

Attachment D

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FENTON & KELLER

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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JOHN S. BRIDGES

August 8, 2018

JBridges@FentonKeller.com
ext. 238

VIA EMAIL (smithr3@co.monterey.ca.us)

Zoning Administrator
c/o R. Craig Smith
Monterey County Resource Management Agency
1441 Schilling Place - South, 2nd Floor
Salinas, CA 93901

Re: PLN170624 - 124 Fern Canyon Road, Carmel
Our File: 34766.33315

Dear Mr. Smith:

This office represents Andres Czerwiak of 125 Cypress Way in Carmel, CA. We write to object to the issuance of a Coastal Administrative Permit for the conversion of the test well ("Well") located at 124 Fern Canyon Road, Carmel ("Project Site") to a permanent well to provide domestic service to the Project Site. In the alternative, we request the matter be continued. The parties have been discussing an amicable resolution and an agreement to that effect is in the process of being drafted. Mr. Czerwiak would like to continue those discussions and finalize said agreement if given the opportunity.

Monterey County Code ("MCC") §15.04.030 provides "[n]o person shall either construct or operate a domestic water system unless a permit to construct or operate the water system has been issued by the Director." MCC §15.04.040(c)(2), requires an applicant to present "[e]vidence satisfactory to the Director that the applicant has a legal right to the use of the water and land which [sic] the applicant proposes to use in and for the water system."

The applicant for PLN170624, The William Greer Trust *et al.* ("Applicant"), cannot establish a legal right to use the water from the Well for domestic purposes. Pursuant to the attached Water Agreement (recorded as Document 2008011059, Official Records of Monterey County), our client owns the rights to half of the water produced by the Well. Specifically, at

Zoning Administrator
c/o R. Craig Smith
August 8, 2018
Page 2

section 2.1, the Water Agreement provides both the Applicant's and Mr. Czerwiak's parcels "shall be entitled to receive domestic and fire flow water from the [Well]..."

On February 9, 2018, Monterey County Supervising Environmental Health Specialist Roger Van Horn sent the Applicant a letter confirming the Well had been given a capacity credit of 4.98 gpm. The applicant's ½ interest in the Well's tested capacity equals only 2.49 gpm which is less than the minimum 3.00 gpm requirement for domestic use.

The Applicant's right to water from the Well is insufficient to satisfy the minimum legal requirements for a domestic well. Because the Applicant has not and cannot establish "a legal right to the use of the water" from the Well for domestic purposes, Application ZA 18-049 must be denied.

Very truly yours,

FENTON & KELLER
A Professional Corporation



John S. Bridges

JSB

Enclosure

cc: Andres Czerwiak (via email)
Carl Holm (via email)
Brandon Swanson (via email)

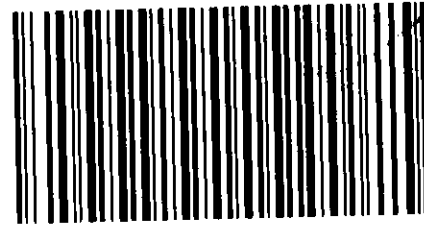
Recording Requested By:
William L. Greer, et al
P.O. Box 350
Carmel-by-the-Sea, CA 93921

When Recorded Mail To:
Rick Smith
c/o Coldwell Banker
P.O. Box 350
Carmel-by-the-Sea, CA 93921

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Filer

CRMELISSA
2/25/2008
14:53:03

DOCUMENT: **2008011059**



Titles: 1/ Pages: 24
Fees..... 78.00
Taxes....
Other...
AMT PAID \$78.00

(This space for recorders use only)

WATER AGREEMENT

THIS AGREEMENT is entered into this 22nd day of February, 2008, by and between **Party A, (SEE ATTACHED EXHIBIT "C") ("A")**; and **Party B, Guillermo Andres Czerwiak and Krista Czerwiak, Husband and Wife as Community Property with Right of Survivorship ("B")**, (collectively referred to as "the Parties").

RECITALS:

A. Party A is owner of all of the real property situate in the unincorporated area of Monterey County, California, known generally as 124 Fern Canyon Road, (APN 241-131-005) consisting of ±0.625 acres, and more particularly described in Exhibit "A" attached hereto ("Parcel A").

B. Party B is owner of all of the real property situate in the unincorporated area of Monterey County, California, known generally as 125 Cypress Way, (APN 241-131-019) consisting of ±0.442 acres, and more particularly described in Exhibit "B" attached hereto ("Parcel B").

