



Monterey County

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1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Upon motion of Supervisor Calcagno, seconded by Supervisor Parker and carried by those members present, the Board of Supervisors hereby:

Public hearing held to adopt corresponding Resolution No. 14-349 and:

- a. Approved G. M. Pomeroy & Sons L.P. Farmland Security Zone Application No. 2015-001 to create a Farmland Security Zone and Contract as applicable to the real property described in Exhibit A "Legal Description" to proposed new Farmland Security Zone Contract No. 2015-001.
- b. Partially approved David and Susan Gill Family Trust and Hitchcock Children's Trust Application to establish a Farmland Security Zone and Contract; and, rescind portion of Agricultural Preserve (AgP) Land Conservation Contract No. 12-026 and simultaneously place the property in a new Farmland Security Zone and Contract as applicable to the real property described in Exhibit A "Legal Description" to proposed new Farmland Security Zone Contract No. 2015-002.
- c. Continued Linda S. De Santiago Living Trust Application to establish a Farmland Security Zone and Contract to the 2016 round of applications.
- d. Partially approved V.R. Walker Company, J. Miles Reiter and Roseanne Reiter Family Foundation and Garland and Brenda Reiter Family Foundation Application to establish a Farmland Security Zone and Contract as applicable to the real property described in Exhibit A "Legal Description" to proposed new Farmland Security Zone Contract No. 2015-004.
- e. Approved High Lemons Limited Partnership, a California Limited Partnership Application to create a Farmland Security Zone and Contract as applicable to the real property described in Exhibit A "Legal Description" to proposed new Farmland Security Zone Contract No. 2015-005.
- f. Authorized the Chair to execute the 2015 Farmland Security Zone (FSZ) Contracts (G.M. Pomeroy & Sons L.P. No. 2015-001, David and Susan Gill Family Trust / Hitchcock Children's Trust FSZ No. 2015-002, Walker Company / Reiter Family Foundations FSZ No. 2015-004 and High Lemons L.P. FSZ No. 2013-005).
- g. Directed the Clerk of the Board to record the Farmland Security Zone Contracts prior to the January 1, 2015 property tax lien date subject to the collection of the appropriate recording fees by the Planning Department.

PASSED AND ADOPTED on this 2nd day of December 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on December 2, 2014.

Dated: December 9, 2014
File Number: RES 14-113

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No. 14-349

- Resolution of the Monterey County Board of Supervisors to:)
- a. Approve G. M. Pomeroy & Sons L.P. Farmland Security)
Zone Application No. 2015-001 to create a Farmland Security)
Zone and Contract as applicable to the real property described)
in Exhibit A “Legal Description” to proposed new Farmland)
Security Zone Contract No. 2015-001.)
 - b. Partially approve David and Susan Gill Family Trust and)
Hitchcock Children’s Trust Application to establish a)
Farmland Security Zone and Contract; and, rescind portion of)
Agricultural Preserve (AgP) Land Conservation Contract No.)
12-026 and simultaneously place the property in a new)
Farmland Security Zone and Contract as applicable to the real)
property described in Exhibit A “Legal Description” to)
proposed new Farmland Security Zone Contract No. 2015-)
002.)
 - c. Continue Linda S. De Santiago Living Trust Application to)
establish a Farmland Security Zone and Contract to the 2016)
round of applications.)
 - d. Partially approve V.R. Walker Company, J. Miles Reiter and)
Roseanne Reiter Family Foundation and Garland and Brenda)
Reiter Family Foundation Application to establish a Farmland)
Security Zone and Contract as applicable to the real property)
described in Exhibit A “Legal Description” to proposed new)
Farmland Security Zone Contract No. 2015-004.)
 - e. Approve High Lemons Limited Partnership, a California)
Limited Partnership Application to create a Farmland)
Security Zone and Contract as applicable to the real property)
described in Exhibit A “Legal Description” to proposed new)
Farmland Security Zone Contract No. 2015-005.)
 - f. Authorize the Chair to execute the 2015 Farmland Security)
Zone (FSZ) Contracts (G.M. Pomeroy & Sons L.P. FSZ No.)
2015-001, David and Susan Gill Family Trust/Hitchcock)
Children’s Trust FSZ No. 2015-002, Walker Company/Reiter)
Family Foundations FSZ No. 2015-004 and High Lemons)
L.P. FSZ No. 2013-005).)
 - g. Direct the Clerk of the Board to record the Farmland Security)
Zone Contracts prior to the January 1, 2015 property tax lien)
date subject to the collection of the appropriate recording fees)
by the Planning Department.)

(REF140061 – Williamson Act Contract Applications 2015 –
County-wide)

The five (5) Applications to create Farmland Security Zones (FSZ) and establish FSZ Contracts effective January 1, 2015, came on for public hearing before the Monterey County Board of Supervisors on December 2, 2014. Having considered all the written and documentary evidence,

the administrative record, the staff report, oral testimony, and other evidence presented, the Monterey County Board of Supervisors hereby finds and decides as follows:

RECITALS

WHEREAS, the Board of Supervisors finds that the parcels of property hereinafter described in Exhibits "A-1" to "A-5" attached hereto and made a part hereof, including applications numbered:

FSZ No. 2015-001 (G.M. Pomeroy & Sons L.P. / Exhibit A-1) qualify for the creation of a Farmland Security Zone pursuant to Section 11.c (Minimum Size) of Board of Supervisors Resolution No. 01-486 because the 77 acre property is 40 or more acres and creation of said Farmland Security Zone is necessary due to the unique characteristics of the agricultural enterprises in the area and establishment of said Farmland Security Zone of less than 100 acres is consistent with the General Plan of the County, it being the intention to create a Farmland Security Zone for said property, as expressly requested by the property owners of record ; and

FSZ No. 2015-002 (David and Susan Gill Family Trust and Hitchcock Children's Trust / Exhibit A-2) partially qualify for the creation of a Farmland Security Zone for the property which is currently the subject of Land Conservation Contract No. 2012-026, consistent with the General Plan of Monterey County, and which is suitable for inclusion in a Farmland Security Zone, it being the intention to create a Farmland Security Zone for said property, as expressly requested by the property owners of record; and

FSZ No. 2015-002 (David and Susan Gill Family Trust and Hitchcock Children's Trust /Exhibit A-2) do not qualify for the creation of a Farmland Security Zone for the property which is currently the subject of Land Conservation Contract No. 2012-025 because the property is not predominantly prime agricultural land as defined in Government Code Section 51201(c) nor designated on the Important Farmland Series Maps prepared pursuant to Government Code Section and as set forth in Section 11.e. (Prime Agricultural Land) of Resolution No. 01-486; and

FSZ No. 2015-003 (Linda S. De Santiago Living Trust / Exhibit A-3) do not qualify for the creation of a Farmland Security Zone because a portion of the property (Assessor's Parcel Number [APN] 165-101-008-000) is not predominantly prime land as defined in Government Code Section 51201(c) nor designated on the Important Farmland Series Maps prepared pursuant to Government Code Section and as set forth in Section 11.e. (Prime Agricultural Land) of Resolution No. 01-486; and

FSZ No. 2015-003 (Linda S. De Santiago Living Trust / Exhibit A-3) do not qualify for the creation of a Farmland Security Zone because a portion of the property (APN 165-101-006-000) is predominantly prime but is not a legal lot of record and all of the property which is the subject of Application No. FSZ No. 2015-003 (APN 165-101-006-000 and APN 165-101-008-000) is the subject of an application for a four (4) lot subdivision (PLN030214); and

FSZ No. 2015-004 (V.R. Walker Co. / J. Miles & Roseanne Reiter Family Foundation / Garland & Brenda Reiter Family Foundation / Exhibit A-4) partially qualify for the creation of a Farmland Security Zone on the property within APN 267-011-006 (commonly known as Kalich Ranch) and APN 267-021-012 (commonly known as Hoyt Ranch) consistent with the General Plan of Monterey County, and which are suitable for inclusion in a Farmland Security Zone, it

being the intention to create a Farmland Security Zone for said property, as expressly requested by the property owners of record; and

FSZ No. 2015-004 (V.R. Walker Co. / J. Miles & Roseanne Reiter Family Foundation / Garland & Brenda Reiter Family Foundation / Exhibit A-4) APN 267-011-009 (commonly known as Murphy Ranch) do not qualify for the creation of a Farmland Security Zone because said property is not contiguous to APN 267-011-006 (commonly known as Kalich Ranch) and APN 267-021-012 (commonly known as Hoyt Ranch) and APN 267-011-009 (commonly known as Murphy Ranch) and at 49 acres does not meet the 100 acre minimum requirement established pursuant to Section 11.c (Minimum Size) of Board of Supervisors Resolution No. 01-486; and

FSZ No. 2015-005 (High Lemons LP / Exhibit A-5) qualify for the creation of a Farmland Security Zone, are consistent with the General Plan of Monterey County, and are suitable for inclusion in a Farmland Security Zone, it being the intention to create a Farmland Security Zone for these parcels, as expressly requested by the property owners of record.

DECISION

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors does hereby:

- a. Approves G. M. Pomeroy & Sons L.P. Farmland Security Zone Application No. 2015-001 to create a Farmland Security Zone and Contract as applicable to the real property described in Exhibit A "Legal Description" to proposed new Farmland Security Zone Contract No. 2015-001.
- b. Partially approved David and Susan Gill Family Trust and Hitchcock Children's Trust Application to establish a Farmland Security Zone and Contract; and, rescind portion of Agricultural Preserve (AgP) Land Conservation Contract No. 12-026 and simultaneously place the property in a new Farmland Security Zone and Contract as applicable to the real property described in Exhibit A "Legal Description" to proposed new Farmland Security Zone Contract No. 2015-002.
- c. Continued Linda S. De Santiago Living Trust Application to establish a Farmland Security Zone and Contract to the 2016 round of applications.
- d. Partially approved V.R. Walker Company, J. Miles Reiter and Roseanne Reiter Family Foundation and Garland and Brenda Reiter Family Foundation Application to establish a Farmland Security Zone and Contract as applicable to the real property described in Exhibit A "Legal Description" to proposed new Farmland Security Zone Contract No. 2015-004.
- e. Approved High Lemons Limited Partnership, a California Limited Partnership Application to create a Farmland Security Zone and Contract as applicable to the real property described in Exhibit A "Legal Description" to proposed new Farmland Security Zone Contract No. 2015-005.
- f. Authorized the Chair to execute the 2015 Farmland Security Zone (FSZ) Contracts (G.M. Pomeroy & Sons L.P. No. 2015-001, David and Susan Gill Family Trust / Hitchcock Children's Trust FSZ No. 2015-002, Walker Company / Reiter Family Foundations FSZ No. 2015-004 and High Lemons L.P. FSZ No. 2013-005).
- g. Directed the Clerk of the Board to record the Farmland Security Zone Contracts prior to the January 1, 2015 property tax lien date subject to the collection of the appropriate recording fees by the Planning Department.

PASSED AND ADOPTED upon motion of Supervisor Calcagno, seconded by Parker and carried this 2nd day of December 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Potter and Parker

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on December 2, 2014.

Dated: December 9, 2014
File Number: CR 14-166

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

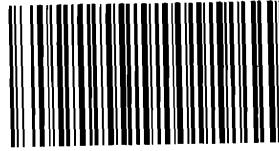
By Denise Hancock
Deputy

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

CRDAWN
12/17/2014
9:06:26

WHEN RECORDED MAIL TO:
Clerk of the Board
168 W. Alisal St. 1st Floor
Monterey County Government Center
Salinas, CA93901

DOCUMENT: 2014062988



Titles: 1/ Pages: 16

Fees.... 57.00
Taxes...
Other...
AMT PAID \$57.00

FARMLAND SECURITY ZONE CONTRACT 2015-001

FARMLAND SECURITY ZONE CONTRACT No. 2015-001

THIS CONTRACT is made and entered into as of the date opposite the respective signatures by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, hereinafter called "County" and **G. M. Pomeroy & Sons, L.P., a California Limited Partnership**, hereinafter called "Owner."

WITNESSETH:

WHEREAS, Owner possesses certain real property located within the County of Monterey, State of California, which is presently devoted to the production of food and fiber and is described in Exhibit A (hereafter, "the property") attached hereto and made a part hereof; and

WHEREAS, the legislature of the State of California has found and declared that it is desirable to expand options available to landowners for the preservation of agricultural land, and has enacted legislation for the establishment of farmland security zones; and

WHEREAS, Owner has expressly requested that County create a farmland security zone as it applies to the property described in Exhibit A and simultaneous placement of the property under a new Farmland Security Zone and Contract (No. 2015-001) established by County Resolution (No. 2014-319); and

WHEREAS, both Owner and County desire to limit the use of the property to agricultural and compatible uses; and

WHEREAS, the property is designated on the Important Farmland Series Maps pursuant to Government Code Section 65570, or predominantly prime agricultural land as defined in Government Code Section 51201(c); and

WHEREAS, the property is not enforceably restricted pursuant to the Open-Space Easement Act of 1974 (commencing with Government Code Section 51070); and

WHEREAS, the property is not located within a city's sphere of influence; or, in the alternative, the creation of the farmland security zone within the sphere of influence has been expressly approved by resolution by the city with jurisdiction within the sphere; and

NOW, THEREFORE, County and Owner agree as follows:

1. **CONTRACT SUBJECT TO CALIFORNIA LAND CONSERVATION ACT OF 1965, AS AMENDED**

This contract is entered into pursuant to Article 7. "Farmland Security Zones" (commencing with Section 51296) of Chapter 7, of Part 7 Of Division 1, of Title 5 of the Government Code, and Chapter

7 (commencing with Section 51200) of Part 1, Division 1, Title 5 of the Government Code, which is known as the California Land Conservation Act of 1965, or as the Williamson Act. This contract is subject to all of the provisions of this act including any amendments thereto which may be enacted from time to time.

2. APPLICABILITY

This contract shall only apply to property that is designated on the Important Farmland Series maps, prepared pursuant to Government Code Section 65570 as predominantly one or more of the following: (1) prime farmland; (2) farmland of statewide significance; (3) unique farmland; or, (4) farmland of local importance. If the property is in an area that is not designated on the Important Farmland Series maps, the property shall qualify if it is predominantly prime agricultural land as defined in subdivision (c) of Government Code Section 51201. (Government Code Section 51296.8). To the extent that any portion of the property is zoned or used inconsistently, with the provisions of this Contract, or the legislative purpose or intent for the creation of Farmland Security Zones, that portion of the property shall be excepted from, and shall not receive the benefits of this Contract.

3. RESTRICTION ON USE OF PROPERTY

During the term of this contract, and any and all renewals thereof, the property described in Exhibit A shall not be used by Owner, or Owner's successors in interest, for any purpose other than the production of food and fiber for commercial purposes and uses compatible thereto. A list of all such compatible uses is set forth in Exhibit B, attached hereto and by this reference incorporated herein. County, by uniform rule adopted by the Board of Supervisors of County, may from time to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the agricultural preserve in which the property in Exhibit A is located; provided, however, County may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit B. The provisions of this contract and any uniform rule supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of County.

Pursuant to Government Code Section 51296.7, during the term of this Contract, Owner shall not engage in, and County shall not approve any use of the property within the Farmland Security Zone, based on the compatible use provisions contained in Government Code Section 51238.1 (c).

4. PROPERTY TAX VALUATION AND SPECIAL TAXES

During the term of this contract, both of the following shall apply to property within the designated farmland security zone: (1) The land shall be eligible for property tax valuation pursuant to Section 423.4 of the Revenue and Taxation Code. (2) Notwithstanding any other provision of law, any special tax approved by the voters for urban-related services on or after January 1, 1999, on the property or any living improvement shall be levied at a reduced rate unless the tax directly benefits the land or the living improvements. (Government Code Section 51296.2).

5. RESTRICTION OF ANNEXATION AND EXCEPTIONS

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of (1985) (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of the property within the designated farmland security zone to a city. However, this provision shall not apply under any of the following circumstances: (1) If the farmland security zone is located within a designated, delineated area that has been approved by the voters as a limit for existing and future urban facilities, utilities, and services. (2) If annexation of a parcel or a portion of a parcel is necessary for the location of a public improvement, as defined in Section 51290.5, except as provided in provision 6. below. (3) If the landowner consents to the annexation. (Government Code Section 51296.3(c)).

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of land within the designated farmland security zone to a special district that provides sewers, nonagricultural water, or streets and roads, unless the facilities or services provided by the special district benefit land uses that are allowed under this contract and Owner consents to the change of organization or reorganization. (Government Code Section 51296.4).

6. RESTRICTION ON SCHOOL DISTRICT USE OR ACQUISITION

Notwithstanding Article 5 (commencing with Government Code Section 53090) of Chapter 1 of Division 2 of Title 5, a school district shall not render inapplicable a county zoning ordinance to use of the property by the school district (Government Code Section 51296.5).

Notwithstanding any provision of law, a school district shall not acquire the property, nor any portion of the property, within the designated farmland security zone. (Government Code Section 51296.6).

7. TERM OF CONTRACT

This contract shall become effective on the date opposite the respective signatures and shall be recorded on or before the 31st day of December, in order to meet the January 1 property tax lien date and, shall remain in full force and effect for an initial term of twenty years. The initial term of twenty years shall be measured commencing as of the first day of January next succeeding the date of execution. Each succeeding first day of January shall be deemed to be the annual renewal date of this contract. This contract shall be automatically renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in paragraph 12.

8. NO COMPENSATION

Owner shall not receive any payment from County in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein.

