation to manage the parcels as one unit, and the vote of any two parcels shall govern all decisions of the joint management unit.

4. Term of Joint Management Agreement: This Joint Management Agreement shall remain in full force and effect so long as the Property remains subject to the terms and provisions of Agricultural Preserve Contract 69-7 and shall be binding on heirs, assigns, and successors in interest.

5. Transfers to Immediate Family Members: Nothing contained herein shall be construed to preclude the Holt Trust from exercising the right to transfer interests in the Property to immediate

family members in accordance with the provisions of Government Code section 51230.1 or any successor statute thereto.

6. Miscellaneous Provisions:

a. Successors and Assigns: This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

b. Exhibits: All Exhibits referred to are attached hereto and incorporated herein by this reference.

c. Governing Law: This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

d. Severability: The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

e. Amendments: This Agreement may be amended only by a writing signed by the parties and recorded in the Office of the Recorder for the County of Monterey, California.

IN WITNESS WHEREOF, the Holt Trust has executed this Joint Management Agreement as of the date first hereinabove written.

THE FREDERICK R. HOLT AND PATRICIA LYNN HOLT  
RESTATED REVOCABLE TRUST, dated May 25, 1990

By: *Michael P. Groom*  
MICHAEL P. GROOM, Trustee

COUNTY OF MONTEREY

By: *Andy J. E. Pearson*  
Chair, Board of Supervisors

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STATE OF CALIFORNIA )  
COUNTY OF MONTEREY ) ss.

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On this 2nd day of February, 1993 before me, Ernest K. Morishita, Clerk of the Board of Supervisors, in and for said County and State, personally appeared Judy L.E. Pennycook, known to me to be the Chairperson of said Board of Supervisors of the County of Monterey, and known to me to be the person who executed the within instrument on behalf of said political subdivision, and acknowledged to me that such County of Monterey executed the same.

ERNEST K. MORISHITA, Clerk of the Board of Supervisors of Monterey County, State of California

By Renee Olivas  
Deputy Clerk

**ALL-PURPOSE ACKNOWLEDGMENT**

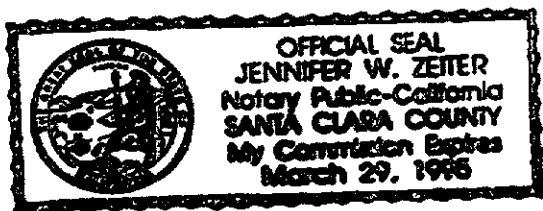
NO 209

State of California  
County of Santa Clara

On Dec 14, 1992 before me, Jennifer W. Zeter (name, title of officer), personally appeared Michael P Groom

personally known to me — OR —  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Jennifer W Zeter  
Signature

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL(S) SIGNING FOR ONESELF/THEMSELVES
- CORPORATE OFFICER(S) \_\_\_\_\_ TITLE(S) \_\_\_\_\_ COMPANY \_\_\_\_\_
- PARTNER(S) \_\_\_\_\_ PARTNERSHIP \_\_\_\_\_
- ATTORNEY-OR-FACT \_\_\_\_\_ PRINCIPAL(S) \_\_\_\_\_
- TRUSTEE(S) Hill Residential Receivable TRUST Trust
- OTHER \_\_\_\_\_ TITLE(S) \_\_\_\_\_
- \_\_\_\_\_ ENTITY(IES) REPRESENTED
- \_\_\_\_\_ ENTITY(IES) REPRESENTED

That certain real property situated in the County of Monterey, State of California, described as Parcels A, B and C as shown on that certain Record of Survey filed for record on June 19, 1991, in the Office of the Recorder, County of Monterey at Volume 17 of Surveys at Page 7.

END OF DOCUMENT