C. Parcels A and B are sometimes referred to collectively herein as "the

Subject Property.”

D. There presently exists on Parcel A one (1) domestic water well, with a depth of approximately 500 feet, and a current capacity of approximately eight (8) gallons per minute, equipped with a two horsepower submersible pump with a design capacity of ten gallons per minute (“the Well”). It is proposed to construct a water system on the Subject Property consisting of the following: a) the Well; b) a 5,000 gallon polyethylene water storage tank (“the Tank”) located on Parcel A; c) a water treatment facility for the removal of iron and manganese (“the Treatment Facility”) located on Parcel A; d) a backwash seepage pit for the disposal of effluent from the treatment facility (“the Pit”) located on Parcel A; e) one-and-one-half inch (1½”) PVC underground water lines from the Well to the Treatment Facility and the Tank; f) one-and-one-half inch (1½”) PVC underground water lines (“the Service Lines”) from the Treatment Facility and the Tank to the building sites on Parcel A and Parcel B; g) electrical services, panels, controls and wiring appurtenant to the Well, the Tank and the Treatment Facility; and h) a backup electrical generator located on Parcel A, if required, in order to provide fire flows to fire sprinkler systems servicing residences constructed or expanded on Parcel A or Parcel B (“the Generator”). Said facilities are collectively referred to herein as “the Water System.” The Water System is intended to provide domestic and fire flow water supply to the Subject Property and any and all improvements legally constructed thereon.

E. The Parties desire to provide for the construction, operation, maintenance, repair and replacement of the Water System, and the payment of the costs of such construction, operation, maintenance, repair and replacement.

F. Costs must initially be borne by the first party to require use of the well, with that party carrying the debt. Therefore, it is necessary to include a provision to compensate that first party. To this end, the second party requiring use of the well must

repay 50% of the development costs of the well incurred by the first party as of the date the second party requires such use. If payment in full is not made on that date, the second party will pay the first party interest at a rate of 10%, compounded annually, on the unpaid balance until the debt is paid in full.

AGREEMENT

NOW, THEREFORE, the Parties declare that the Subject Property as hereinabove described, and each and every parcel thereof, shall hereafter be held, transferred, encumbered, used, improved, occupied, sold and conveyed subject to the covenants, charges, conditions and restrictions hereinafter set forth, which covenants, charges, conditions and restrictions are declared to be for the use and benefit of each and every lot or parcel of the Subject Property and each and every person or entity who now or in the future owns any part or portion of the Subject Property.

1. CONSTRUCTION OF WATER SYSTEM

1.1. The party (whether the owner of Parcel A or the owner of Parcel B) first requiring or desiring service from the Water System ("the Constructing Party"), shall cause the Water System to be constructed in substantial conformity with the plans and specifications for the Water System prepared by Utility Services and dated December 15, 2005, as revised in March of 2006 and May of 2006 ("the Plans"), subject to such revisions as may be required by any governmental agency then having jurisdiction over the design and operation of the Water System.

1.2. The Constructing Party shall obtain all necessary permits therefore from all governmental agencies having jurisdiction over the design and operation of the Water System, including but not limited to the Monterey County Health Department and the Monterey Peninsula Water Management District.

1.3. The Constructing Party obtaining such permits and constructing the Water

System shall obtain such permits and complete such construction in a manner sufficient to allow the Water System to be used to provide domestic water and fire flow for the full development of a single family residence on both Parcel A and Parcel B. The Water System shall be constructed in a good and workmanlike manner, using good quality materials, and in substantial compliance with the Plans and all applicable regulations and permits. The Constructing Party is responsible for confirming that such construction is, and will be at the time of construction, sufficient to allow the Water System to be used to provide domestic water and fire flow for the full development of a single family residence on both Parcel A and Parcel B. Any costs associated with such confirmation shall be a development cost per recital F, and paragraph 1.6 of this Agreement.

1.4. All costs of obtaining the permits and constructing the Water System in accordance with this Agreement shall be borne by the Constructing Party, subject to reimbursement as herein provided.

1.5. Upon completion of the construction of the Water System, the Constructing Party shall cause a licensed surveyor to survey and prepare legal descriptions for non-exclusive easements for the Well, the Tank and Treatment Facility, the Pit, the Generator, and the water and electrical lines. The owner of Parcel A shall thereupon promptly execute and record an easement deed incorporating the legal descriptions and granting non-exclusive easements for the Water System in favor of Parcel B and appurtenant to Parcel B. The owner of Parcel A shall also obtain (at such owner's sole cost and expense) partial reconveyances from all deeds of trusts and other liens that encumber Parcel A as to the non-exclusive easements in favor of Parcel B.