9. SUCCESSORS IN INTEREST

This contract and the restrictions imposed hereunder shall run with the property described in Exhibit A and shall be binding upon the heirs, executors, administrators, trustees, successors, and assigns of Owner. This contract shall also be transferred from County to any succeeding city or county acquiring jurisdiction over the property described in Exhibit A. On the completion of annexation proceedings by a city, that city shall succeed to all rights, duties and powers of the County under this contract for that portion of the property described in Exhibit A annexed to the city.

Nonetheless, each new Owner who succeeds to ownership of the aforesaid property shall be obliged to execute a new contract identical to or more restrictive than this contract in order to perfect his rights under the Land Conservation Act.

10. DIVISION OF LAND

The property described in Exhibit A shall not be divided without the written approval of the County first had and obtained. This contract is divisible in the event the property described in Exhibit A is divided. Owner agrees to submit any proposed division to County for its approval and County, if it approves said division, shall, as a condition of its approval of the division, require the execution by Owner of a contract identical to this contract on each parcel created by the division. Owner agrees to execute such contract or contracts, as necessary. The division of land under contract within an agricultural preserve will not be approved unless it can be reasonably established that there will be no loss in the production of food and fibre within the agricultural preserve from said division.

11. EMINENT DOMAIN OR OTHER ACQUISITION.

(a) All of the provisions of Article 6 (commencing with Government Code Section 51290) shall apply to farmland security zone contracts created pursuant to Article 7 except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51297.1). When any action in eminent domain for the condemnation of the fee title of any land described in Exhibit A is filed or when such land is acquired in lieu of eminent domain for a public improvement, as defined in Government Code Section 51290.5, by a public agency or person, or whenever there is any such action or acquisition by the federal government, or any person, instrumentality or agency acting under authority or power of the federal government, this contract becomes null and void as to the land actually being condemned or so acquired as of the date the action is filed or so acquired.

(b) Eminent domain or other acquisition proceedings shall be governed by the provisions of Article 6 (commencing with Government Code Section 51290 et seq) except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51297.1). Notice of intent to consider land in agricultural preserve pursuant to this contract for condemnation or acquisition, shall be provided by the public agency, or person, or authorized agent, to the Director of Conservation and to the local governing body responsible for the administration of the preserve in accordance with Government Code Sections 51291 and 51291.5. The Director of Conservation shall provide a copy of any material received from the public agency, or person, or authorized agent, relating to the proposed acquisition, to the Secretary of Food and Agriculture in accordance with Government Code Section 51291(b). When land in an agricultural preserve pursuant to this contract is acquired by a public agency, the public agency shall notify the Director of Conservation within 10 working days in accordance with Government Code Section 51291(c).

(c) If after giving notice required under Government Code Sections 51291 (b) and 51291 (c) and before the project is completed within the preserve, the public agency, person or agent proposes any significant change in the public improvement, it shall give notice of the changes to the Director and the local governing body responsible for administration of the preserve. Within 30 days thereafter, the Director or local governing body may forward to the public agency, person or agent their comments with respect to the effect of the change to the public improvement and the compliance of the changed public improvement with Article 6. Any action or proceeding regarding notices or findings required by Article 6 filed by the Director of Conservation or local governing body administering the preserve shall be governed by Government Code Section 51294 (Government Code Section 51291(e)).

12. NOTICE OF NONRENEWAL

(a) Nonrenewal of a farmland security zone contract shall be pursuant to Article 3, (commencing with Government Code Section 51240), except as otherwise provided in Article 7, (commencing with Government Code Section 51296) pursuant to Government Code Section 51296.9.

(b) If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal pursuant to Government Code Section 51245 upon the other party in advance of the annual renewal date of this contract. Unless such written notice of NONRENEWAL is served by Owner at least 90 days prior to the renewal date, or by County at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in paragraph 7 above.

(c) If either party serves written notice of nonrenewal in any year within the time limits of (b) above, this contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

13. LIABILITY UPON NOTICE OF NONRENEWAL

Pursuant to Revenue and Taxation Code Section 426, as may be amended from time to time, notwithstanding any provision of Revenue and Taxation Code Section 423 to the contrary, if either the County, or the Owner of the property subject to this Contract, has served Notice of Nonrenewal as

provided in Section 51091, 51245, and 51296.9 of the Government Code, the County Assessor shall, unless the parties shall have subsequently rescinded the Contract pursuant to Government Code Section 51245 or 51255, value the property as provided herein.

(a) If Owner serves Notice of Nonrenewal, or the County serves Notice of Nonrenewal and the Owner fails to protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) below, shall apply immediately. If the County serves Notice of Nonrenewal and the Owner does protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) shall apply when less than six years remain until the termination of the period for which the property is enforceably restricted.

(b) Where any of the conditions in subdivision (a) apply, the Board or Assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the value of the property pursuant to Section 110.1 of the Revenue and Taxation Code. If the property is not subject to Section 110.1 of the Revenue Code when the restriction expires, the value shall be determined pursuant to Section 110 of the Revenue and Taxation Code as if it were free of contractual restriction. If the property will be subject to a use for which the Revenue and Taxation Code provides a special restricted assessment, the value shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by capitalization of income as provided in Section 423 and without regard to the existence of any of the conditions in subdivision (a).

(3) Subtract the value determined in paragraph (2) of subdivision (b) by capitalization of income from the full cash value determined in paragraph (1) of subdivision (b).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 423, discount the amount obtained in paragraph (3) of subdivision (b) for the number of years remaining until the termination of the Contract.

(5) Determine the value of the property by adding the value determined by capitalization of income as provided in paragraph (2) of subdivision (b) and the value obtained in paragraph (4) of subdivision (b).

(6) Apply the ratio prescribed in Revenue and Taxation Code Section 401 to the value of the land determined in paragraph (5) of subdivision (b) to obtain its assessed value.

14. TERMINATION OF FARMLAND SECURITY ZONE DESIGNATION

Upon termination of the farmland security contract, the farmland security zone designation for the property shall simultaneously be terminated (Government Code Section 51296.1(e)).

15. CANCELLATION

A petition for cancellation of this contract may only be filed by the property owner/s. The Board may grant a petition only in accordance with the procedures provided in Article 5 (commencing with Section 51280) if both of the findings of Government Code Section 51282(a)(1&2) are made and only if all of the requirements of Government Code Section 51297 are met. It is understood by the parties hereto that the existence of an opportunity for another use of the property shall not be sufficient reason for the cancellation of this contract. A potential alternative use of the property may be considered only if there is no proximate non-contracted land suitable for the use to which it is proposed that this property be put. The parties further understand that the uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation of this contract, but may be considered only if there is no other reasonable or comparable agricultural use to which the land may be put.

(a) Upon the written request of Owner to cancel this contract, the Board of Supervisors of the County of Monterey may by resolution, grant a petition in accordance with the procedures provided in Article 5 (commencing with Government Code Section 51280), and only if all of the requirements pursuant to Government Code Sections 51282 and 51297 are met. Prior to the adoption of a resolution consenting to the request of the landowner to cancel this contract, the Board of Supervisors of County shall hold a public hearing on the matter. Notice of the hearing shall be mailed to each and every owner of property under contract within the agricultural preserve in which the property described in Exhibit A is located, and shall be published pursuant to Government Code Section 6061. In addition, at least 10 working days prior to the hearing, a notice of hearing and a copy of the landowner's petition shall be mailed to the Director of Conservation pursuant to Government Code Section 51284. At the hearing, or prior thereto, the owner of any property in which this agricultural preserve is situated may protest such cancellation to the Board of Supervisors.

(b) The Board of Supervisors may by resolution, grant a petition by the Owner/s to cancel this contract only if the Board makes both of the findings specified in Government Code Sections 51282 (a)(1) and 51282 (a)(2) and finds based on substantial evidence in the record that (1) The cancellation is consistent with the purposes of the California Land Conservation Act of 1965 as amended (Government Code Section 51282(a)(1)) and, (2) the cancellation is in the public interest (Government Code Section 51282(a)(2)) and, only if all of the following requirements are met pursuant to Government Code Section 51297:

(i) That no beneficial public purpose would be served by the continuation of the contract.

(ii) That the uneconomic nature of the agricultural use is primarily attributable to circumstances beyond the control of the landowner and the local government.

(iii) That the landowner has paid a cancellation fee equal to 25 percent of the cancellation valuation calculated in accordance with subdivision (b) of Section 51283.

(iv) The Director of Conservation approves the cancellation. The director may approve the cancellation after reviewing the record of the tentative cancellation provided by the city or county, only if he or she finds both of the following:

(A) That there is substantial evidence in the record supporting the decision.

(B) That no beneficial public purpose would be served by the continuation of the

contract.

(v) A finding that no authorized use may be made of a remnant contract parcel of five acres or less left by public acquisition pursuant to Government Code Section 51295, may be substituted for the finding in Government Code Section 51282 (a).

16. LIABILITY OF OWNER UPON CANCELLATION

(a) Prior to any action by the Board of Supervisors giving tentative approval to the cancellation of this contract, the County Assessor shall, pursuant to Revenue and Taxation Code Section 401, determine the full cash value of the land as though it were free of the contractual restrictions imposed by this contract. The Assessor shall certify to the Board of Supervisors the cancellation valuation of the land for the purpose of determining the cancellation fee.

(b) The Board of Supervisors shall thereafter and prior to giving tentative approval to the cancellation of this contract determine and certify to the County Auditor the amount of the cancellation fee which the Owner must pay the County Treasurer as deferred taxes upon cancellation. That fee shall be an amount equal to 25% percent of the cancellation valuation of the property, calculated in accordance with Government Code 51283(b) (Government Code Section 51297).

(c) If the Board of Supervisors recommends that it is in the public interest to do so, and the Secretary of the Resources Agency so finds, the Board may waive any such payment or any portion thereof, or may make such payment or portion thereof, or may extend the time for making the payment or a portion of the payment contingent upon the future use made of the property and its economic return to Owner for a period of time not to exceed the unexpired term of the contract had it not been canceled, provided: (1) the cancellation is caused by an involuntary transfer or change in the use which may be made of the property and the property is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to Owner; and (2) the Board of Supervisors has determined it is in the best interests of the program to conserve agricultural land use that such payment be either deferred or is not required; and (3) the waiver or extension of time is approved by the Secretary of the Resources Agency pursuant to Government Code Section 51283.

(d) Owner shall make payment of the cancellation fee in full prior to the cancellation becoming effective.

17. NOTICES

All notices required or permitted by this contract shall be given in writing and may be mailed or delivered in person. If mailed, the address of Owner shall be the last known address on the assessment records of County, and County's address shall be In Care of Clerk of the Board of Supervisors,

Government Center, 168 W. Alisal Street, First Floor, Salinas, California 93901, and deposit in the mail, postage prepaid, shall be deemed receipt thereof.

18. COSTS OF LITIGATION

In case County shall, without any fault on its part, be made a party to any litigation commenced by or against Owner, then Owner shall and will pay all costs and reasonable attorneys fees incurred by or imposed upon County by or in connection with such litigation, and Owner shall and will pay all costs and reasonable attorneys fees which may be incurred or paid by County in enforcing the covenants and agreements of this contract.

19. ENFORCEMENT

In the event of breach of this contract, including but not limited to: (1) incompatible use, or (2) failure of successors in interest to sign a contract similar to this one, or (3) failure to obtain the approval of the Board of Supervisors for a division of the land under contract, all the affected property under contract shall be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1.

However, such reassessment for the period encompassed by the breach shall not terminate the contract. Reassessment shall be in addition to the other remedies available to the County including, but not limited to, an action to enforce the contract by specific enforcement or injunction under Government Code Section 51251.

If incompatible uses during the period of breach have diminished the ability of the property to contribute to the production of food and fibre on the lien date, the property shall be reassessed at full cash value, and the Farmland Security Zone designation shall be terminated.

The period of breach is the period commencing upon breach as set forth above, and ending upon cure of the breach. If the lien or assessment date falls within the period of the breach, all the property under this contract will be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1, or as otherwise provided in provisions 13. or 16. above, as applicable as determined by the County Assessor, consistent with the provisions of the Revenue and Taxation Code, as may be amended from time to time.

IN WITNESS WHEREOF the parties have caused this contract to be executed by Owner on the date affixed next to the signature of each, and by County on the date affixed next to the signature of the chairperson of the Board of Supervisors.

COUNTY OF MONTEREY

Dated: 12-8-14

By: *Louis R. Calcagno*
Louis R. Calcagno
Chair, Board of Supervisors

ACKNOWLEDGMENT

State of California)

County of Monterey)

On Dec. 8, 2014, before me Denise Hancock, Deputy, Clerk of the Board of Supervisors, personally appeared Louis R. Calcagno, 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.

GAIL T. BORKOWSKI
Clerk of the Board of Supervisors of
Monterey County, State of California

By *Denise Hancock, for*

[COUNTY SEAL]:

Legal Reference for Acknowledgment by County Official:
Civil Code Sections 1181, 1184, 1185, 1188, 1189
Code of Civil Procedure Section 2012

OWNER:

G. M. Pomeroy & Sons, L.P., a California Limited Partnership

Matthew B. Pomeroy

Dated: 12-9-14

[Signature]

Matthew B. Pomeroy

Sarrol W. Pomeroy

Type/Print Name of Signatory

Its: General Partner

STATE OF CALIFORNIA
COUNTY OF MONTEREY

On 9 December 2014, before me, Sandra K. Beaver, Notary Public, personally appeared Matthew B. Pomeroy & Sarrol W. Pomeroy 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/ 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.

Sandra K. Beaver
Notary Public

[SEAL]

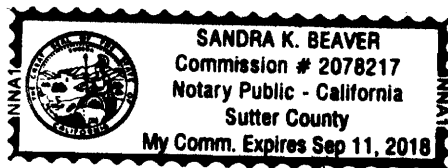


EXHIBIT "A"

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

Beginning at a post marked I, II, standing in the road leading from Salinas City to Blanco and being the N.W. corner of Lot No 2, said Lot being conveyed by James Bardin, Sr. to Jacob Bardin, now deceased, and running thence (variation 16° East)

- 1) East 11.63 chains to post and station; thence,
- 2) South 73.60 chains to post and station; thence,
- 3) North 28 3/4° West 3.10 chains to post and station; thence
- 4) North 57 3/4° West 2.15 chains to post and station; thence
- 5) North 56° West 11.59 chains to post I, II and station; thence
- 6) North 1 1/2° East 61.25 chains to the place of beginning.

And being Lot B of map accompanying report of referees in the Matter of the Estate of Lillie Belle Bardin, a minor, as shown by Final Decree of Partition dated June 16, 1884, recorded June 17, 1998, in Volume B, Decrees District and Probate Courts, Page 300, Monterey County Records. A portion of said land is situate in Section 35, Twp. 14 South, Range 2 East M.D.M. and a portion in Lot 11 "Cocks Tract".

APN: 414-021-005 and 414-021-008

EXHIBIT B

FARMLAND SECURITY ZONE - COMPATIBLE USES

The following is a list of land uses determined to be compatible with the agricultural use of the land subject to this agreement and planning and zoning restrictions:

1. The drying, packing or other processing of an agricultural commodity usually performed on the premises where it is produced.
2. Structures necessary and incidental to the agricultural use of the land.
3. Single family dwellings incidental to the agricultural use of the land for the residence of the owner, and the family of the owner. Single family dwellings incidental to the agricultural use of the land for the residence of the lessee of the land and the family of the lessee.
4. Dwelling for persons employed by owner or lessee and the family of employee or lessee incidental to the agricultural use of the land.
5. An aircraft landing strip incidental to the agricultural use of the land.
6. The erection, construction, alteration or maintenance of gas, electric, water or communication utility facilities.
7. The erection, construction, alteration or maintenance of radio, television or microwave antennas, transmitters and related facilities.
8. Public or private hunting of wildlife or fishing.
9. Public or private hunting clubs and accessory structures.
10. Public or private rifle and pistol practice range, trap or skeet field, archery range or other similar use.
11. Public or private riding or hiking trails.
12. Removal of natural materials.
13. Disposal site for oil field wastes, provided that any such use shall be made only in accordance with the use permit and other permits issued by the County of Monterey and the California Regional Water Quality Board and such other governmental authority as may have jurisdiction over this use. "Wastes received (discharged) at the site have been, and will continue to be, limited to petroleum and oil field wastes, such as muds, oily water, tank bottom wastes, and brine waters."
14. Shall not be based on the compatible use provisions contained in Government Code Section 51238.1(c) (*Government Code Section 51296.7*).

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

CRDAWN
12/17/2014
13:53:52

WHEN RECORDED MAIL TO:

Clerk of the Board

168 W. Alisal St. 1st Floor

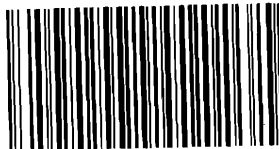
Monterey County Government Center

Salinas, CA93901

Filer

DOCUMENT: **2014063122**

Titles: 1/ Pages: 23



Fees..... 78.00

Taxes.....

Other.....

AMT PAID \$78.00

FARMLAND SECURITY ZONE CONTRACT 2015-002

FARMLAND SECURITY ZONE CONTRACT No. 2015-002

THIS CONTRACT is made and entered into as of the date opposite the respective signatures by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, hereinafter called "County" and **David L. Gill and Susan Gill, Trustees of THE DAVID AND SUSAN GILL FAMILY TRUST established 1-26-83, as amended and restated and Michael D. Cling, Trustee of THE HITCHCOCK CHILDREN'S TRUST #1 dated 1-11-11**, hereinafter called "Owner."