1.6. The Constructing Party shall be reimbursed one half (1/2) of the actual cost of permitting and constructing the Water System at such time as the owner of the other parcel of the Subject Property ("the Non-constructing Party") seeks to obtain water service

from the Water System. Prior to connecting to the Water System, the Non-constructing Party shall pay to the Constructing Party one-half (1/2) of the actual cost of permitting and constructing the Water System as evidenced by paid invoices, cancelled checks or other satisfactory written evidence of such costs, together with interest thereon at the rate of ten percent (10%) per annum from the dates said costs were paid by the Constructing Party. Until such amount is paid, the Non-constructing Party shall have no right to connect to or receive domestic water or fire flow service from the Water System. The Constructing Party and the Non-constructing Party shall each pay one-half of the costs reasonably required to modify the Water System in order to serve the property of the Non-Constructing Party. Any dispute regarding the validity or amount of any claim for reimbursement by the Constructing Party shall be resolved in the manner provided in Part 3, Title 9 of the California Code of Civil Procedure pertaining to Arbitration (Section 1280 *et seq.*)

2. WATER USE.

2.1. Each lot or parcel of the Subject Property shall be entitled to receive domestic and fire flow water from the Water System on the terms and subject to the conditions and restrictions contained herein, including but not limited to the provisions for reimbursement contained in Section 1 above.

2.2. Domestic and fire flow water service from the Water System may be used by the owners of each lot or parcel of the Subject Property for the construction, occupancy and maintenance thereon of one principal single family residence, and one guest house or one senior citizen's unit.

2.3. Water from the Water System shall be used only for normal household uses, including home landscaping, vegetable gardens for home use and fire protection. Water from the Water System shall not be used for swimming pools but may be used for hot

tubs with less than a 500-gallon capacity. Reasonable measures shall be utilized by all users to conserve water.

3. COSTS OF WATER SERVICE.

3.1. All costs of maintenance, repair or replacement of the Water System shall be paid by the owners of the lots or parcels of the Subject Property. Such costs shall be apportioned equally among such owners, irrespective of whether the lot or parcel is currently receiving water service from the Water System.

3.2. All costs of operation of the Water System (i.e., the costs of pumping, treating and distributing the water) shall be paid by the owners of the lots or parcels of the Subject Property in accordance with their use of water. Each lot or parcel using water from the Water System shall be equipped with an operating water meter. The cost of installation and maintenance of water meters shall be borne solely by the owners of the lot or parcel served by the meter.

3.3 The water in the Water System presently contains iron in excess of secondary drinking water standards as defined in Section 4010.1 of the Health and Safety Code and requires treatment to comply with said secondary standards. All costs of repair, maintenance and replacement of facilities or appurtenances necessary or appropriate to treat the water in the Water System to comply with secondary drinking water standards shall be included as part of the costs of maintenance, repair or replacement of the Water System provided in Section 3.1. All costs necessary or appropriate to operate the water treatment system shall be included as part of the costs of operation of the Water System provided in Section 3.2.

3.4. No owner of a lot or parcel shall be relieved of his or her obligation to pay the costs of maintenance, repair or replacement of the Water System, per Section 3.1 of this Agreement, by reason of abandoning such lot or parcel. The owners of lots or parcels in

the Subject Property shall be liable for such costs that accrue until such time as their parcel is developed. Such payments, if any, will be made pursuant to paragraph 1.6 of this Agreement. The owners of lots or parcels in the Subject Property shall have no obligation to pay for the costs of operation of the Water System per Sections 3.2 and 3.3 of this agreement if their lot or parcel is not developed or is not receiving domestic water or fire flow from the Water System

4. ELECTRICAL METER. The Constructing Party shall cause a new separate electrical meter to be installed for the purpose of providing electrical power for the Water System.

5. ASSOCIATION.

5.1. Formation. There is hereby formed the FERN CANYON WATER ASSOCIATION ("the Association"), an unincorporated, nonprofit association formed for the sole purpose of administering the operation of the Water System and the maintenance, repair and replacement of the Water System, all in accordance with the covenants, conditions and restrictions contained in this Declaration.

5.2. Membership. Each and every owner of a lot or parcel within the Subject Property shall be a member of the Association. Membership shall commence upon becoming an owner of such lot or parcel, and shall terminate automatically upon ceasing to be an owner of such lot or parcel. No person or entity who holds title to a lot or parcel of the Subject Property merely as security for the performance of an obligation shall be a member. Membership in the Association may not be transferred except in connection with the transfer of title to a lot or parcel to which such membership is appurtenant.