WITNESSETH:

WHEREAS, Owner possesses certain real property located within the County of Monterey, State of California, which is presently devoted to the production of food and fiber and is described in Exhibit A (hereafter, "the property") attached hereto and made a part hereof; and

WHEREAS, the legislature of the State of California has found and declared that it is desirable to expand options available to landowners for the preservation of agricultural land, and has enacted legislation for the establishment of farmland security zones; and

WHEREAS, the property is located in an agricultural preserve (**No. 2012-026**) heretofore established by County by Resolution (**No. 2011-380**); and

WHEREAS, Owner has expressly requested that County create a farmland security zone, which requires rescission of Agricultural Preserve Contract (**No. 2012-026**) as it applies to the property described in Exhibit A and simultaneous placement of the property under a new Farmland Security Zone and Contract (**No. 2015-002**) established by County Resolution (**No. 2014-349**); and

WHEREAS, both Owner and County desire to limit the use of the property to agricultural and compatible uses; and

WHEREAS, the property is designated on the Important Farmland Series Maps pursuant to Government Code Section 65570, or predominantly prime agricultural land as defined in Government Code Section 51201(c); and

WHEREAS, the property is not enforceably restricted pursuant to the Open-Space Easement Act of 1974 (commencing with Government Code Section 51070); and

WHEREAS, the property is not located within a city's sphere of influence; or, in the alternative, the creation of the farmland security zone within the sphere of influence has been expressly approved by resolution by the city with jurisdiction within the sphere; and

NOW, THEREFORE, County and Owner agree as follows:

1. **CONTRACT SUBJECT TO CALIFORNIA LAND CONSERVATION ACT OF 1965, AS**

AMENDED

This contract is entered into pursuant to Article 7. "Farmland Security Zones" (commencing with Section 51296) of Chapter 7, of Part 7 Of Division 1, of Title 5 of the Government Code, and Chapter 7 (commencing with Section 51200) of Part 1, Division 1, Title 5 of the Government Code, which is known as the California Land Conservation Act of 1965, or as the Williamson Act. This contract is subject to all of the provisions of this act including any amendments thereto which may be enacted from time to time.

2. APPLICABILITY

This contract shall only apply to property that is designated on the Important Farmland Series maps, prepared pursuant to Government Code Section 65570 as predominantly one or more of the following: (1) prime farmland; (2) farmland of statewide significance; (3) unique farmland; or, (4) farmland of local importance. If the property is in an area that is not designated on the Important Farmland Series maps, the property shall qualify if it is predominantly prime agricultural land as defined in subdivision (c) of Government Code Section 51201. (Government Code Section 51296.8). To the extent that any portion of the property is zoned or used inconsistently, with the provisions of this Contract, or the legislative purpose or intent for the creation of Farmland Security Zones, that portion of the property shall be excepted from, and shall not receive the benefits of this Contract.

3. RESTRICTION ON USE OF PROPERTY

During the term of this contract, and any and all renewals thereof, the property described in Exhibit A shall not be used by Owner, or Owner's successors in interest, for any purpose other than the production of food and fiber for commercial purposes and uses compatible thereto. A list of all such compatible uses is set forth in Exhibit B, attached hereto and by this reference incorporated herein. County, by uniform rule adopted by the Board of Supervisors of County, may from time to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the agricultural preserve in which the property in Exhibit A is located; provided, however, County may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit B. The provisions of this contract and any uniform rule supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of County.

Pursuant to Government Code Section 51296.7, during the term of this Contract, Owner shall not engage in, and County shall not approve any use of the property within the Farmland Security Zone, based on the compatible use provisions contained in Government Code Section 51238.1 (c).

4. PROPERTY TAX VALUATION AND SPECIAL TAXES

During the term of this contract, both of the following shall apply to property within the designated farmland security zone: (1) The land shall be eligible for property tax valuation pursuant to Section 423.4 of the Revenue and Taxation Code. (2) Notwithstanding any other provision of law, any

special tax approved by the voters for urban-related services on or after January 1, 1999, on the property or any living improvement shall be levied at a reduced rate unless the tax directly benefits the land or the living improvements. (Government Code Section 51296.2).

5. RESTRICTION OF ANNEXATION AND EXCEPTIONS

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of (1985) (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of the property within the designated farmland security zone to a city. However, this provision shall not apply under any of the following circumstances: (1) If the farmland security zone is located within a designated, delineated area that has been approved by the voters as a limit for existing and future urban facilities, utilities, and services. (2) If annexation of a parcel or a portion of a parcel is necessary for the location of a public improvement, as defined in Section 51290.5, except as provided in provision 6. below. (3) If the landowner consents to the annexation. (Government Code Section 51296.3(c)).

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of land within the designated farmland security zone to a special district that provides sewers, nonagricultural water, or streets and roads, unless the facilities or services provided by the special district benefit land uses that are allowed under this contract and Owner consents to the change of organization or reorganization. (Government Code Section 51296.4).

6. RESTRICTION ON SCHOOL DISTRICT USE OR ACQUISITION

Notwithstanding Article 5 (commencing with Government Code Section 53090) of Chapter 1 of Division 2 of Title 5, a school district shall not render inapplicable a county zoning ordinance to use of the property by the school district (Government Code Section 51296.5).

Notwithstanding any provision of law, a school district shall not acquire the property, nor any portion of the property, within the designated farmland security zone. (Government Code Section 51296.6).

7. TERM OF CONTRACT

This contract shall become effective on the date opposite the respective signatures and shall be recorded on or before the 31st day of December; in order to meet the January 1 property tax lien date and, shall remain in full force and effect for an initial term of twenty years. The initial term of twenty years shall be measured commencing as of the first day of January next succeeding the date of execution. Each succeeding first day of January shall be deemed to be the annual renewal date of this contract. This contract shall be automatically renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in paragraph 12.

8. NO COMPENSATION

Owner shall not receive any payment from County in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein.

9. SUCCESSORS IN INTEREST

This contract and the restrictions imposed hereunder shall run with the property described in Exhibit A and shall be binding upon the heirs, executors, administrators, trustees, successors, and assigns of Owner. This contract shall also be transferred from County to any succeeding city or county acquiring jurisdiction over the property described in Exhibit A. On the completion of annexation proceedings by a city, that city shall succeed to all rights, duties and powers of the County under this contract for that portion of the property described in Exhibit A annexed to the city.

Nonetheless, each new Owner who succeeds to ownership of the aforesaid property shall be obliged to execute a new contract identical to or more restrictive than this contract in order to perfect his rights under the Land Conservation Act.

10. DIVISION OF LAND

The property described in Exhibit A shall not be divided without the written approval of the County first had and obtained. This contract is divisible in the event the property described in Exhibit A is divided. Owner agrees to submit any proposed division to County for its approval and County, if it approves said division, shall, as a condition of its approval of the division, require the execution by Owner of a contract identical to this contract on each parcel created by the division. Owner agrees to execute such contract or contracts, as necessary. The division of land under contract within an agricultural preserve will not be approved unless it can be reasonably established that there will be no loss in the production of food and fibre within the agricultural preserve from said division.

11. EMINENT DOMAIN OR OTHER ACQUISITION.

(a) All of the provisions of Article 6 (commencing with Government Code Section 51290) shall apply to farmland security zone contracts created pursuant to Article 7 except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51297.1). When any action in eminent domain for the condemnation of the fee title of any land described in Exhibit A is filed or when such land is acquired in lieu of eminent domain for a public improvement, as defined in Government Code Section 51290.5, by a public agency or person, or whenever there is any such action or acquisition by the federal government, or any person, instrumentality or agency acting under authority or power of the federal government, this contract becomes null and void as to the land actually being condemned or so acquired as of the date the action is filed or so acquired.

(b) Eminent domain or other acquisition proceedings shall be governed by the provisions of Article 6 (commencing with Government Code Section 51290 et seq) except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51297.1). Notice of intent to consider land in agricultural preserve pursuant to this contract for condemnation or acquisition, shall be provided by the public agency, or person, or authorized agent, to the Director of Conservation and to the local governing body responsible for the administration of the preserve in accordance with Government Code Sections 51291 and 51291.5. The Director of Conservation shall provide a copy of any material received from the public agency, or person, or authorized agent, relating to the proposed acquisition, to the Secretary of Food and Agriculture in accordance with Government Code Section 51291(b). When land in an agricultural preserve pursuant to this contract is acquired by a public agency, the public agency shall notify the Director of Conservation within 10 working days in accordance with Government Code Section 51291(c).

(c) If after giving notice required under Government Code Sections 51291 (b) and 51291 (c) and before the project is completed within the preserve, the public agency, person or agent proposes any significant change in the public improvement, it shall give notice of the changes to the Director and the local governing body responsible for administration of the preserve. Within 30 days thereafter, the Director or local governing body may forward to the public agency, person or agent their comments with respect to the effect of the change to the public improvement and the compliance of the changed public improvement with Article 6. Any action or proceeding regarding notices or findings required by Article 6 filed by the Director of Conservation or local governing body administering the preserve shall be governed by Government Code Section 51294 (Government Code Section 51291(e)).

12. NOTICE OF NONRENEWAL

(a) Nonrenewal of a farmland security zone contract shall be pursuant to Article 3, (commencing with Government Code Section 51240), except as otherwise provided in Article 7, (commencing with Government Code Section 51296) pursuant to Government Code Section 51296.9.

(b) If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal pursuant to Government Code Section 51245 upon the other party in advance of the annual renewal date of this contract. Unless such written notice of NONRENEWAL is served by Owner at least 90 days prior to the renewal date, or by County at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in paragraph 7 above.

(c) If either party serves written notice of nonrenewal in any year within the time limits of (b) above, this contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

13. LIABILITY UPON NOTICE OF NONRENEWAL

Pursuant to Revenue and Taxation Code Section 426, as may be amended from time to time,

notwithstanding any provision of Revenue and Taxation Code Section 423 to the contrary, if either the County, or the Owner of the property subject to this Contract, has served Notice of Nonrenewal as provided in Section 51091, 51245, and 51296.9 of the Government Code, the County Assessor shall, unless the parties shall have subsequently rescinded the Contract pursuant to Government Code Section 51245 or 51255, value the property as provided herein.

(a) If Owner serves Notice of Nonrenewal, or the County serves Notice of Nonrenewal and the Owner fails to protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) below, shall apply immediately. If the County serves Notice of Nonrenewal and the Owner does protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) shall apply when less than six years remain until the termination of the period for which the property is enforceably restricted.

(b) Where any of the conditions in subdivision (a) apply, the Board or Assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the value of the property pursuant to Section 110.1 of the Revenue and Taxation Code. If the property is not subject to Section 110.1 of the Revenue Code when the restriction expires, the value shall be determined pursuant to Section 110 of the Revenue and Taxation Code as if it were free of contractual restriction. If the property will be subject to a use for which the Revenue and Taxation Code provides a special restricted assessment, the value shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by capitalization of income as provided in Section 423 and without regard to the existence of any of the conditions in subdivision (a).

(3) Subtract the value determined in paragraph (2) of subdivision (b) by capitalization of income from the full cash value determined in paragraph (1) of subdivision (b).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 423, discount the amount obtained in paragraph (3) of subdivision (b) for the number of years remaining until the termination of the Contract.

(5) Determine the value of the property by adding the value determined by capitalization of income as provided in paragraph (2) of subdivision (b) and the value obtained in paragraph (4) of subdivision (b).

(6) Apply the ratio prescribed in Revenue and Taxation Code Section 401 to the value of the land determined in paragraph (5) of subdivision (b) to obtain its assessed value.

14. TERMINATION OF FARMLAND SECURITY ZONE DESIGNATION

Upon termination of the farmland security contract, the farmland security zone designation for

the property shall simultaneously be terminated (Government Code Section 51296.1.(e)).

15. CANCELLATION

A petition for cancellation of this contract may only be filed by the property owner/s. The Board may grant a petition only in accordance with the procedures provided in Article 5 (commencing with Section 51280) if both of the findings of Government Code Section 51282(a)(1&2) are made and only if all of the requirements of Government Code Section 51297 are met. It is understood by the parties hereto that the existence of an opportunity for another use of the property shall not be sufficient reason for the cancellation of this contract. A potential alternative use of the property may be considered only if there is no proximate non-contracted land suitable for the use to which it is proposed that this property be put. The parties further understand that the uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation of this contract, but may be considered only if there is no other reasonable or comparable agricultural use to which the land may be put.

(a) Upon the written request of Owner to cancel this contract, the Board of Supervisors of the County of Monterey may by resolution, grant a petition in accordance with the procedures provided in Article 5 (commencing with Government Code Section 51280), and only if all of the requirements pursuant to Government Code Sections 51282 and 51297 are met. Prior to the adoption of a resolution consenting to the request of the landowner to cancel this contract, the Board of Supervisors of County shall hold a public hearing on the matter. Notice of the hearing shall be mailed to each and every owner of property under contract within the agricultural preserve in which the property described in Exhibit A is located, and shall be published pursuant to Government Code Section 6061. In addition, at least 10 working days prior to the hearing, a notice of hearing and a copy of the landowner's petition shall be mailed to the Director of Conservation pursuant to Government Code Section 51284. At the hearing, or prior thereto, the owner of any property in which this agricultural preserve is situated may protest such cancellation to the Board of Supervisors.

(b) The Board of Supervisors may by resolution, grant a petition by the Owner/s to cancel this contract only if the Board makes both of the findings specified in Government Code Sections 51282 (a)(1) and 51282 (a)(2) and finds based on substantial evidence in the record that (1) The cancellation is consistent with the purposes of the California Land Conservation Act of 1965 as amended (Government Code Section 51282(a)(1)) and, (2) the cancellation is in the public interest (Government Code Section 51282(a)(2)) and, only if all of the following requirements are met pursuant to Government Code Section 51297:

- (i) That no beneficial public purpose would be served by the continuation of the contract.
- (ii) That the uneconomic nature of the agricultural use is primarily attributable to circumstances beyond the control of the landowner and the local government.
- (iii) That the landowner has paid a cancellation fee equal to 25 percent of the cancellation valuation calculated in accordance with subdivision (b) of Section 51283.
- (iv) The Director of Conservation approves the cancellation. The director may approve the cancellation after reviewing the record of the tentative cancellation provided by the city or county, only if he or she finds both of the following:

(A) That there is substantial evidence in the record supporting the decision.

(B) That no beneficial public purpose would be served by the continuation of the

contract.

(v) A finding that no authorized use may be made of a remnant contract parcel of five acres or less left by public acquisition pursuant to Government Code Section 51295, may be substituted for the finding in Government Code Section 51282 (a).

16. LIABILITY OF OWNER UPON CANCELLATION

(a) Prior to any action by the Board of Supervisors giving tentative approval to the cancellation of this contract, the County Assessor shall, pursuant to Revenue and Taxation Code Section 401, determine the full cash value of the land as though it were free of the contractual restrictions imposed by this contract. The Assessor shall certify to the Board of Supervisors the cancellation valuation of the land for the purpose of determining the cancellation fee.

(b) The Board of Supervisors shall thereafter and prior to giving tentative approval to the cancellation of this contract determine and certify to the County Auditor the amount of the cancellation fee which the Owner must pay the County Treasurer as deferred taxes upon cancellation. That fee shall be an amount equal to 25% percent of the cancellation valuation of the property, calculated in accordance with Government Code 51283(b) (Government Code Section 51297).

(c) If the Board of Supervisors recommends that it is in the public interest to do so, and the Secretary of the Resources Agency so finds, the Board may waive any such payment or any portion thereof, or may make such payment or portion thereof, or may extend the time for making the payment or a portion of the payment contingent upon the future use made of the property and its economic return to Owner for a period of time not to exceed the unexpired term of the contract had it not been canceled, provided: (1) the cancellation is caused by an involuntary transfer or change in the use which may be made of the property and the property is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to Owner; and (2) the Board of Supervisors has determined it is in the best interests of the program to conserve agricultural land use that such payment be either deferred or is not required; and (3) the waiver or extension of time is approved by the Secretary of the Resources Agency pursuant to Government Code Section 51283.

(d) Owner shall make payment of the cancellation fee in full prior to the cancellation becoming effective.

17. NOTICES

All notices required or permitted by this contract shall be given in writing and may be mailed or

delivered in person. If mailed, the address of Owner shall be the last known address on the assessment records of County, and County's address shall be In Care of Clerk of the Board of Supervisors, Government Center, 168 W. Alisal Street, First Floor, Salinas, California 93901, and deposit in the mail, postage prepaid, shall be deemed receipt thereof.

18. COSTS OF LITIGATION

In case County shall, without any fault on its part, be made a party to any litigation commenced by or against Owner, then Owner shall and will pay all costs and reasonable attorneys fees incurred by or imposed upon County by or in connection with such litigation, and Owner shall and will pay all costs and reasonable attorneys fees which may be incurred or paid by County in enforcing the covenants and agreements of this contract.

19. ENFORCEMENT

In the event of breach of this contract, including but not limited to: (1) incompatible use, or (2) failure of successors in interest to sign a contract similar to this one, or (3) failure to obtain the approval of the Board of Supervisors for a division of the land under contract, all the affected property under contract shall be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1.

However, such reassessment for the period encompassed by the breach shall not terminate the contract. Reassessment shall be in addition to the other remedies available to the County including, but not limited to, an action to enforce the contract by specific enforcement or injunction under Government Code Section 51251.

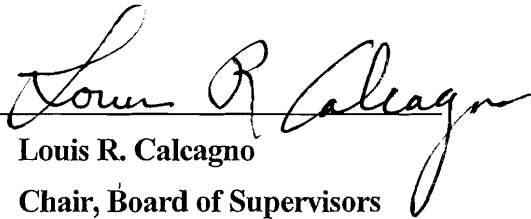
If incompatible uses during the period of breach have diminished the ability of the property to contribute to the production of food and fibre on the lien date, the property shall be reassessed at full cash value, and the Farmland Security Zone designation shall be terminated.

The period of breach is the period commencing upon breach as set forth above, and ending upon cure of the breach. If the lien or assessment date falls within the period of the breach, all the property under this contract will be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1, or as otherwise provided in provisions 13. or 16. above, as applicable as determined by the County Assessor, consistent with the provisions of the Revenue and Taxation Code, as may be amended from time to time.

IN WITNESS WHEREOF the parties have caused this contract to be executed by Owner on the date affixed next to the signature of each, and by County on the date affixed next to the signature of the chairperson of the Board of Supervisors.

COUNTY OF MONTEREY

Dated: 12-8-14

By: 
Louis R. Calcagno
Chair, Board of Supervisors

ACKNOWLEDGMENT

State of California)

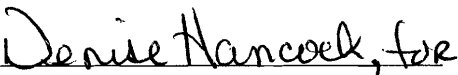
County of Monterey)

On December 8, 2014, before me Denise Hancock, Deputy, Clerk of the Board of Supervisors, personally appeared Louis R. Calcagno, 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.

GAIL T. BORKOWSKI
Clerk of the Board of Supervisors of
Monterey County, State of California

By , for

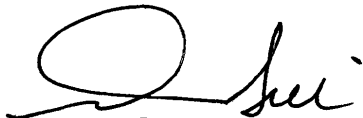
[COUNTY SEAL]:

Legal Reference for Acknowledgment by County Official:
Civil Code Sections 1181, 1184, 1185, 1188, 1189
Code of Civil Procedure Section 2012

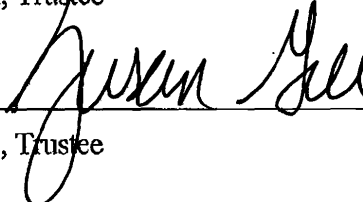
OWNER/S: David L. Gill and Susan Gill, Trustees of THE DAVID AND SUSAN GILL FAMILY TRUST established 1-26-83, as amended and restated and Michael D. Cling, Trustee of THE HITCHCOCK CHILDREN'S TRUST #1 dated 1-11-11

THE DAVID AND SUSAN GILL FAMILY TRUST established 1-26-83, as amended and restated

Dated: 11-20-14


_____, AND
David Gill, Trustee

Dated: 11-20-14


_____, AND
Susan Gill, Trustee

THE HITCHCOCK CHILDREN'S TRUST #1 dated 1-11-11

Dated: 11-21-14


_____, OWNERS
Michael D. Cling, Trustee

STATE OF CALIFORNIA
COUNTY OF MONTEREY

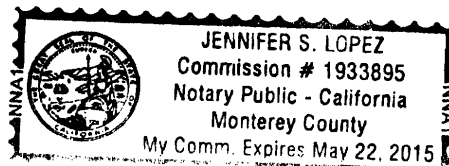
On 11/20/14, 2014, before me, Jennifer S Lopez, Notary Public, personally appeared David L Gill, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/ 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.

Jennifer S Lopez
Notary Public

[SEAL]



STATE OF CALIFORNIA
COUNTY OF MONTEREY

On 11/20/14, 2014, before me, Jennifer S Lopez, Notary Public, personally appeared Susan M Gill, 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/ 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.

Jennifer S Lopez
Notary Public

[SEAL]



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Monterey }

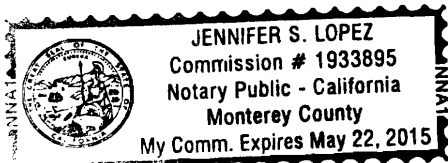
On 11/20/14 before me, Jennifer S Lopez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared David L Gill
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: Jennifer S Lopez
Signature of Notary Public

Place Notary Seal and/or Stamp 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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Individual
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee
<input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____ | <p style="text-align: center; margin: 0;">RIGHT THUMBPRINT OF SIGNER</p> <p style="text-align: center; margin: 0;">Top of thumb here</p> | <input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Individual
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee
<input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____ | <p style="text-align: center; margin: 0;">RIGHT THUMBPRINT OF SIGNER</p> <p style="text-align: center; margin: 0;">Top of thumb here</p> |
|---|---|---|---|

Signer Is Representing: _____

Signer Is Representing: _____

STATE OF CALIFORNIA

COUNTY OF MONTEREY

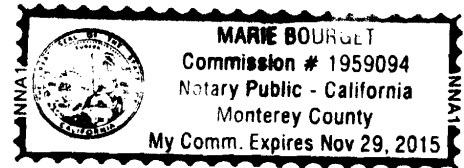
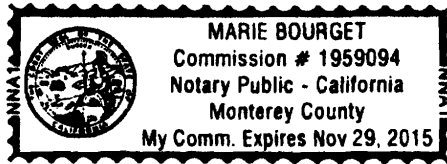
On Nov 21, 2014, before me, Marie Bourget Notary Public, personally appeared Michael D. Clum, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/ 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.

Marie Bourget
Notary Public

[SEAL]



LEGAL DESCRIPTION

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

PARCEL I:

A portion of Lot 4 of the Spence partition of the Rancho Encinal Y Buena Esperanza, as per map entitled, "Plat of partition of part of Rancho Buena Esperanza", filed in Book 8 of Deeds, at Page 1 therein, Monterey County Records, and a portion of Lot 92, as per map entitled "Map of the Subdivisions of the Rancho Buena Vista, Monterey County, California", filed in Map Book One, Maps and Grants (outside land), at Page 63 therein, Monterey County Records.

The following described property is:

- (1) A portion of the 402.63 acre tract, Parcel I, described in deed dated October 28, 1920, from Spreckles Sugar Company to C. N. Thorup, et al, recorded in Book 177 of Deeds, at Page 109 on November 1, 1920 Monterey County Records; and
- (2) A portion of the 14.40 acre tract, Parcel 3, described in deed dated October 28, 1920, Spreckles Sugar Company to C. N Thorup, et al, recorded in Book 177 of Deeds, at Page 109; and
- (3) Two separate portions of the 106.35 acre tract conveyed by Sadie Craig to C. N. Thorup, et al, by deed dated October 23, 1928, recorded in Book 169 of Official Records, at Page 1, Monterey County Records.

The following is a particular description of the exterior boundaries of the entire tract herein described:

Beginning at a 4" x 4" survey post marked K8, standing at the Southeast corner of Lot 4 of the Spence partition, on the Westerly side of the Southern Pacific Railroad right of way; thence following the line between Lot 4 and 6 of the Spence partition,

- (1) S. 58° 18 1/4' W., 5869.6 feet, at 4498 feet a 4" x 4" survey post marked PC1, standing at the Southeasterly corner of that certain 106.35 acre tract conveyed by Sadie Craig to C. N. Thorup et al, above referred to 5869.6 feet to a 4" x 4" survey post marked S1, T, P, HDP, from which a 4" x 4" survey post marked SAC, PC, D1, standing at a Southwest corner of the said 106.35 acre tract of C. N. Thorup, et al, bears S. 58° 18 1/4' W., 300 feet distant; thence leave the line between Lot 4 and 6 of the Spence partition and running over Lot 4,
- (2) N. 37° 27' W., 508.05 feet to a 4" x 4" survey post marked S2, T, HDP, standing on the Northerly line of said 106.35 acre tract of C. N. Thorup, et al; thence following the line of said 106.35 acre tract,
- (3) S. 73° 4' W., 213.4 feet to a 4" x 4" survey post marked PC7, S3, HDP, standing in fence on top of bank overlooking bottom land; thence descend bank,
- (4) N. 37° 38' W., 746 feet, at 100 feet enter bottom land and running over same, at 630 feet intersect the Rancho boundary between the Rancho Encinal Y Buena Esperanza and Rancho Buena Vista at a point South 73° 3' W., 725 feet from corner BV9 and BE16 of said Ranchos, enter Rancho Buena Vista, 746 feet to a 4" x 4" survey post marked S4, T, HDP, and from which point the Northeast corner of the said 106.35 acre tract of C. N Thorup, et al, bears N. 37° 38' W., 295.4 feet distant; thence
- (5) S. 41° W., 436 feet, at 204.5 feet again intersect the Rancho boundary between the Rancho Encinal Y Buena Esperanza and the Rancho Buena Vista, at a point S. 73° 3' W., 939.5 feet from corner BV9 and BE16 of said Ranchos, leave Rancho Buena Vista, and enter Rancho Encinal Y Buena Esperanza, 436 feet to a 4" x 4" survey post marked S5, T, HDP; thence

- (6) S. 47° 48' W., 232.6 feet to a 4" x 4" survey post marked S6, T, HDP; thence
- (7) S. 70° 51' W., 130.6 feet to a 4" x 4" survey post marked S7, C, HDP; thence
- (8) N. 81° 46' W., 185 feet to a 4" x 4" survey post marked S8, C, HDP; thence
- (9) S. 81° 10' W., 323.6 feet to a 4" x 4" survey post marked SAC, PC, 20', HW10, S9, standing at the Northeast corner of a 20 foot lane and road for the joint use of the lands of Peter Craig and Sadie Craig, or their successors in title; thence
- (10) N. 0° 12' W., 209.8 feet to a 4" x 4" survey post marked S10, T, S, HDP, standing on the old line fence on line between Lot 4 of the Spence partition of the Rancho Encinal Y Buena Esperanza and Lot 92 of the Rancho Buena Vista, above referred to; thence following the line between the last two named Ranchos,
- (11) S. 89° 50' E., 340.8 feet to a fence corner at corner BV8 and BE15 of said Ranchos; thence leave Rancho line and following the fence and line along the Northwesterly side of the 14.40 acre tract in Lot 92 of the Rancho Buena Vista, conveyed by Spreckles Sugar Company to C. N. Thorup et al,
- (12) N. 44° 38' E., 1660.7 feet, at 821.9 feet the Northeasterly corner of the said 106.35 acre tract conveyed by Sadie Craig to C.N. Thorup et al, 1660.7 feet to a 4" x 4" survey post marked JRS, standing at intersection of fences on the boundary line between the Rancho Buena Vista and Rancho Encinal Y Buena Esperanza, at a point N. 25° 27' W., 800 feet from the corner of BV9 and BE16 of said Ranchos, and at the Northeast corner of the said 14.40 acre tract conveyed by Spreckles Sugar Company to C.N. Thorup, et al, and at the Southwest corner of that certain 258.67 acre tract conveyed by C.N. Thorup, et al, to J. Ramon Somavia, by deed dated January 26, 1922, recorded February 2, 1922, in Book 187 of Deeds, at Page 352, Monterey County Records; thence leave the Rancho Buena Vista and enter the Rancho Encinal Y Buena Esperanza and following the Southerly line of the J. Ramon Somavia 258.67 acre tract,
- (13) N. 81° 52' E., 1940 feet, at 1640 feet a 4" x 4" survey post marked WP, S, T, 1940 feet to a 4" x 4" survey post marked JRS, on top of right bank of the Salinas River; thence
- (14) N. 51° 20 1/2' E., 3448.9 feet to a 4" x 4" survey post marked JRS, standing on the Westerly said of the Southern Pacific Railroad right of way, and at the Southeast corner of the said 258.67 acre tract of J. Ramon Somavia; thence following the Westerly side of said Southern Pacific Railroad right of way,
- (15) S. 39° 39' E., 1452.4 feet to the place of beginning.

Saving and excepting therefrom that certain tract of land containing 2.695 acres, more or less, described in the deed from Juanita De L. Somavia and J. Ramon Somavia, Jr., to County of Monterey, a body politic and corporate, dated December 24, 1935 and recorded May 19, 1937, in Book 524 of Official Records, at Page 473, Monterey County Records. Said excepted property to be used for sole purpose of a public highway and county road.

Also excepting therefrom all that portion thereof described in the deed to the County of Monterey (a body politic and corporate), of the State of California, recorded on June 23, 1965 in Reel 411 of Official Records, at Page 846.

Also excepting therefrom all that portion thereof described in the deeds to Fusion Rubbermaid Corporation, a corporation, recorded on June 23, 1965 in Reel 411 of Official Records, at Page 848, and October 14, 1966 in Reel 480 of Official Records, at Page 222.

Also excepting therefrom all that portion thereof described in the deed to Albert C. Hansen et al, recorded December 1, 1977 in Reel 1200 of Official Records, at Page 400.

APN: PORTION OF 137-041-019

EXHIBIT ^A
PAGE 2 OF 6 PAGES

PARCEL III:

A portion of Lot 4 of the Spence partition of the Rancho Encinal Y Buena Esperanza, as shown on the map entitled "Plat of partition of part of Rancho Buena Esperanza", filed in Book 8 of Deeds, at Page 1 therein, Monterey County Records, and a portion of Lot 92 of the Rancho Buena Vista, as per map entitled "Map of the Subdivision of the Rancho Buena Vista, Monterey County, California", filed in Map Book One, Maps and Grants, (outside lands), at Page 63 therein, Monterey County Records, being also a portion of that certain 106.35 acre tract conveyed by Sadie Craig to C.N. Thorup, et al, be deed dated November 1, 1928, recorded November 16, 1928, in Book 170 of Official Records, at Page 214, Monterey County Records, and being more particularly described as follows:

Beginning at a 4" x 4" survey post marked SA, CP, C-D1, standing in the division line between Lots 4 and 6 of said Spence partition, at the most Easterly corner of an 85.64 acre tract formerly owned by Peter Craig, and running thence along the line between Lots 4 and 6 of the Spence partition,

(1) N. 58° 18 1/4" E., 300 feet to a 4" x 4" survey post marked S1, T, P, HDP, from which point a 4" x 4" survey post marked K8-, standing at the intersection of the line between Lots 4 and 6 with the Westerly side of the Southern Pacific Railroad right of way bears N. 58° 18 1/4' E., 5869.6 feet distant; thence leave line between Lots 4 and 6 and running over the Sadie Craig 106.35 acre tract,

(2) N. 37° W., 508.05 feet to a 4" x 4" survey post marked S2, T, HDP, standing on the Northerly line of said 106.35 acre tract; thence following the line of said 106.35 acre tract,

(3) S. 73° 4' W., 213.4 feet to a 4" x 4" survey post marked PC7, S3, HDP, standing in fence on top of bluff overlooking bottom land; thence descend bank,

(4) N. 37° 38' W., 746 feet, at 100 feet enter bottom land and running over same, at 630 feet intersect the Rancho line between the Rancho Encinal Y Buena Esperanza and Rancho Buena Vista at a point S. 73° 3' W., 725 feet from corner BV9 and BE16 of said Ranchos, enter Rancho Buena Vista, 746 feet to a 4" x 4" survey post marked S4, T, HDP, and from which point the Northeast corner of the 106.35 acre tract of C. N. Thorup, et al, formerly of Sadie Craig, bears N. 37° 38' W., 295.4 feet distant; thence

(5) S. 41° W., 436 feet, at 204.5 feet again intersect the Rancho boundary between the Rancho Encinal Y Buena Esperanza and the Rancho Buena Vista at a point S. 73° 3' W., 939.5 feet from corner BV9 and BE16 of said Ranchos, leave Rancho Buena Vista and enter Rancho Encinal Y Buena Esperanza, 436 feet to a 4" x 4" survey post marked S5, T, HDP;; thence

(6) S. 47° 48' W., 232.6 feet to a 4" x 4" survey post marked S6, T, HDP; thence

- (7) S. 70° 51' W., 130.6 feet to a 4" x 4" survey post marked S7, C. HDP; thence
- (8) N. 81° 46' W., 185 feet to a 4" x 4" survey post marked S8, C, HDP; thence
- (9) S. 81° 10' W., 323.6 feet to a 4" x 4" survey post marked SAC, PC, 20', RW10, S9, standing at the Northeast corner of a 20 foot lane and road for the joint use of the lands of Peter Craig and Sadie Craig, or their successors in title; thence
- (10) N. 0° 12' W., 209.8 feet to a 4" x 4" survey post marked S10, T, S, HDP, standing in the old line fence on line between Lot 4 of the Spence partition of the Rancho Encinal Y Buena Esperanza and Lot 92 of the Rancho Buena Vista, as above referred to; thence following the line between the last two named Ranchos,
- (11) S. 89° 48' W., 1129.2 feet to a 4" x 4" survey post marked SAC, PC, D6, at the most Easterly corner of a 35.76 acre tract formerly owned by Peter Craig; thence along the lines of the same,
- (12) S. 0° 12' E., at 751.3 feet a 4" x 4" survey post marked SAC, PC, RW, 771.3 feet to a 4" x 4" survey post marked SAC, PC, D4; thence
- (13) S. 82° 34' W., 73.00 feet to a 4" x 4" survey post marked SAC, PC, D7; thence
- (14) S. 89° 07' W., 170.0 feet to a 4" x 4" survey post marked SAC, PC, D8; thence
- (15) S. 81° 39' W., 400 feet to a 4" x 4" survey post marked SAC, PC, D9; thence
- (16) N. 75° 23' W., 300 feet to a 4" x 4" survey post marked SAC, PC, D10; thence
- (17) N. 64° 57' W., 180 feet to a 4" x 4" survey post marked SAC, PC, D11; thence
- (18) S. 41° 55' W., 150 feet to a 4" x 4" survey post marked SAC, PC, D12; thence
- (19) S. 64° 37' W., 110 feet to a 4" x 4" survey post marked SAC, PC, D13; thence
- (20) S. 74° 07' W., 255 feet to a 4" x 4" survey post marked SAC, PC, D14; thence
- (21) S. 51° 50' W., 202.8 feet to a station in the division line between the Rancho Buena Vista and Buena Esperanza, from which a 4" x 4" survey post marked SAC, PC, D15, LN, bears S. 51° 50' W., 16.9 feet distant; thence leave the 35.76 acre tract formerly owned by Peter Craig and following the said Rancho boundary,
- (22) S. 17° 57' E., 1275.7 feet to a station from which a 4" x 4" survey post marked SAC, PC, D3, bears S. 59° 41 1/4' W., 15.6 feet distant; thence leave said Rancho line and running along the Northerly line of an 85.64 acre tract formerly owned by Peter Craig,
- (23) N. 59° 51 1/4' E., at 3209.9 feet a 4" x 4" survey post marked SAC, PC, 20', RW9, at 3230.3 feet a 4" x 4" survey post marked SAC, PC, 20', RW9, 3447.1 feet to a 4" x 4" survey post marked SAC, PC, D5; thence
- (24) N. 58° 18 1/4' E., 872.7 feet to a 4" x 4" survey post marked SAC, PC, D2, standing at the Northeast corner of the 85.64 acre tract formerly owned by Peter Craig; thence along the Easterly side of the same,
- (25) S. 37° 27' E., at 836.3 feet a 4" x 4" survey post marked SAC, PC, 20', RW2, 856.5 feet to the place of beginning.