5.3. Voting Rights. The Association shall have one class of voting membership. There shall be one vote in all Association matters for each lot or parcel subject to this Declaration. When more than one person owns any lot or parcel, the vote for such lot or parcel shall be exercised as they among themselves determine, but in no event shall

more than one vote be cast with respect to any such lot or parcel.

5.4. Management. There shall be one officer of the Association designated as Manager. The Constructing Party shall serve initially in this capacity until his successor is elected. The Manager shall be elected each year in January by the vote of the members. The Manager shall, within thirty (30) days after the date of this Agreement, open a bank account at a federally insured bank or savings and loan association and said account shall be designated as "Water System Account". The Manager shall pay all bills of the Association and shall collect, or cause to be collected, all assessments required hereunder. All expenses shall be paid on checks drawn on the Association's bank account and signed by the Manager. The Manager shall keep records open to inspection to all members. Any dispute or deadlock regarding the election of the Manager shall be resolved by the Chair of the Monterey County Board of Supervisors.

5.5. Establishment of Assessments.

5.5.1. The Manager of the Association shall estimate annually the cost of maintenance, repair and replacement of the Water System, including the creation of a reasonable reserve for future maintenance, repair and replacement. The owner of each lot or parcel shall thereafter be assessed a share of such estimated annual costs in accordance with the provisions of this Agreement. The owners of each parcel shall pay to the Association within thirty (30) days after the mailing of notice of the assessment, the full amount of said assessment. The first annual assessment shall be prepared and delivered to the members within thirty (30) days after the completion of construction of the Water System. Thereafter, each notice of assessment shall be prepared and delivered to the members on or before December 1 of each year, and each annual payment shall be due and payable on January 1 of the following year, and the owners of record of each lot or parcel on that date shall be liable for the payment of the assessment.

5.5.2. The costs of operating the Water System, including the costs of power, treatment, distribution and administration shall be assessed monthly to the owners of each lot or parcel pro-rata based upon water consumption on such lot or parcel as disclosed by the water meter for such lot or parcel. Said assessments shall be due and payable thirty (30) days after the statement therefore is mailed.

5.5.3. In the event that a work of maintenance, repair or replacement is contemplated or carried out, and there is not sufficient money on hand to pay the cost of such work, then the owners of the lots or parcels shall be assessed and shall pay a pro-rata share of the amount necessary to pay the cost of such work in accordance with this Agreement. Such special assessment shall not be enforceable against any member unless the work is authorized by the affirmative vote of all (100%) of the members proposed to be assessed. In the event of a deadlock, disagreements about special assessments shall be resolved under Section 5.5.6 of this agreement. Any such special assessment shall be due and payable thirty (30) days after notice thereof is mailed to members.

5.5.4. Assessments levied pursuant to this Agreement shall be a joint and several personal obligation of each owner of the lot or parcel as to which the assessment is levied. No owner may avoid liability for such assessment by non-use or abandonment of his or her parcel.

5.5.5. Delinquent assessments shall bear interest at the rate of 10% per annum and the Association may sue to collect said unpaid assessments and interest thereon.

5.5.6. Any dispute regarding the validity or amount of any charge or assessment levied pursuant to this Agreement shall be resolved in the manner provided in Section 845 of the California Civil Code pertaining to jointly owned easements.

6. **DAMAGE OR DESTRUCTION.** Notwithstanding any other provision of this Agreement, all costs of maintenance, repair or replacement of any of the facilities referred to in this Agreement which are made necessary by the failure to maintain such facility in accordance with this Agreement, or by the misuse, abuse or overuse of the facility by the owner of any of the lots or parcels of the Subject Property, his or her agents, contractors, employees, tenants or invitees, shall be paid solely by the owner responsible for such failure to maintain, misuse, abuse or overuse.

7. **ATTORNEYS' FEES.** In the event that it becomes necessary for any party to bring legal action to enforce any provision of this Agreement, or to recover any delinquent assessment pursuant to this Agreement, the prevailing party in such legal proceedings shall recover its actual attorneys fees and costs.

8. **COVENANTS RUNNING WITH THE LAND.** It is the intent of the Parties that the covenants, conditions and restrictions herein contained shall benefit the Subject Property and each and every part and parcel thereof, and shall constitute covenants running with the land and that said covenants shall bind the owners of the Subject Property and their heirs, successors, transferees and assigns, and to that end this Agreement shall be recorded in the Official Records of the County of Monterey, State of California.