Saving and excepting therefrom that certain tract of land containing 0.138 acres, more or less, described in deed from J. Ramon Somavia Jr. and Juanita De L. Somavia to County of Monterey, a body politic and corporate dated December 24, 1935, recorded May 19, 1937 in Book 526 of Official Records, at Page 409, said excepted property to be used for sole purposes of a public highway and county road.

EXHIBIT

A

PAGE 1 OF 1

Also excepting from the above described 191.39 acre tract that portion thereof included in deed from Leo A. Marihart and Juanita Somavia Marihart, his wife to John H. Pryor, Jr. and Jeanne N. Pryor, his wife, dated August 21, 1953 and recorded August 25, 1953 in Book 1475 of Official Records at Page 234, Monterey County Records, described as follows:

That certain real property situate in the Lot 4 of the Spence partition of the Rancho Buena Esperanza, in the County of Monterey, State of California, and being a portion of that certain 86.87 acre tract of land described under Parcel Three, and conveyed from J. R. Somavia, Jr. to Leo A. Marihart and Juanita Somavia Marihart, by deed dated July 7, 1952, recorded July 21, 1952, in Volume 1394 at Page 170 therein, Monterey County Official Records, California.

Commencing at 4" x 4" survey post marked SAC, PC, D9, being one of the corner of the Northerly side of the said Leo A. Marihart et ux, 86.87 acre tract of land, and so numbered in the description and deed thereto, and running thence from said point of commencement, along the Northerly side of the said 86.87 acre tract of land;

- (1) N. 75° 23' W., 300 feet to a 4" x 4" survey post marked SAC, PC, D10; thence continuing along said 86.87 acre tract
- (2) N. 64° 57' W., 180 feet to a 4" x 4" survey post marked SAC, PC, D11; thence, continuing along said 86.87 acre tract
- (3) S. 41° 55' W., 150 feet to a 4" x 4" survey post marked SAC, PC, D12; thence continuing along said 86.87 acre tract
- (4) S. 64° 37' W., 87.54 feet to a station; thence leaving the Northerly side of the said Leo A. Marihart et ux, 86.87 acre tract of land and running over a portion of the same,
- (5) S. 89° 45' E., 630.90 feet to the place of beginning.

Together with the right to travel a strip of land 20 feet wide, lying 10 feet on each side of the following described line, as conveyed by deed from Peter S. Craig to Sadie Craig, his wife, dated April 20, 1922, recorded June 5, 1922, in Book 3 of Official Records, at Page 205; beginning at station from which a 4" x 4" post marked SAC, PC, 20' RW2, bears N. 37° 27' W., 10.1 feet distant, and a 4" x 4" post marked SAC, PC, 20' RW2, bears N. 37° 27' W., 10.1 feet distant; thence S. 58° 18 1/4' W., 371.0 feet to station; thence N. 81° 35' W., 390.3 feet to station; thence S. 80° 35' W., 108.0 feet to station; thence S. 16° 40' W., 204.0 feet to station; thence S. 26° 35' E., 146.1 feet to station; thence S. 59° 41 1/4' W., 134.2 feet to station; thence N. 39° 03' W., 848.9 feet, from which point a 4" x 4" post marked SAC, PC20', RW9 bears N. 59° 41 1/4' E., 10.2 feet distant, and a 4" x 4" post marked SAC, PC, 20' RW9 bears S. 59° 41 1/4' W., 10.2 feet distant.

APN: PORTION OF 137-041-19

PARCEL III(A):

That certain property situate in Lot IV of the Spence Partition of the Rancho Buena Esperanza, in the County of Monterey, State of California and being a portion of that certain 35.76 acre tract of land, described under Parcel II, and conveyed from Walton Wiley et ux to John H. Pryor et ux by deed dated May 1, 1952, recorded October 2, 1952, in Volume 1409, at Page 13 therein, Monterey County Official Records, California, and described as follows, to wit:

Commencing at a 2x3 survey post standing at the Southwest corner of the above mentioned John H. Pryor, Jr., et ux 35.76 acre tract of land and on the division line between the Ranchos Buena Esperanza and Buena Vista, and from which a 4" x 4" survey post marked SAC, PC, D 15, Line, bears S. 51° 50' W., 16.9 feet distant and running thence,

1) N. 17° 57' W, along said division line between said Ranchos, and the Westerly boundary line of the said Pryor et ux 35.76 acre tract of land 217.50 feet to an underground 3/4 inch by 30 inch iron pipe, with a 2x3 survey post on top, thence leaving said division line between said Ranchos and Westerly side of the said Pryor et ux 35.76 acre tract, and running over a portion of the same.

2) S. 89° 45' E., 490.62 feet to a station on the Southerly side of the said Pryor et ux 35.76 acre tract, and thence along the Southerly side of the same, with the following described three, (3) courses and distances,

3) S. 64° 37' W., 22.46 feet to a 4" by 4" survey post marked SAC, PC, D 13, thence

4) S. 74° 07' W., 255.0 feet to a 4" by 4" survey post marked SAC, PC, D14, thence

5) S. 51° 50' W., 202.8 feet to the place of beginning, as conveyed in the Grant Deed from John H. Pryor Jr., et ux to Leo A. Marihart et ux, dated July 10, 1953 and recorded August 25, 1953 in Book 1475 Page 237 Official Records, Monterey County Records.

APN: PORTION OF 137-041-19

EXHIBIT B

FARMLAND SECURITY ZONE - COMPATIBLE USES

The following is a list of land uses determined to be compatible with the agricultural use of the land subject to this agreement and planning and zoning restrictions:

1. The drying, packing or other processing of an agricultural commodity usually performed on the premises where it is produced.
2. Structures necessary and incidental to the agricultural use of the land.
3. Single family dwellings incidental to the agricultural use of the land for the residence of the owner, and the family of the owner. Single family dwellings incidental to the agricultural use of the land for the residence of the lessee of the land and the family of the lessee.
4. Dwelling for persons employed by owner or lessee and the family of employee or lessee incidental to the agricultural use of the land.
5. An aircraft landing strip incidental to the agricultural use of the land.
6. The erection, construction, alteration or maintenance of gas, electric, water or communication utility facilities.
7. The erection, construction, alteration or maintenance of radio, television or microwave antennas, transmitters and related facilities.
8. Public or private hunting of wildlife or fishing.
9. Public or private hunting clubs and accessory structures.
10. Public or private rifle and pistol practice range, trap or skeet field, archery range or other similar use.
11. Public or private riding or hiking trails.
12. Removal of natural materials.
13. Disposal site for oil field wastes, provided that any such use shall be made only in accordance with the use permit and other permits issued by the County of Monterey and the California Regional Water Quality Board and such other governmental authority as may have jurisdiction over this use. "Wastes received (discharged) at the site have been, and will continue to be, limited to petroleum and oil field wastes, such as muds, oily water, tank bottom wastes, and brine waters."
14. Shall not be based on the compatible use provisions contained in Government Code Section 51238.1(c) (*Government Code Section 51296.7*).

WHEN RECORDED MAIL TO:

Clerk of the Board

168 W. Alisal St. 1st Floor

Monterey County Government Center

Salinas, CA93901

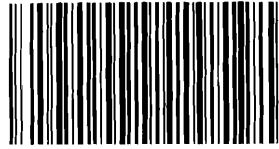
Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of

CRDAWN
12/18/2014
11:28:47

Filer

DOCUMENT: **2014063281**

Titles: 1/ Pages: 21



Fees..... 72.00

Taxes....

Other....

AMT PAID \$72.00

FARMLAND SECURITY ZONE CONTRACT

2015-004

FARMLAND SECURITY ZONE CONTRACT No. 2015-004

THIS CONTRACT is made and entered into as of the date opposite the respective signatures by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, hereinafter called "County" and **V.R. Walker Co., an Illinois Corporation, The Garland and Brenda Reiter Family Foundation and The J. Miles and Rosanne Reiter Family Foundation**, hereinafter called "Owner."

WITNESSETH:

WHEREAS, Owner possesses certain real property located within the County of Monterey, State of California, which is presently devoted to the production of food and fiber and is described in Exhibit A (hereafter, "the property") attached hereto and made a part hereof; and

WHEREAS, the legislature of the State of California has found and declared that it is desirable to expand options available to landowners for the preservation of agricultural land, and has enacted legislation for the establishment of farmland security zones; and

WHEREAS, Owner has expressly requested that County create a farmland security zone as to the property described in Exhibit A and simultaneous placement of the property under a new Farmland Security Zone and Contract (**No. 2015-004**) established by County Resolution (**No. 2014-349**); and

WHEREAS, both Owner and County desire to limit the use of the property to agricultural-and compatible uses; and

WHEREAS, the property is designated on the Important Farmland Series Maps pursuant to Government Code Section 65570, or predominantly prime agricultural land as defined in Government Code Section 51201(c); and

WHEREAS, the property is not enforceably restricted pursuant to the Open-Space Easement Act of 1974 (commencing with Government Code Section 51070); and

WHEREAS, the property is not located within a city's sphere of influence; or, in the alternative, the creation of the farmland security zone within the sphere of influence has been expressly approved by resolution by the city with jurisdiction within the sphere; and

NOW, THEREFORE, County and Owner agree as follows:

1. **CONTRACT SUBJECT TO CALIFORNIA LAND CONSERVATION ACT OF 1965, AS AMENDED**

This contract is entered into pursuant to Article 7. "Farmland Security Zones" (commencing with Section 51296) of Chapter 7, of Part 7 Of Division 1, of Title 5 of the Government Code, and Chapter

7 (commencing with Section 51200) of Part 1, Division 1, Title 5 of the Government Code, which is known as the California Land Conservation Act of 1965, or as the Williamson Act. This contract is subject to all of the provisions of this act including any amendments thereto which may be enacted from time to time.

2. APPLICABILITY

This contract shall only apply to property that is designated on the Important Farmland Series maps, prepared pursuant to Government Code Section 65570 as predominantly one or more of the following: (1) prime farmland; (2) farmland of statewide significance; (3) unique farmland; or, (4) farmland of local importance. If the property is in an area that is not designated on the Important Farmland Series maps, the property shall qualify if it is predominantly prime agricultural land as defined in subdivision (c) of Government Code Section 51201. (Government Code Section 51296.8). To the extent that any portion of the property is zoned or used inconsistently, with the provisions of this Contract, or the legislative purpose or intent for the creation of Farmland Security Zones, that portion of the property shall be excepted from, and shall not receive the benefits of this Contract.

3. RESTRICTION ON USE OF PROPERTY

During the term of this contract, and any and all renewals thereof, the property described in Exhibit A shall not be used by Owner, or Owner's successors in interest, for any purpose other than the production of food and fiber for commercial purposes and uses compatible thereto. A list of all such compatible uses is set forth in Exhibit B, attached hereto and by this reference incorporated herein. County, by uniform rule adopted by the Board of Supervisors of County, may from time to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the agricultural preserve in which the property in Exhibit A is located; provided, however, County may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit B. The provisions of this contract and any uniform rule supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of County.

Pursuant to Government Code Section 51296.7, during the term of this Contract, Owner shall not engage in, and County shall not approve any use of the property within the Farmland Security Zone, based on the compatible use provisions contained in Government Code Section 51238.1 (c).

4. PROPERTY TAX VALUATION AND SPECIAL TAXES

During the term of this contract, both of the following shall apply to property within the designated farmland security zone: (1) The land shall be eligible for property tax valuation pursuant to Section 423.4 of the Revenue and Taxation Code. (2) Notwithstanding any other provision of law, any special tax approved by the voters for urban-related services on or after January 1, 1999, on the property or any living improvement shall be levied at a reduced rate unless the tax directly benefits the land or the living improvements. (Government Code Section 51296.2).

5. RESTRICTION OF ANNEXATION AND EXCEPTIONS

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of (1985) (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of the property within the designated farmland security zone to a city. However, this provision shall not apply under any of the following circumstances: (1) If the farmland security zone is located within a designated, delineated area that has been approved by the voters as a limit for existing and future urban facilities, utilities, and services. (2) If annexation of a parcel or a portion of a parcel is necessary for the location of a public improvement, as defined in Section 51290.5, except as provided in provision 6. below. (3) If the landowner consents to the annexation. (Government Code Section 51296.3(c)).

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of land within the designated farmland security zone to a special district that provides sewers, nonagricultural water, or streets and roads, unless the facilities or services provided by the special district benefit land uses that are allowed under this contract and Owner consents to the change of organization or reorganization. (Government Code Section 51296.4).

6. RESTRICTION ON SCHOOL DISTRICT USE OR ACQUISITION

Notwithstanding Article 5 (commencing with Government Code Section 53090) of Chapter 1 of Division 2 of Title 5, a school district shall not render inapplicable a county zoning ordinance to use of the property by the school district (Government Code Section 51296.5).

Notwithstanding any provision of law, a school district shall not acquire the property, nor any portion of the property, within the designated farmland security zone. (Government Code Section 51296.6).

7. TERM OF CONTRACT

This contract shall become effective on the date opposite the respective signatures and shall be recorded on or before the 31st day of December, in order to meet the January 1 property tax lien date and, shall remain in full force and effect for an initial term of twenty years. The initial term of twenty years shall be measured commencing as of the first day of January next succeeding the date of execution. Each succeeding first day of January shall be deemed to be the annual renewal date of this contract. This contract shall be automatically renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in paragraph 12.

8. NO COMPENSATION

Owner shall not receive any payment from County in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein.

9. SUCCESSORS IN INTEREST

This contract and the restrictions imposed hereunder shall run with the property described in Exhibit A and shall be binding upon the heirs, executors, administrators, trustees, successors, and assigns of Owner. This contract shall also be transferred from County to any succeeding city or county acquiring jurisdiction over the property described in Exhibit A. On the completion of annexation proceedings by a city, that city shall succeed to all rights, duties and powers of the County under this contract for that portion of the property described in Exhibit A annexed to the city.

Nonetheless, each new Owner who succeeds to ownership of the aforesaid property shall be obliged to execute a new contract identical to or more restrictive than this contract in order to perfect his rights under the Land Conservation Act.

10. DIVISION OF LAND

The property described in Exhibit A shall not be divided without the written approval of the County first had and obtained. This contract is divisible in the event the property described in Exhibit A is divided. Owner agrees to submit any proposed division to County for its approval and County, if it approves said division, shall, as a condition of its approval of the division, require the execution by Owner of a contract identical to this contract on each parcel created by the division. Owner agrees to execute such contract or contracts, as necessary. The division of land under contract within an agricultural preserve will not be approved unless it can be reasonably established that there will be no loss in the production of food and fibre within the agricultural preserve from said division.

11. EMINENT DOMAIN OR OTHER ACQUISITION.

(a) All of the provisions of Article 6 (commencing with Government Code Section 51290) shall apply to farmland security zone contracts created pursuant to Article 7 except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51297.1). When any action in eminent domain for the condemnation of the fee title of any land described in Exhibit A is filed or when such land is acquired in lieu of eminent domain for a public improvement, as defined in Government Code Section 51290.5, by a public agency or person, or whenever there is any such action or acquisition by the federal government, or any person, instrumentality or agency acting under authority or power of the federal government, this contract becomes null and void as to the land actually being condemned or so acquired as of the date the action is filed or so acquired.

(b) Eminent domain or other acquisition proceedings shall be governed by the provisions of Article 6 (commencing with Government Code Section 51290 et seq) except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51297.1). Notice of intent to consider land in agricultural preserve pursuant to this contract for condemnation or acquisition, shall be provided by the public agency, or person, or authorized agent, to the Director of Conservation and to the local governing body responsible for the administration of the preserve in accordance with Government Code Sections 51291 and 51291.5. The Director of Conservation shall provide a copy of any material received from the public agency, or person, or authorized agent, relating to the proposed acquisition, to the Secretary of Food and Agriculture in accordance with Government Code Section 51291(b). When land in an agricultural preserve pursuant to this contract is acquired by a public agency, the public agency shall notify the Director of Conservation within 10 working days in accordance with Government Code Section 51291(c).

(c) If after giving notice required under Government Code Sections 51291 (b) and 51291 (c) and before the project is completed within the preserve, the public agency, person or agent proposes any significant change in the public improvement, it shall give notice of the changes to the Director and the local governing body responsible for administration of the preserve. Within 30 days thereafter, the Director or local governing body may forward to the public agency, person or agent their comments with respect to the effect of the change to the public improvement and the compliance of the changed public improvement with Article 6. Any action or proceeding regarding notices or findings required by Article 6 filed by the Director of Conservation or local governing body administering the preserve shall be governed by Government Code Section 51294 (Government Code Section 51291(e)).

12. NOTICE OF NONRENEWAL

(a) Nonrenewal of a farmland security zone contract shall be pursuant to Article 3, (commencing with Government Code Section 51240), except as otherwise provided in Article 7, (commencing with Government Code Section 51296) pursuant to Government Code Section 51296.9.

(b) If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal pursuant to Government Code Section 51245 upon the other party in advance of the annual renewal date of this contract. Unless such written notice of NONRENEWAL is served by Owner at least 90 days prior to the renewal date, or by County at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in paragraph 7 above.

(c) If either party serves written notice of nonrenewal in any year within the time limits of (b) above, this contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

13. LIABILITY UPON NOTICE OF NONRENEWAL

Pursuant to Revenue and Taxation Code Section 426, as may be amended from time to time, notwithstanding any provision of Revenue and Taxation Code Section 423 to the contrary, if either the County, or the Owner of the property subject to this Contract, has served Notice of Nonrenewal as

provided in Section 51091, 51245, and 51296.9 of the Government Code, the County Assessor shall, unless the parties shall have subsequently rescinded the Contract pursuant to Government Code Section 51245 or 51255, value the property as provided herein.

(a) If Owner serves Notice of Nonrenewal, or the County serves Notice of Nonrenewal and the Owner fails to protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) below, shall apply immediately. If the County serves Notice of Nonrenewal and the Owner does protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) shall apply when less than six years remain until the termination of the period for which the property is enforceably restricted.

(b) Where any of the conditions in subdivision (a) apply, the Board or Assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the value of the property pursuant to Section 110.1 of the Revenue and Taxation Code. If the property is not subject to Section 110.1 of the Revenue Code when the restriction expires, the value shall be determined pursuant to Section 110 of the Revenue and Taxation Code as if it were free of contractual restriction. If the property will be subject to a use for which the Revenue and Taxation Code provides a special restricted assessment, the value shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by capitalization of income as provided in Section 423 and without regard to the existence of any of the conditions in subdivision (a).

(3) Subtract the value determined in paragraph (2) of subdivision (b) by capitalization of income from the full cash value determined in paragraph (1) of subdivision (b).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 423, discount the amount obtained in paragraph (3) of subdivision (b) for the number of years remaining until the termination of the Contract.

(5) Determine the value of the property by adding the value determined by capitalization of income as provided in paragraph (2) of subdivision (b) and the value obtained in paragraph (4) of subdivision (b).

(6) Apply the ratio prescribed in Revenue and Taxation Code Section 401 to the value of the land determined in paragraph (5) of subdivision (b) to obtain its assessed value.

14. TERMINATION OF FARMLAND SECURITY ZONE DESIGNATION

Upon termination of the farmland security contract, the farmland security zone designation for the property shall simultaneously be terminated (Government Code Section 51296.1.(e)).

15. CANCELLATION

A petition for cancellation of this contract may only be filed by the property owner/s. The Board may grant a petition only in accordance with the procedures provided in Article 5 (commencing with Section 51280) if both of the findings of Government Code Section 51282(a)(1&2) are made and only if all of the requirements of Government Code Section 51297 are met. It is understood by the parties hereto that the existence of an opportunity for another use of the property shall not be sufficient reason for the cancellation of this contract. A potential alternative use of the property may be considered only if there is no proximate non-contracted land suitable for the use to which it is proposed that this property be put. The parties further understand that the uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation of this contract, but may be considered only if there is no other reasonable or comparable agricultural use to which the land may be put.

(a) Upon the written request of Owner to cancel this contract, the Board of Supervisors of the County of Monterey may by resolution, grant a petition in accordance with the procedures provided in Article 5 (commencing with Government Code Section 51280), and only if all of the requirements pursuant to Government Code Sections 51282 and 51297 are met. Prior to the adoption of a resolution consenting to the request of the landowner to cancel this contract, the Board of Supervisors of County shall hold a public hearing on the matter. Notice of the hearing shall be mailed to each and every owner of property under contract within the agricultural preserve in which the property described in Exhibit A is located, and shall be published pursuant to Government Code Section 6061. In addition, at least 10 working days prior to the hearing, a notice of hearing and a copy of the landowner's petition shall be mailed to the Director of Conservation pursuant to Government Code Section 51284. At the hearing, or prior thereto, the owner of any property in which this agricultural preserve is situated may protest such cancellation to the Board of Supervisors.

(b) The Board of Supervisors may by resolution, grant a petition by the Owner/s to cancel this contract only if the Board makes both of the findings specified in Government Code Sections 51282 (a)(1) and 51282 (a)(2) and finds based on substantial evidence in the record that (1) The cancellation is consistent with the purposes of the California Land Conservation Act of 1965 as amended (Government Code Section 51282(a)(1)) and, (2) the cancellation is in the public interest (Government Code Section 51282(a)(2)) and, only if all of the following requirements are met pursuant to Government Code Section 51297:

(i) That no beneficial public purpose would be served by the continuation of the contract.

(ii) That the uneconomic nature of the agricultural use is primarily attributable to circumstances beyond the control of the landowner and the local government.

(iii) That the landowner has paid a cancellation fee equal to 25 percent of the cancellation valuation calculated in accordance with subdivision (b) of Section 51283.

(iv) The Director of Conservation approves the cancellation. The director may approve the cancellation after reviewing the record of the tentative cancellation provided by the city or county, only if he or she finds both of the following:

(A) That there is substantial evidence in the record supporting the decision.

(B) That no beneficial public purpose would be served by the continuation of the

contract.

(v) A finding that no authorized use may be made of a remnant contract parcel of five acres or less left by public acquisition pursuant to Government Code Section 51295, may be substituted for the finding in Government Code Section 51282 (a).

16. LIABILITY OF OWNER UPON CANCELLATION

(a) Prior to any action by the Board of Supervisors giving tentative approval to the cancellation of this contract, the County Assessor shall, pursuant to Revenue and Taxation Code Section 401, determine the full cash value of the land as though it were free of the contractual restrictions imposed by this contract. The Assessor shall certify to the Board of Supervisors the cancellation valuation of the land for the purpose of determining the cancellation fee.

(b) The Board of Supervisors shall thereafter and prior to giving tentative approval to the cancellation of this contract determine and certify to the County Auditor the amount of the cancellation fee which the Owner must pay the County Treasurer as deferred taxes upon cancellation. That fee shall be an amount equal to 25% percent of the cancellation valuation of the property, calculated in accordance with Government Code 51283(b) (Government Code Section 51297).

(c) If the Board of Supervisors recommends that it is in the public interest to do so, and the Secretary of the Resources Agency so finds, the Board may waive any such payment or any portion thereof, or may make such payment or portion thereof, or may extend the time for making the payment or a portion of the payment contingent upon the future use made of the property and its economic return to Owner for a period of time not to exceed the unexpired term of the contract had it not been canceled, provided: (1) the cancellation is caused by an involuntary transfer or change in the use which may be made of the property and the property is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to Owner; and (2) the Board of Supervisors has determined it is in the best interests of the program to conserve agricultural land use that such payment be either deferred or is not required; and (3) the waiver or extension of time is approved by the Secretary of the Resources Agency pursuant to Government Code Section 51283.

(d) Owner shall make payment of the cancellation fee in full prior to the cancellation becoming effective.

17. NOTICES

All notices required or permitted by this contract shall be given in writing and may be mailed or delivered in person. If mailed, the address of Owner shall be the last known address on the assessment records of County, and County's address shall be In Care of Clerk of the Board of Supervisors,

Government Center, 168 W. Alisal Street, First Floor, Salinas, California 93901, and deposit in the mail, postage prepaid, shall be deemed receipt thereof.

18. COSTS OF LITIGATION

In case County shall, without any fault on its part, be made a party to any litigation commenced by or against Owner, then Owner shall and will pay all costs and reasonable attorneys fees incurred by or imposed upon County by or in connection with such litigation, and Owner shall and will pay all costs and reasonable attorneys fees which may be incurred or paid by County in enforcing the covenants and agreements of this contract.

19. ENFORCEMENT

In the event of breach of this contract, including but not limited to: (1) incompatible use, or (2) failure of successors in interest to sign a contract similar to this one, or (3) failure to obtain the approval of the Board of Supervisors for a division of the land under contract, all the affected property under contract shall be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1.

However, such reassessment for the period encompassed by the breach shall not terminate the contract. Reassessment shall be in addition to the other remedies available to the County including, but not limited to, an action to enforce the contract by specific enforcement or injunction under Government Code Section 51251.

If incompatible uses during the period of breach have diminished the ability of the property to contribute to the production of food and fibre on the lien date, the property shall be reassessed at full cash value, and the Farmland Security Zone designation shall be terminated.

The period of breach is the period commencing upon breach as set forth above, and ending upon cure of the breach. If the lien or assessment date falls within the period of the breach, all the property under this contract will be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1, or as otherwise provided in provisions 13. or 16. above, as applicable as determined by the County Assessor, consistent with the provisions of the Revenue and Taxation Code, as may be amended from time to time.

IN WITNESS WHEREOF the parties have caused this contract to be executed by Owner on the date affixed next to the signature of each, and by County on the date affixed next to the signature of the chairperson of the Board of Supervisors.

COUNTY OF MONTEREY

Dated: 12-8-14

By: Louis R. Calcagno
Louis R. Calcagno
Chair, Board of Supervisors

ACKNOWLEDGMENT

State of California)

County of Monterey)

On December 8, 2014, before me Denise Hancock, Deputy, Clerk of the Board of Supervisors, personally appeared Louis R. Calcagno, 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.

GAIL T. BORKOWSKI
Clerk of the Board of Supervisors of
Monterey County, State of California

By Denise Hancock, for

[COUNTY SEAL]:

Legal Reference for Acknowledgment by County Official:
Civil Code Sections 1181, 1184, 1185, 1188, 1189
Code of Civil Procedure Section 2012

OWNER/S:

**V.R. Walker Co., an Illinois Corporation, The
Garland and Brenda Reiter Family Foundation and
The J. Miles and Rosanne Reiter Family Foundation**

Dated: 11 Dec 2014

V.R. Walker Co., an Illinois Corporation



AND

(Signature)

VAUGHN R WALKER

(Print/Type Name of Signatory)

Its: PRESIDENT

President, Vice President, Chair of the Board, CFO

Dated: 11 Dec 2014



AND

(Signature)

VAUGHN R WALKER

(Print/Type Name of Signatory)

Its: TREASURER

*Secretary, Assistant Secretary, Treasurer, Assistant
Treasurer*

The Garland and Brenda Reiter Family Foundation

Dated: _____

_____, AND

Garland Reiter, Director

The J. Miles and Rosanne Reiter Family Foundation

Dated: _____

_____, OWNERS.

J. Miles Rieter, Director

STATE OF CALIFORNIA
COUNTY OF ~~MONTEREY~~ SAN FRANCISCO

On DEC. 11, 2014, before me, F.W. MAKINNEY, Notary Public, personally appeared Vaughn R. Walker, 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/ 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.

F.W. Makinney
Notary Public

[SEAL]



STATE OF CALIFORNIA
COUNTY OF MONTEREY

On _____, 2014, before me, _____, Notary Public, personally appeared _____, 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/ 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.

Notary Public

[SEAL]

OWNER/S:

**V.R. Walker Co., an Illinois Corporation, The
Garland and Brenda Reiter Family Foundation and
The J. Miles and Rosanne Reiter Family Foundation**

V.R. Walker Co., an Illinois Corporation

Dated: _____

_____, AND

(Signature)

(Print/Type Name of Signatory)

Its: _____
President, Vice President, Chair of the Board, CFO

Dated: _____

_____, AND

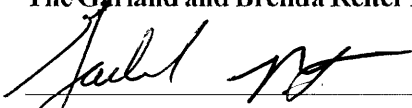
(Signature)

(Print/Type Name of Signatory)

Its: _____
*Secretary, Assistant Secretary, Treasurer, Assistant
Treasurer*

The Garland and Brenda Reiter Family Foundation

Dated: November 26, 2014

 _____, AND
Garland Reiter, Director
*AKA Garland S. Reiter
8 Bone Pennick*

The J. Miles and Rosanne Reiter Family Foundation

Dated: _____

_____, OWNERS.

J. Miles Rieter, Director

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Santa Barbara }

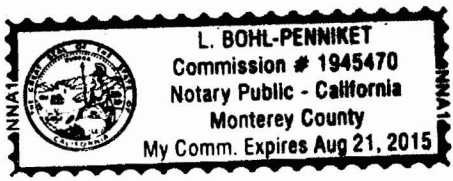
On November 26, 2014 before me, L. Bohl-Penniket Notary Public

Date Here Insert Name and Title of the Officer

personally appeared Garland S. Reiter

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: L. Bohl Penniket

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: Farmland Security Zone Contract

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Individual Partner — Limited General Individual Partner — Limited General

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

OWNER/S:

**V.R. Walker Co., an Illinois Corporation, The
Garland and Brenda Reiter Family Foundation and
The J. Miles and Rosanne Reiter Family Foundation**

V.R. Walker Co., an Illinois Corporation

Dated: _____

_____, AND
(Signature)

(Print/Type Name of Signatory)

Its: _____
President, Vice President, Chair of the Board, CFO

Dated: _____

_____, AND
(Signature)

(Print/Type Name of Signatory)

Its: _____
*Secretary, Assistant Secretary, Treasurer, Assistant
Treasurer*

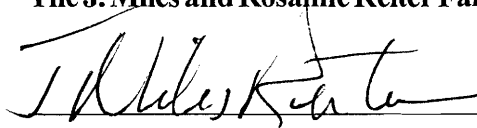
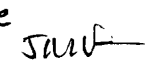
The Garland and Brenda Reiter Family Foundation

Dated: _____

_____, AND
Garland Reiter, Director

The J. Miles and Rosanne Reiter Family Foundation

Dated: 11/24/14

 _____, OWNERS.
J. Miles ~~Reiter~~, Director
REITER


STATE OF CALIFORNIA

COUNTY OF MONTEREY

On November 24, 2014, before me, L. Bohl-Penniket, Notary Public, personally appeared J. Miles Reiter, 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/ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

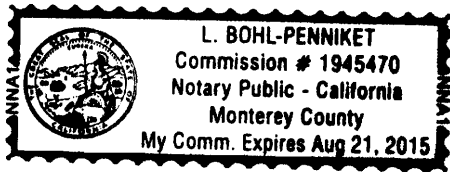
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

L. Bohl-Penniket

Notary Public

[SEAL]



STATE OF CALIFORNIA

COUNTY OF MONTEREY

On _____, 2014, before me, _____, Notary Public, personally appeared _____, 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/ 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.

Notary Public

[SEAL]

Kalich

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Monterey Unincorporated and described as follows:

A portion of Rancho Vega del Rio del Pajaro, beginning on the Northerly side of the county road known as Watsonville-San Juan Road, and at the Southwestern corner of the lands, now or formerly, of Phoebe Hoyt, and running thence along the Westerly line of the lands of Hoyt, N. 3 degrees 45' E., to the Southeast corner of lands conveyed by Daniel P. Regan, et al, to Thomas Sullivan; and running thence Northwesterly along the Southerly line of said lands, now or formerly of Sullivan, to the line of lands now or formerly of Dorothea Schmidt, and the Southwest corner of said lands so conveyed to Thomas Sullivan; running thence along the Southerly line of said lands of Dorothea Schmidt, S. 82 degrees 48' W., to the Northwest corner of lands of Mary P. Fitzgerald, thence along the Westerly line of the lands of Mary P. Fitzgerald, S. 00 degrees 42' E., to the Southerly line of said Watsonville-San Juan Road and being the Southwesterly corner of said lands of Mary P. Fitzgerald; and running thence along the Northerly line of said Watsonville-San Juan Road, S. 67 degrees 22' E., 41.50 chains, more or less, to the place of beginning.

EXCEPTING THEREFROM any portion out the limits of Monterey County.

ALSO EXCEPTING all that portion conveyed to Thomas B. Porter by Deed recorded February 3, 1950 in Volume 1191, Official Records, Page 32.

APN: 267-011-006

APN: 267-011-006
(End of Legal Description)

EXHIBIT A
PAGE 1 OF 3 PAGES

Hoyt

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Monterey Unincorporated and described as follows:

PARCEL I:

Situate in the County of Monterey, State of California, and being part of the Rancho Vega del Rio del Pajaro, and being also a part of Lot 1 as said lot is shown on the map entitled "Part of the Rancho Bolsa de San Cayetano, Hazen Hoyt to His Children", filed for record May 19, 1898 in volume 1 of Surveys at page 58, Monterey County Records, and being more particularly bounded and described as follows, to-wit:

BEGINNING on the centerline of the San Juan-Watsonville Road, at the Southeasterly corner of said Lot 1, thence from said point of beginning and running along the Easterly boundary of Lot 1 this line being shown of record as North 4 degrees 5' East, North 4 degrees 19' 30" East 1615.85 feet to the middle of the Pajaro River; thence running along the middle of said river and the Southerly boundary of the lands conveyed to May B. Hoyt to Monterey County Flood Control District, by deed dated November 22, 1948 and recorded March 7, 1949 in Volume 1123 at Page 195 Official Records, Monterey County, North 86 degrees 47' 20" West 344.46 feet to a station on the Westerly boundary of said Lot 1; thence leaving said river and running along the Easterly boundary of the lands conveyed by Mitchell L. Kalich to Rose Kalich, et al, by Deed dated May 9, 1938 and recorded May 20, 1938 in Volume 574 at Page 108 Official Records, Monterey County, this line being shown of record as South 4 degrees 5' West, South 4 degrees 19' 30" West, at 162.05 feet a 4" X 4" stake online, a total distance of 1133.13 feet to a 3/4" pipe set at the Northwesterly corner of the lands conveyed by May B. Hoyt to Sylvester Cole by Deed dated June 21, 1944 and recorded June 27, 1944 in Volume 830 at page 406 Official Records, Monterey County; thence leaving said lot line and running along the Northerly and Easterly boundaries of the lands of Cole, South 84 degrees 24' 30" East 159.00 feet to a 3/4" pipe; thence South 10 degrees 58' 30" West 435.37 feet to a spike set in the centerline of said San Juan-Watsonville Road; thence leaving said lands of Cole and running along the centerline of said road, South 76 degrees 00' East 239.00 feet to the point of beginning and containing 11.198 acres of which 1.273 acres are in the River Bottom, and 0.18 1 acres are in San Juan Road leaving a net acreage of 9.744 acres flat land more or less.