9. **AMENDMENT.** Except as otherwise provided herein, this Agreement may be amended only by the written consent of all of the owners of all lots or parcels covered by this Agreement, and recorded.

10. **ENTIRE AGREEMENT.** This Agreement contains the entire statement of covenants, conditions and restrictions binding the Subject Property and may be modified only as above described.

11. **GENDER, NUMBER, CAPTIONS.** In this Agreement the masculine includes the feminine and neuter genders, and the singular number includes the plural. The captions

contained herein are intended only for ease of identification of subject matter and are not a part of this Agreement and do not limit or expand the meaning of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first set forth above.

William L. Greer, Trustee 2/22/08
William L. Greer, Trustee – Party A Date

George Tribble Riley, Trustee 2/22/08
George Tribble Riley, Trustee – Party A Date

Judy Helen Illa-Riley, Trustee 2/22/08
Judy Helen Illa-Riley, Trustee – Party A Date

Jack P. Giannuzzi, Trustee 2/22/08
Jack P. Giannuzzi, Trustee – Party A Date

Jack P. Giannuzzi 2/22/08
Jack P. Giannuzzi – Party A Date

Anita K. Giannuzzi 2-22-08
Anita K. Giannuzzi – Party A Date

Stanley D. Post, Trustee 2-22-08
Stanley D. Post, Trustee – Party A Date

Marguerite R. Wallis, Trustee 2-22-08
Marguerite R. Wallis, Trustee – Party A Date

Louise D. Tarpning
Louise D. Tarpning – Party A

2-22-08
Date

Indira L. Aslan, Trustee
Indira L. Aslan, Trustee – Party A

2/22/08
Date

Sandra Sue Rumbel, Trustee – Party A

Date

G. Andres Czerwiak

Guillermo Andres Czerwiak – Party B

2-22-08

Date

Krista Czerwiak

Krista Czerwiak – Party B

2-22-08

Date

Louise D. Tarpending – Party A Date

Indira L. Aslan, Trustee – Party A Date


Sandra Sue Rumbel, Trustee – Party A Date

2.21.08

Guillermo Andres Czerwiak – Party B Date

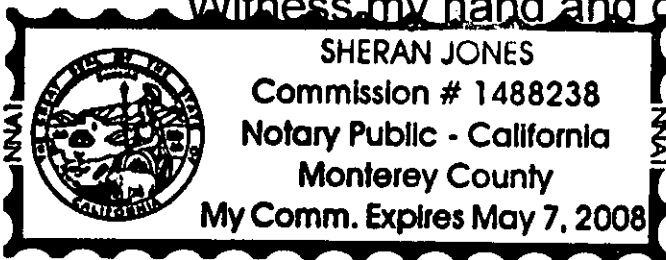
Krista Czerwiak – Party B Date

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 22ND day of FEBRUARY, 2008, before me, SHERAN JONES, Notary Public, personally appeared WILLIAM L. GREER, TRUSTEE, who 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.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.



Sheran Jones

Notary Public in and for the State of California

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this _____ day of _____, 2008, before me, _____, Notary Public, personally appeared _____, who 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.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

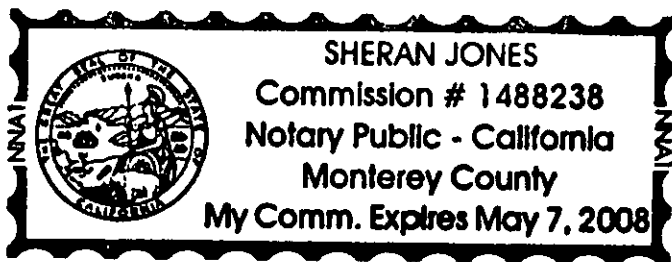
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 22ND day of FEBRUARY, 2008, before me, _____
SHERAN JONES, Notary Public, personally appeared
JACK & ANITA GIANNUZZI, who 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.

I certify under penalty of perjury under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.



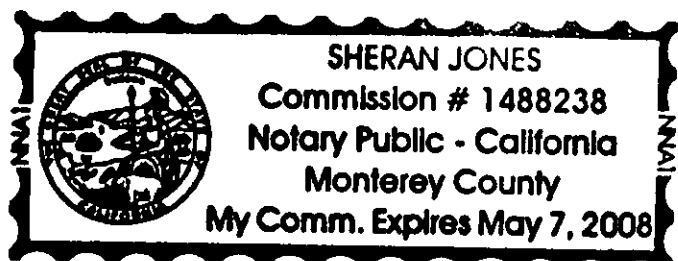
Sheran Jones
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 22ND day of FEBRUARY, 2008, before me, _____
SHERAN JONES, Notary Public, personally appeared
JACK GIANNUZZI, TRUSTEE who 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.