PARCEL II:

Situate in the County of Monterey, State of California, and being a part of the Rancho Vega del Rio del Pajaro, and being also apart of Lot 1 as said lot is shown on the map entitled, "Part of the Rancho Bolsa de San Catetano, Hazen Hoyt to His Children", filed for record May 19, 1898 on Volume I of Surveys at page 58, Monterey County Records, and being more particularly bounded and described as follows, to-wit:

BEGINNING at the Southeasterly corner of said Lot 2, on the center line of the Watsonville-San Juan Road, from which a 3/4" pipe bears North 4 degrees 19' 30" East 33.48 feet distant; thence from said point of beginning and running along the Westerly boundary of Lot 3 of said lands of Hoyt, this line being shown of record as North 4 degrees 05' East, North 4 degrees 19' 30" East at 1414.77 feet a 3/4" pipe set online, a total distance of 1717.16 feet to the middle of the Pajaro River and the Southeasterly corner of the lands conveyed by Carillie Hoyt to Thomas B. Porter et al by Deed dated October 16, 1946 and recorded October 22, 1946 in Volume 934 at page 214 Official Records of Monterey County; thence running along the Southerly boundary of said lands of Porter, South 75 degrees 48' west 121.22 feet to a station; thence North 86 degrees 16' West 230.10 to a station on the boundary line between said Lots 1 and 2 of the lands of Hoyt; thence leaving said lands of Porter and running along the boundary common to Lots 1 and 2, this line being shown of record as South 4 degrees 05' West, South 4 degrees 19' 30' West 1615.85 feet to a station on the centerline of said Watsonville-San Juan Road; thence running along the centerline of said road, South 76 degrees 00' East 55.11 feet to a station, from which a 3/4" pipe bears North 13 degrees 16' East 33.00 feet distant; thence leaving said road line and running North 13 degrees 16' east 179.30 feet to a 3/4" pipe; thence North 76 degrees 16' East 38.02 feet to a 3/4" pipe;

EXHIBIT A
PAGE 2 OF 3 PAGES

thence South 78 degrees 36' East 37.43 feet to a 3/4" pipe; thence South 4 degrees 10' West 76.07 feet to a 3/4" pipe; thence South 15 degrees 10' West 123.67 feet to a station on the centerline of said Watsonville-San Juan Road, from which a 3/4" pipe bears North 15 degrees 10' East 33.01 feet distant; thence running along the centerline of said Watsonville-San Juan Road, South 76 degrees 00" East 214.87 feet to the point of beginning and containing 12.7 19 acres of which 1.435 acres are contained in the River Bed, 0.204 acres are in said San Juan Road, leaving a net flat acreage of 11.080 acres more or less.

PARCEL III:

BEING a part of the Rancho Vega del Río del Pajaro, and being also a part of lot 1 as said lot is shown on the map entitled, "Part of the Rancho Bolsa de San Cayetano, Hazen Hoyt to His Children", filed for record May 19, 1898 in Volume I of Surveys at page 58 Monterey County Records, and being more particularly bounded and described as follows, to-wit:

BEGINNING at a 3/4" pipe set on the Westerly boundary of said Lot 1, from which the Southwesterly corner thereof in San Juan Road bears South 4 degrees 19' 30" West 217.33 feet distant, thence from said point of beginning and running along the Westerly boundary of said Lot 1, this line being shown of record as North 4 degrees 5' East, N. 4 degrees 19' 30" East 200.02 feet to a 3/4" pipe set at the Northwesterly corner of the lands conveyed by May B. Hoyt to Sylvester N. Cole, by Deed dated June 21, 1944 and recorded June 27, 1944 in Volume 830 at page 406, Official Records, Monterey County; thence leaving the Westerly boundary of said Lot 1, and running along the Northerly and Easterly boundaries of said lands of Cole, South 84 degrees 24' 30" East 159.00 feet to a 3/4" pipe; thence South 10 degrees 58' 30" West 435.37 feet to a spike set on the centerline of San Juan Road; thence running along the centerline of said road, North 76 degrees 00' West 26.96 feet to a station, from which a 3/4" pipe bears North 4 degrees 19' 30" East 34.51 feet distant; thence leaving said road and running North 4 degrees 19' 30" East 331.31 feet to a 3/4" pipe; thence North 85 degrees 40' 30" West, 82.00 feet to the point of beginning.

PARCEL IV:

BEING a part of the Rancho Vega del Río del Pajaro.

BEGINNING in the center of the Watsonville and San Juan Road and at the southeast corner of lands of Hoyt Estate a 6" X 6" redwood post marked "W" bears North 3 degrees 05' East 30-1/2 links distant and running thence along the boundary of said land of said Hoyt Estate North 3 degrees 05' East 2.885 chains; thence leave said Hoyt Estate and South 77 degrees 06' East 88-1/2 links; thence South 3 degrees 05' West 2.885 chains to the center of the aforesaid Watsonville and San Juan Road and thence along the centerline thereof north 77 degrees 06' West 88-1/2 links to the place of beginning and containing 1/4 acre of land.

Courses true magnetic variation being 16 1/4 degrees East.

APN: 267-021-012
(End of Legal Description)

EXHIBIT A
PAGE 3 OF 3 PAGES

EXHIBIT B

FARMLAND SECURITY ZONE - COMPATIBLE USES

The following is a list of land uses determined to be compatible with the agricultural use of the land subject to this agreement and planning and zoning restrictions:

1. The drying, packing or other processing of an agricultural commodity usually performed on the premises where it is produced.
2. Structures necessary and incidental to the agricultural use of the land.
3. Single family dwellings incidental to the agricultural use of the land for the residence of the owner, and the family of the owner. Single family dwellings incidental to the agricultural use of the land for the residence of the lessee of the land and the family of the lessee.
4. Dwelling for persons employed by owner or lessee and the family of employee or lessee incidental to the agricultural use of the land.
5. An aircraft landing strip incidental to the agricultural use of the land.
6. The erection, construction, alteration or maintenance of gas, electric, water or communication utility facilities.
7. The erection, construction, alteration or maintenance of radio, television or microwave antennas, transmitters and related facilities.
8. Public or private hunting of wildlife or fishing.
9. Public or private hunting clubs and accessory structures.
10. Public or private rifle and pistol practice range, trap or skeet field, archery range or other similar use.
11. Public or private riding or hiking trails.
12. Removal of natural materials.
13. Disposal site for oil field wastes, provided that any such use shall be made only in accordance with the use permit and other permits issued by the County of Monterey and the California Regional Water Quality Board and such other governmental authority as may have jurisdiction over this use. "Wastes received (discharged) at the site have been, and will continue to be, limited to petroleum and oil field wastes, such as muds, oily water, tank bottom wastes, and brine waters."
14. Shall not be based on the compatible use provisions contained in Government Code Section 51238.1(c) (*Government Code Section 51296.7*).

WHEN RECORDED MAIL TO:

Clerk of the Board

168 W. Alisal St. 1st Floor

Monterey County Government Center

Salinas, CA93901

Stephen L. Vagnini
Monterey County Recorder

Recorded at the request of

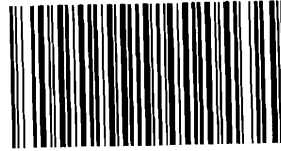
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CRDAWN

12/17/2014

13:51:31

DOCUMENT: **2014063121**



Titles: 1/ Pages: 15

Fees.... 54.00

Taxes...

Other...

AMT PAID 54.00

FARMLAND SECURITY ZONE CONTRACT

2015-005

FARMLAND SECURITY ZONE CONTRACT No. 2015-005

THIS CONTRACT is made and entered into as of the date opposite the respective signatures by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, hereinafter called "County" and **High Lemons Limited Partnersip, a California Limited Partnership**, hereinafter called "Owner."

WITNESSETH:

WHEREAS, Owner possesses certain real property located within the County of Monterey, State of California, which is presently devoted to the production of food and fiber and is described in Exhibit A (hereafter, "the property") attached hereto and made a part hereof; and

WHEREAS, the legislature of the State of California has found and declared that it is desirable to expand options available to landowners for the preservation of agricultural land, and has enacted legislation for the establishment of farmland security zones; and

WHEREAS, Owner has expressly requested that County create a farmland security zone as to the property described in Exhibit A and simultaneous placement of the property under a new Farmland Security Zone and Contract (**No. 2015-005**) established by County Resolution (**No. 2014- 341**); and

WHEREAS, both Owner and County desire to limit the use of the property to agricultural and compatible uses; and

WHEREAS, the property is designated on the Important Farmland Series Maps pursuant to Government Code Section 65570, or predominantly prime agricultural land as defined in Government Code Section 51201(c); and

WHEREAS, the property is not enforceably restricted pursuant to the Open-Space Easement Act of 1974 (commencing with Government Code Section 51070); and

WHEREAS, the property is not located within a city's sphere of influence; or, in the alternative, the creation of the farmland security zone within the sphere of influence has been expressly approved by resolution by the city with jurisdiction within the sphere; and

NOW, THEREFORE, County and Owner agree as follows:

1. **CONTRACT SUBJECT TO CALIFORNIA LAND CONSERVATION ACT OF 1965, AS AMENDED**

This contract is entered into pursuant to Article 7. "Farmland Security Zones" (commencing with Section 51296) of Chapter 7, of Part 7 Of Division 1, of Title 5 of the Government Code, and Chapter 7 (commencing with Section 51200) of Part 1, Division 1, Title 5 of the Government Code, which is known as the California Land Conservation Act of 1965, or as the Williamson Act. This contract is

subject to all of the provisions of this act including any amendments thereto which may be enacted from time to time.

2. APPLICABILITY

This contract shall only apply to property that is designated on the Important Farmland Series maps, prepared pursuant to Government Code Section 65570 as predominantly one or more of the following: (1) prime farmland; (2) farmland of statewide significance; (3) unique farmland; or, (4) farmland of local importance. If the property is in an area that is not designated on the Important Farmland Series maps, the property shall qualify if it is predominantly prime agricultural land as defined in subdivision (c) of Government Code Section 51201. (Government Code Section 51296.8). To the extent that any portion of the property is zoned or used inconsistently, with the provisions of this Contract, or the legislative purpose or intent for the creation of Farmland Security Zones, that portion of the property shall be excepted from, and shall not receive the benefits of this Contract.

3. RESTRICTION ON USE OF PROPERTY

During the term of this contract, and any and all renewals thereof, the property described in Exhibit A shall not be used by Owner, or Owner's successors in interest, for any purpose other than the production of food and fiber for commercial purposes and uses compatible thereto. A list of all such compatible uses is set forth in Exhibit B, attached hereto and by this reference incorporated herein. County, by uniform rule adopted by the Board of Supervisors of County, may from time to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the agricultural preserve in which the property in Exhibit A is located; provided, however, County may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit B. The provisions of this contract and any uniform rule supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of County.

Pursuant to Government Code Section 51296.7, during the term of this Contract, Owner shall not engage in, and County shall not approve any use of the property within the Farmland Security Zone, based on the compatible use provisions contained in Government Code Section 51238.1 (c).

4. PROPERTY TAX VALUATION AND SPECIAL TAXES

During the term of this contract, both of the following shall apply to property within the designated farmland security zone: (1) The land shall be eligible for property tax valuation pursuant to Section 423.4 of the Revenue and Taxation Code. (2) Notwithstanding any other provision of law, any special tax approved by the voters for urban-related services on or after January 1, 1999, on the property or any living improvement shall be levied at a reduced rate unless the tax directly benefits the land or the living improvements. (Government Code Section 51296.2).

5. RESTRICTION OF ANNEXATION AND EXCEPTIONS

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of (1985) (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of the property within the designated farmland security zone to a city. However, this provision shall not apply under any of the following circumstances: (1) If the farmland security zone is located within a designated, delineated area that has been approved by the voters as a limit for existing and future urban facilities, utilities, and services. (2) If annexation of a parcel or a portion of a parcel is necessary for the location of a public improvement, as defined in Section 51290.5, except as provided in provision 6. below. (3) If the landowner consents to the annexation. (Government Code Section 51296.3(c)).

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of land within the designated farmland security zone to a special district that provides sewers, nonagricultural water, or streets and roads, unless the facilities or services provided by the special district benefit land uses that are allowed under this contract and Owner consents to the change of organization or reorganization. (Government Code Section 51296.4).

6. RESTRICTION ON SCHOOL DISTRICT USE OR ACQUISITION

Notwithstanding Article 5 (commencing with Government Code Section 53090) of Chapter 1 of Division 2 of Title 5, a school district shall not render inapplicable a county zoning ordinance to use of the property by the school district (Government Code Section 51296.5).

Notwithstanding any provision of law, a school district shall not acquire the property, nor any portion of the property, within the designated farmland security zone. (Government Code Section 51296.6).

7. TERM OF CONTRACT

This contract shall become effective on the date opposite the respective signatures and shall be recorded on or before the 31st day of December, in order to meet the January 1 property tax lien date and, shall remain in full force and effect for an initial term of twenty years. The initial term of twenty years shall be measured commencing as of the first day of January next succeeding the date of execution. Each succeeding first day of January shall be deemed to be the annual renewal date of this contract. This contract shall be automatically renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in paragraph 12.

8. NO COMPENSATION

Owner shall not receive any payment from County in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein.

9. SUCCESSORS IN INTEREST

This contract and the restrictions imposed hereunder shall run with the property described in Exhibit A and shall be binding upon the heirs, executors, administrators, trustees, successors, and assigns of Owner. This contract shall also be transferred from County to any succeeding city or county acquiring jurisdiction over the property described in Exhibit A. On the completion of annexation proceedings by a city, that city shall succeed to all rights, duties and powers of the County under this contract for that portion of the property described in Exhibit A annexed to the city.

Nonetheless, each new Owner who succeeds to ownership of the aforesaid property shall be obliged to execute a new contract identical to or more restrictive than this contract in order to perfect his rights under the Land Conservation Act.

10. DIVISION OF LAND

The property described in Exhibit A shall not be divided without the written approval of the County first had and obtained. This contract is divisible in the event the property described in Exhibit A is divided. Owner agrees to submit any proposed division to County for its approval and County, if it approves said division, shall, as a condition of its approval of the division, require the execution by Owner of a contract identical to this contract on each parcel created by the division. Owner agrees to execute such contract or contracts, as necessary. The division of land under contract within an agricultural preserve will not be approved unless it can be reasonably established that there will be no loss in the production of food and fibre within the agricultural preserve from said division.

11. EMINENT DOMAIN OR OTHER ACQUISITION.

(a) All of the provisions of Article 6 (commencing with Government Code Section 51290) shall apply to farmland security zone contracts created pursuant to Article 7 except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51297.1). When any action in eminent domain for the condemnation of the fee title of any land described in Exhibit A is filed or when such land is acquired in lieu of eminent domain for a public improvement, as defined in Government Code Section 51290.5, by a public agency or person, or whenever there is any such action or acquisition by the federal government, or any person, instrumentality or agency acting under authority or power of the federal government, this contract becomes null and void as to the land actually being condemned or so acquired as of the date the action is filed or so acquired.

(b) Eminent domain or other acquisition proceedings shall be governed by the provisions

of Article 6 (commencing with Government Code Section 51290 et seq) except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51297.1). Notice of intent to consider land in agricultural preserve pursuant to this contract for condemnation or acquisition, shall be provided by the public agency, or person, or authorized agent, to the Director of Conservation and to the local governing body responsible for the administration of the preserve in accordance with Government Code Sections 51291 and 51291.5. The Director of Conservation shall provide a copy of any material received from the public agency, or person, or authorized agent, relating to the proposed acquisition, to the Secretary of Food and Agriculture in accordance with Government Code Section 51291(b). When land in an agricultural preserve pursuant to this contract is acquired by a public agency, the public agency shall notify the Director of Conservation within 10 working days in accordance with Government Code Section 51291(c).

(c) If after giving notice required under Government Code Sections 51291 (b) and 51291 (c) and before the project is completed within the preserve, the public agency, person or agent proposes any significant change in the public improvement, it shall give notice of the changes to the Director and the local governing body responsible for administration of the preserve. Within 30 days thereafter, the Director or local governing body may forward to the public agency, person or agent their comments with respect to the effect of the change to the public improvement and the compliance of the changed public improvement with Article 6. Any action or proceeding regarding notices or findings required by Article 6 filed by the Director of Conservation or local governing body administering the preserve shall be governed by Government Code Section 51294 (Government Code Section 51291(e)).

12. NOTICE OF NONRENEWAL

(a) Nonrenewal of a farmland security zone contract shall be pursuant to Article 3, (commencing with Government Code Section 51240), except as otherwise provided in Article 7, (commencing with Government Code Section 51296) pursuant to Government Code Section 51296.9.