I certify under penalty of perjury under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.



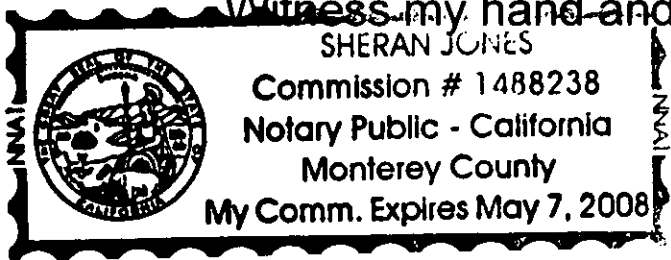
Sheran Jones
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 22nd day of FEBRUARY, 2008, before me, SHERAN JONES, Notary Public, personally appeared JUDY HELEN LA-RILEY TRUSTEE GEORGE TRIBLE RILEY TRUSTEE who 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.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.



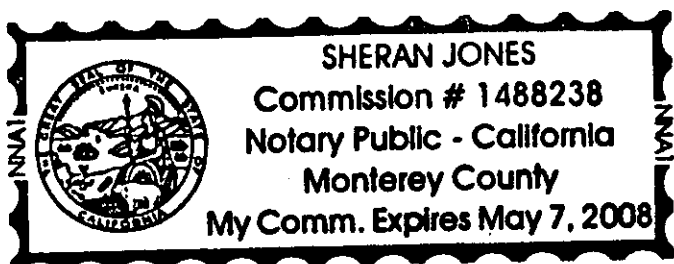
Sheran Jones
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 22nd day of FEBRUARY, 2008, before me, SHERAN JONES, Notary Public, personally appeared MARGARITE R. WALLIS, TRUSTEE, who 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.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.



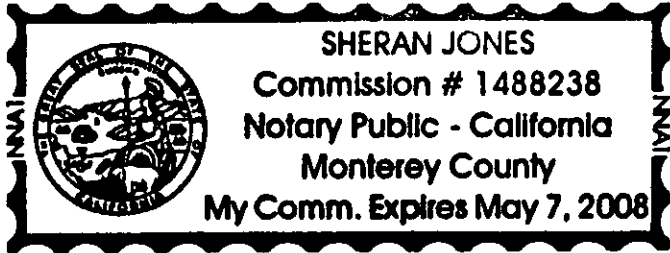
Sheran Jones
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On this 22ND day of FEBRUARY, 2008, before me, _____
SHERAN JONES, Notary Public, personally appeared
STANLEY D. POST, TRUSTEE who 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.

I certify under penalty of perjury under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.



Sheran Jones
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On this _____ day of _____, 2008, before me, _____
_____, Notary Public, personally appeared
_____, who 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
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Witness my hand and official seal.

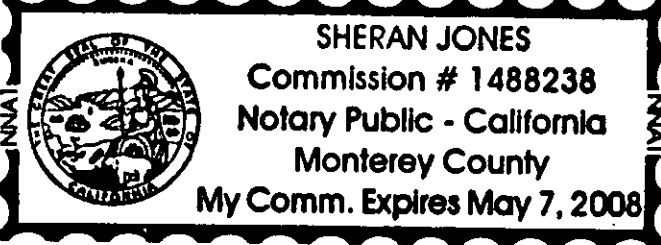
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 22ND day of FEBRUARY, 2008, before me, _____
SHERAN JONES, Notary Public, personally appeared
INDIRA L. HSLAN, who 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.

I certify under penalty of perjury under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.



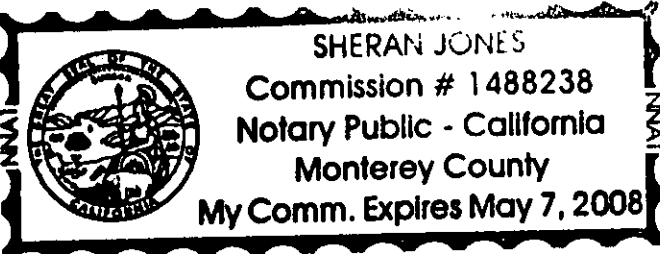
Sheran Jones
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 22ND day of FEBRUARY, 2008, before me, _____
SHERAN JONES, Notary Public, personally appeared
LOUISE D. TARDENING, who 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.

I certify under penalty of perjury under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.



Sheran Jones
Notary Public in and for the State of California

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Placer }

On 2/21/2008 before me, Anish R. Patel, Notary Public
Date Here Insert Name and Title of the Officer

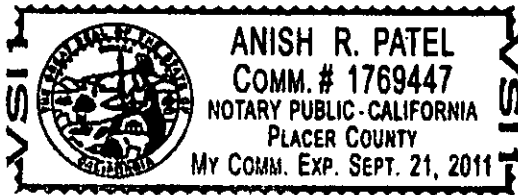
personally appeared Sandra Sue Rumbel
Name(s) of Signer(s)

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Water Agreement

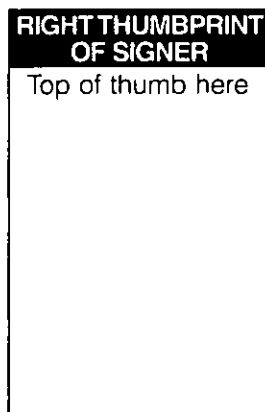
Document Date: 2/21/2008 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

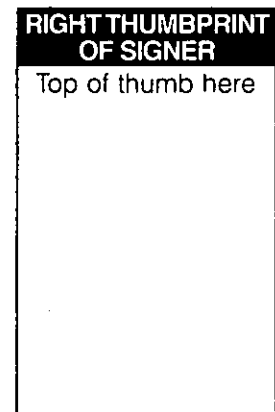
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



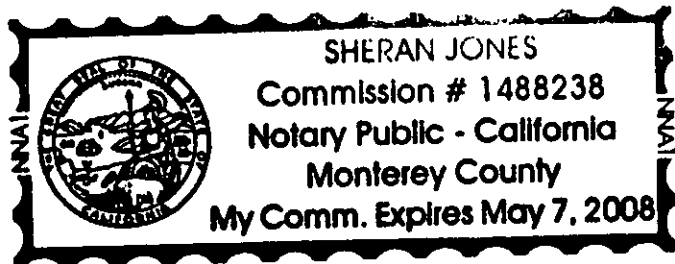
Signer Is Representing: _____

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 02ND day of FEBRUARY, 2008, before me, _____
SHERAN JONES, Notary Public, personally appeared
G. ANDRES CZERWIAK, who 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.

I certify under penalty of perjury under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.



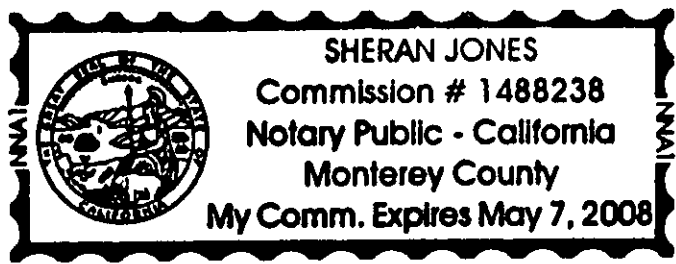
Sheran Jones
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) SS
COUNTY OF MONTEREY)

On this 02ND day of FEBRUARY, 2008, before me, _____
SHERAN JONES, Notary Public, personally appeared
ANITA KRISTA CZERWIAK, who 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.

I certify under penalty of perjury under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.



Sheran Jones
Notary Public in and for the State of California

EXHIBIT "A"

Legal Description of Parcel A (APN: 241-131-005)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF COUNTY OF MONTEREY, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

Beginning at an iron pipe driven flush with the ground on the D-Survey Line, as said D-Survey Line is shown on "Map of Part of the Carmel Highlands Property, showing survey lines, a Part of Rancho San Jose Y Sur Chiquito, Monterey County, California", a copy of which map was filed on May 15, 1918, in Monterey County California", from which iron pipe station D-8 of the said D-Survey line bears N. 3 degrees 20' E., 25.38 feet, running thence S. 74 degrees 09' E. 262.27 feet to a stake marked G-G, and on the Westerly boundary of Tompkin's Property, as shown on the "Licensed Surveyor's map of Tompkin's Property at Carmel Highlands, California" filed at page 118, Volume 3 of Surveys, Monterey County Records, thence along said boundary N. 1 degree 23' W., 32.21 feet to C-8, on said map; thence N. 1 degree 23' W., 39.82 feet (to a stake marked H-H-), thence N. 1 degree 04' E., 83.18 feet (83.11 feet on said map) to an iron pipe driven flush in the aforementioned D-Survey line N. 83 degrees 45' W., 132.59 feet to an iron pipe standing at station D-7, thence along said D-Survey line S. 58 degrees 04' W., 139.14 feet to an iron pipe standing at Station D-8, thence S. 3 degrees 29' W., 25.38 feet to the place of beginning.