(b) If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal pursuant to Government Code Section 51245 upon the other party in advance of the annual renewal date of this contract. Unless such written notice of NONRENEWAL is served by Owner at least 90 days prior to the renewal date, or by County at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in paragraph 7 above.

(c) If either party serves written notice of nonrenewal in any year within the time limits of (b) above, this contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

13. LIABILITY UPON NOTICE OF NONRENEWAL

Pursuant to Revenue and Taxation Code Section 426, as may be amended from time to time, notwithstanding any provision of Revenue and Taxation Code Section 423 to the contrary, if either the County, or the Owner of the property subject to this Contract, has served Notice of Nonrenewal as provided in Section 51091, 51245, and 51296.9 of the Government Code, the County Assessor shall,

unless the parties shall have subsequently rescinded the Contract pursuant to Government Code Section 51245 or 51255, value the property as provided herein.

(a) If Owner serves Notice of Nonrenewal, or the County serves Notice of Nonrenewal and the Owner fails to protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) below, shall apply immediately. If the County serves Notice of Nonrenewal and the Owner does protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) shall apply when less than six years remain until the termination of the period for which the property is enforceably restricted.

(b) Where any of the conditions in subdivision (a) apply, the Board or Assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the value of the property pursuant to Section 110.1 of the Revenue and Taxation Code. If the property is not subject to Section 110.1 of the Revenue Code when the restriction expires, the value shall be determined pursuant to Section 110 of the Revenue and Taxation Code as if it were free of contractual restriction. If the property will be subject to a use for which the Revenue and Taxation Code provides a special restricted assessment, the value shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by capitalization of income as provided in Section 423 and without regard to the existence of any of the conditions in subdivision (a).

(3) Subtract the value determined in paragraph (2) of subdivision (b) by capitalization of income from the full cash value determined in paragraph (1) of subdivision (b).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 423, discount the amount obtained in paragraph (3) of subdivision (b) for the number of years remaining until the termination of the Contract.

(5) Determine the value of the property by adding the value determined by capitalization of income as provided in paragraph (2) of subdivision (b) and the value obtained in paragraph (4) of subdivision (b).

(6) Apply the ratio prescribed in Revenue and Taxation Code Section 401 to the value of the land determined in paragraph (5) of subdivision (b) to obtain its assessed value.

14. TERMINATION OF FARMLAND SECURITY ZONE DESIGNATION

Upon termination of the farmland security contract, the farmland security zone designation for the property shall simultaneously be terminated (Government Code Section 51296.1.(e)).

15. CANCELLATION

A petition for cancellation of this contract may only be filed by the property owner/s. The Board may grant a petition only in accordance with the procedures provided in Article 5 (commencing with Section 51280) if both of the findings of Government Code Section 51282(a)(1&2) are made and only if all of the requirements of Government Code Section 51297 are met. It is understood by the parties hereto that the existence of an opportunity for another use of the property shall not be sufficient reason for the cancellation of this contract. A potential alternative use of the property may be considered only if there is no proximate non-contracted land suitable for the use to which it is proposed that this property be put. The parties further understand that the uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation of this contract, but may be considered only if there is no other reasonable or comparable agricultural use to which the land may be put.

(a) Upon the written request of Owner to cancel this contract, the Board of Supervisors of the County of Monterey may by resolution, grant a petition in accordance with the procedures provided in Article 5 (commencing with Government Code Section 51280), and only if all of the requirements pursuant to Government Code Sections 51282 and 51297 are met. Prior to the adoption of a resolution consenting to the request of the landowner to cancel this contract, the Board of Supervisors of County shall hold a public hearing on the matter. Notice of the hearing shall be mailed to each and every owner of property under contract within the agricultural preserve in which the property described in Exhibit A is located, and shall be published pursuant to Government Code Section 6061. In addition, at least 10 working days prior to the hearing, a notice of hearing and a copy of the landowner's petition shall be mailed to the Director of Conservation pursuant to Government Code Section 51284. At the hearing, or prior thereto, the owner of any property in which this agricultural preserve is situated may protest such cancellation to the Board of Supervisors.

(b) The Board of Supervisors may by resolution, grant a petition by the Owner/s to cancel this contract only if the Board makes both of the findings specified in Government Code Sections 51282 (a)(1) and 51282 (a)(2) and finds based on substantial evidence in the record that (1) The cancellation is consistent with the purposes of the California Land Conservation Act of 1965 as amended (Government Code Section 51282(a)(1)) and, (2) the cancellation is in the public interest (Government Code Section 51282(a)(2)) and, only if all of the following requirements are met pursuant to Government Code Section 51297:

- (i) That no beneficial public purpose would be served by the continuation of the contract.
- (ii) That the uneconomic nature of the agricultural use is primarily attributable to circumstances beyond the control of the landowner and the local government.
- (iii) That the landowner has paid a cancellation fee equal to 25 percent of the cancellation valuation calculated in accordance with subdivision (b) of Section 51283.

(iv) The Director of Conservation approves the cancellation. The director may approve the cancellation after reviewing the record of the tentative cancellation provided by the city or county, only if he or she finds both of the following:

- (A) That there is substantial evidence in the record supporting the decision.
- (B) That no beneficial public purpose would be served by the continuation of the contract.

(v) A finding that no authorized use may be made of a remnant contract parcel of five acres or less left by public acquisition pursuant to Government Code Section 51295, may be substituted

for the finding in Government Code Section 51282 (a).

16. LIABILITY OF OWNER UPON CANCELLATION

(a) Prior to any action by the Board of Supervisors giving tentative approval to the cancellation of this contract, the County Assessor shall, pursuant to Revenue and Taxation Code Section 401, determine the full cash value of the land as though it were free of the contractual restrictions imposed by this contract. The Assessor shall certify to the Board of Supervisors the cancellation valuation of the land for the purpose of determining the cancellation fee.

(b) The Board of Supervisors shall thereafter and prior to giving tentative approval to the cancellation of this contract determine and certify to the County Auditor the amount of the cancellation fee which the Owner must pay the County Treasurer as deferred taxes upon cancellation. That fee shall be an amount equal to 25% percent of the cancellation valuation of the property, calculated in accordance with Government Code 51283(b) (Government Code Section 51297).

(c) If the Board of Supervisors recommends that it is in the public interest to do so, and the Secretary of the Resources Agency so finds, the Board may waive any such payment or any portion thereof, or may make such payment or portion thereof, or may extend the time for making the payment or a portion of the payment contingent upon the future use made of the property and its economic return to Owner for a period of time not to exceed the unexpired term of the contract had it not been canceled, provided: (1) the cancellation is caused by an involuntary transfer or change in the use which may be made of the property and the property is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to Owner; and (2) the Board of Supervisors has determined it is in the best interests of the program to conserve agricultural land use that such payment be either deferred or is not required; and (3) the waiver or extension of time is approved by the Secretary of the Resources Agency pursuant to Government Code Section 51283.

(d) Owner shall make payment of the cancellation fee in full prior to the cancellation becoming effective.

17. NOTICES

All notices required or permitted by this contract shall be given in writing and may be mailed or delivered in person. If mailed, the address of Owner shall be the last known address on the assessment records of County, and County's address shall be In Care of Clerk of the Board of Supervisors, Government Center, 168 W. Alisal Street, First Floor, Salinas, California 93901, and deposit in the mail, postage prepaid, shall be deemed receipt thereof.

18. COSTS OF LITIGATION

In case County shall, without any fault on its part, be made a party to any litigation commenced by or against Owner, then Owner shall and will pay all costs and reasonable attorneys fees incurred by or imposed upon County by or in connection with such litigation, and Owner shall and will pay all costs and reasonable attorneys fees which may be incurred or paid by County in enforcing the covenants and agreements of this contract.

19. ENFORCEMENT

In the event of breach of this contract, including but not limited to: (1) incompatible use, or (2) failure of successors in interest to sign a contract similar to this one, or (3) failure to obtain the approval of the Board of Supervisors for a division of the land under contract, all the affected property under contract shall be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1.

However, such reassessment for the period encompassed by the breach shall not terminate the contract. Reassessment shall be in addition to the other remedies available to the County including, but not limited to, an action to enforce the contract by specific enforcement or injunction under Government Code Section 51251.

If incompatible uses during the period of breach have diminished the ability of the property to contribute to the production of food and fibre on the lien date, the property shall be reassessed at full cash value, and the Farmland Security Zone designation shall be terminated.

The period of breach is the period commencing upon breach as set forth above, and ending upon cure of the breach. If the lien or assessment date falls within the period of the breach, all the property under this contract will be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1, or as otherwise provided in provisions 13. or 16. above, as applicable as determined by the County Assessor, consistent with the provisions of the Revenue and Taxation Code, as may be amended from time to time.

IN WITNESS WHEREOF the parties have caused this contract to be executed by Owner on the date affixed next to the signature of each, and by County on the date affixed next to the signature of the chairperson of the Board of Supervisors.

COUNTY OF MONTEREY

Dated: 12-8-14

By: Louis R. Calcagno
Louis R. Calcagno
Chair, Board of Supervisors

ACKNOWLEDGMENT

State of California)

County of Monterey)

On December 8, 2014, before me Denise Hancock, Deputy Clerk of the Board of Supervisors, personally appeared LOUIS R. CALCAGNO, 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.

GAIL T. BORKOWSKI
Clerk of the Board of Supervisors of
Monterey County, State of California

By Denise Hancock, for

[COUNTY SEAL]:

Legal Reference for Acknowledgment by County Official:

Civil Code Sections 1181, 1184, 1185, 1188, 1189

Code of Civil Procedure Section 2012

**OWNER/S: High Lemons Limited Partnersip, a
California Limited Partnership**

By Its:

General Partner

J. W. Williams III

Management Company LLC

Dated: 11-26-14

By: James W. Williams III
James W. Williams III, Managing Member

STATE OF CALIFORNIA
COUNTY OF MONTEREY

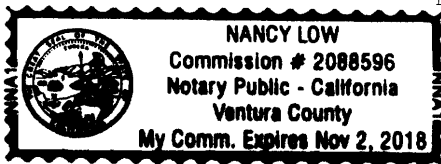
On November 26, 2014, before me, Nancy Low, Notary Public, personally appeared James W. Williams III, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/ 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.

Nancy Low
Notary Public

[SEAL]



LEGAL DESCRIPTION

The land referred to is situated in the unincorporated area of the County of Monterey, State of California, and is described as follows:

APN: 216-022-018

CERTAIN REAL PROPERTY SITUATE IN RANCHO PARAJE DE SANCHEZ BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESIGNATED LOT "3" AS SAID LOT "3" IS SHOWN AND SO DELINEATED ON THE MAP ENTITLED, "MAP OF PARTITION OF PORTIONS OF RANCHOS EX-MISSION SOLEDAD AND PARAJE DE SANCHEZ" DATED JANUARY 1889, RECORDED IN VOLUME 1 OF OUTSIDE LANDS AT PAGE 42 AND ANNEXED TO THE COPY OF THE DEGREE OF PARTITION MADE BY THE SUPERIOR COURT OF MONTEREY COUNTY, DATED JUNE 10, 1889 IN THE ACTION THEREIN BROUGHT BY BENITO A. SOBERANES, ET AL AGAINST ABEL SOBERANES, ET AL RECORDED IN VOLUME 23 OF DEEDS AT PAGE 366 OF OFFICIAL RECORDS, MONTEREY COUNTY, CALIFORNIA, ALSO BEING A PORTION OF LOT 1 OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 17 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS DESCRIBED UNDER PARCEL 2 IN THE DEED FROM JOHN MAESTRI TO ACHILLE MAESTRI, ET AL, DATED APRIL 18, 1951 AND RECORDED IN VOLUME 1296 OF OFFICIAL RECORDS AT PAGE 404, RECORDS OF SAID COUNTY, SAID PORTIONS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING ON THE SOUTHERLY BOUNDARY LINE OF SAID LOT "3" BEING ALSO THE CENTERLINE OF RIVER ROAD (A COUNTY ROAD 60 FEET WIDE) AS SHOWN AND SO DELINEATED ON THE MAP FILED MAY 8, 1991 RECORDED IN VOLUME 16 OF SURVEYS AT PAGE 224 FROM WHICH A RAILROAD SPIKE LYING IN SAID CENTERLINE BEARS S. 63 38' 34" E., 22.39 FEET AND FROM WHICH A 60D NAIL IN THE TOP OF A FENCE POST STANDING AT THE TOP OF THE BLUFF ABOVE SALINAS RIVER LYING ALONG THE SOUTHERLY BOUNDARY OF SAID LOT "3" BEARS N. 38 06' 25" E. 1395.34 FEET DISTANT; THENCE LEAVING SAID CENTERLINE OF RIVER ROAD AND RUNNING ALONG THE SOUTHERLY BOUNDARY OF SAID LOT "3"

1. S. 38 06' 25" W., 5273.73 FEET TO THE SOUTHWESTERLY BOUNDARY OF SAID RANCHO PARAJE DE SANCHEZ; THENCE LEAVING THE SOUTHERLY BOUNDARY OF SAID LOT "3" AND RUNNING ALONG THE SOUTHERLY BOUNDARY OF SAID HEREINBEFORE MENTIONED BOUNDARY OF LOT "1"
2. S. 59 11' 50" W., 670.40 FEET TO A POINT; THENCE LEAVING SAID SOUTHERLY LINE OF LOT "1" AND RUNNING
3. N. 21 03' 58" W., 17.24 FEET, AT 0.52 FEET A 1/2" REBAR WITH CAP STAMPED "LS 3753", 17.24 TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
4. N. 00 54' 30" W. 341.93 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
5. N. 16 53' 06" E., 106.06 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
6. N. 06 45' 05" E., 337.50 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
7. N. 05 31' 24" E., 30.54 FEET, AT 26.86 W REBAR WITH CAP STAMPED "LS 3753", 30.54 FEET TO SOUTHWESTERLY BOUNDARY OF RANCHO PARAJE DE SANCHEZ; THENCE RUNNING ALONG SAID SOUTHWESTERLY BOUNDARY OF RANCHO PARAJE DE SANCHEZ
8. N. 46 51' 30" W., 565.95 FEET TO A POINT FROM WHICH A 1/2" REBAR WITH CAP STAMPED "LS 3753" BEARS S. 30 51' 51" W., 03.93 FEET DISTANT; THENCE LEAVING SAID LOT "1" AND SOUTHWESTERLY BOUNDARY OF RANCHO PARAJE DE SANCHEZ AND RUNNING

EXHIBIT A
PAGE 1 OF 2 PAGES

9. N. 30 51' 51" E., 164.47 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
10. N. 07 11' 50" E., 204.83 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
11. N. 18 11' 58" E., 152.36 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
12. N. 10 49' 26" W., 262.33 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
13. N. 28 15' 14" E., 173.34 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
14. N. 58 32' 04" E., 154.62 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
15. N. 23 23' 38" E., 198.10 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
16. N. 05 58' 54" W., 323.36 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
17. N. 26 33' 54" W., 224.96 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
18. N. 25 31' 43" E., 179.54 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
19. N. 04 18' 12" W., 130.22 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
20. N. 21 27' 43" E., 275.95 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
21. S. 65 35' 07" E., 800.20 FEET TO A 1/2" REBAR WITH CAP STAMPED "LS 3753", THENCE
22. N. 37 51' 34" E., 2626.97 FEET AT 2596.83 A NAIL AND BRASS TAG "LS 3753" IN TOP 4" X 8" POST, 2626.97 FEET TO THE CENTERLINE OF SAID HEREINBEFORE MENTIONED RIVER ROAD FROM WHICH A RAILROAD SPIKE LYING ALONG SAID CENTERLINE BEARS N. 63 38' 34" W, 03.00 FEET DISTANT; THENCE RUNNING ALONG THE CENTERLINE OF SAID RIVER ROAD
23. S. 63 38' 34" E., 1566.34 TO THE POINT OF BEGINNING CONTAINING AN AREA OF 194.42 ACRES OF LAND, MORE OR LESS.

COURSES ALL TRUE/

EXHIBIT B

FARMLAND SECURITY ZONE - COMPATIBLE USES

The following is a list of land uses determined to be compatible with the agricultural use of the land subject to this agreement and planning and zoning restrictions:

1. The drying, packing or other processing of an agricultural commodity usually performed on the premises where it is produced.
2. Structures necessary and incidental to the agricultural use of the land.
3. Single family dwellings incidental to the agricultural use of the land for the residence of the owner, and the family of the owner. Single family dwellings incidental to the agricultural use of the land for the residence of the lessee of the land and the family of the lessee.
4. Dwelling for persons employed by owner or lessee and the family of employee or lessee incidental to the agricultural use of the land.
5. An aircraft landing strip incidental to the agricultural use of the land.
6. The erection, construction, alteration or maintenance of gas, electric, water or communication utility facilities.
7. The erection, construction, alteration or maintenance of radio, television or microwave antennas, transmitters and related facilities.
8. Public or private hunting of wildlife or fishing.
9. Public or private hunting clubs and accessory structures.
10. Public or private rifle and pistol practice range, trap or skeet field, archery range or other similar use.
11. Public or private riding or hiking trails.
12. Removal of natural materials.
13. Disposal site for oil field wastes, provided that any such use shall be made only in accordance with the use permit and other permits issued by the County of Monterey and the California Regional Water Quality Board and such other governmental authority as may have jurisdiction over this use. "Wastes received (discharged) at the site have been, and will continue to be, limited to petroleum and oil field wastes, such as muds, oily water, tank bottom wastes, and brine waters."
14. Shall not be based on the compatible use provisions contained in Government Code Section 51238.1(c) (*Government Code Section 51296.7*).