Being a part of the Carmel Highlands Property in the Rancho San Jose Y Sur Chiquito, Monterey County, California.

Excepting a right of way for road purposes, 12.50 feet wide along the northerly and westerly lines of the above described tract of land, said northerly and westerly lines of the above described tract of land, said northerly and westerly lines being the aforementioned D-Survey line.

EXHIBIT "B"

Legal Description of Parcel B (APN: 241-131-019)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF COUNTY OF MONTEREY, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

Beginning at Station D-6, which station is shown on the "Licensed Surveyor's Map of the Tompkin's Property at Carmel Highlands, California", filed in Volume 3 of Surveys at Page 118, in the Office of the Recorder of Monterey County, California, and running thence N. 85° 52'E., along the D-Survey line, 44.08 feet; thence leaving said D-Survey Line and running S. 6° 30' W., 130.67 feet; thence S. 5° 36' West, 24.22 feet; thence S. 81° 41' W., 68.54 feet to a point on the Northerly line of that certain 0.676 acre parcel of land conveyed by Phoebe M. Bigelow to Verna Fassio by deed dated March 13, 1955 and recorded March 25, 1955 in Volume 1602 of Official Records of Monterey County at Page 62 distant N. 66° 29' W., 149.92 feet from the Northeast corner of said 0.676 acre parcel; thence N. 66° 29' W., along said Northerly line of said 0.676 acre parcel 41.63 feet to the Northwest corner thereof; thence N. 1° 23' W., 69.98 feet thence N. 1° 04'E., 83.11 feet to a point of said D-Survey line; thence along said D-Survey line S. 83° 45' E., 79.78 feet to the point of beginning.

APN: 241-131-019

PARCEL II:

An exclusive easement for driveway and water utilities only, on, over, under and across that certain real property situate in Rancho San Jose Y Chiquito, Monterey County, California, particularly described as follows:

Beginning at Station D 34 on the D-Survey Line, as said D-Survey Line is shown on that certain map entitled, "Licensed Surveyor's Map of the Tompkin's Property," etc., filed in Volume 3 of Surveys at Page 118, records of Monterey County, California; and running thence along said D-Survey Line:

- (1) S. 12° 13' W., 20.68 feet; thence leaving said D-Survey line
- (2) N. 63° 00' W., 46.40 feet; thence

- (3) N. 34° 00' W., 34.23 feet; thence
- (4) N. 84° 00' W., 12.75 feet to a point on the Westerly boundary of that certain parcel of land described in that certain Grant Deed recorded December 1, 1964 in Reel 377 at Page 539, records of Monterey County, California, which bears N. 5° 36' E., 33.00 feet from the Southwest corner of said parcel of land; thence along said Westerly boundary
- (5) N. 5° 36' E., 29.22 feet; thence
- (6) N. 6° 30' E., 23.51 feet; thence leaving said Westerly boundary
- (7) S. 36° 00' E., 25.27 feet; thence
- (8) S. 19° 30' E., 20.00 feet; thence
- (9) S. 34° 00' E., 33.02 feet; thence
- (10) S. 63° 00' E., 35.95 feet to point of beginning.

APN: 241-131-019

EXHIBIT "C"

William L. Greer, Trustee of the Dr. William L. Greer Living Trust dated 7/11/77

George Tribble Riley and Judy Helen Illa-Riley, or their Successors, as Trustees of the George and Judy Riley Living Trust, u/a dated July 27, 2005

Jack P. Giannuzzi, Trustee of the Jack P. Giannuzzi Accountancy Corporation Profit Sharing Plan

Jack P. Giannuzzi, a Married Man, as his Sole and Separate Property

Anita K. Giannuzzi, a Married Woman, as her Sole and Separate Property

Stanley D. Post, Trustee of the Stanley D. Post Profit Sharing Plan

Marguerite R. Wallis, or her Successors, as Trustee of the Marguerite Wallis Living Trust

Louise D. Tarpening, a Widow

Indira L. Aslan, Trustee, or Successor Trustee, of the Indira Aslan Living Trust dated July 30, 1998

Sandra Sue Rumbel, Trustee of the Rumbel Family Trust C, The Exemption Trust, dated November 19, 1998

END OF DOCUMENT