

Attachment H
Farmland Security Zone Contract
No. 2012-10

Sea Mist Farms LLC
Desert Mist LLC
Desert Mist Farms LLC
PLN120746

WHEN RECORDED MAIL TO:

Clerk to the Board Office, 1st Floor

Monterey County Government Center

Salinas, CA 93901

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

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12/09/2011
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DOCUMENT: 2011070071

Titles: 1/ Pages: 27



Fees.....

Taxes....

Other... _____

AMT PAID

FARMLAND SECURITY ZONE CONTRACT NO. 2012-010

Between

**DESERT MIST FARMS, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY;**

**SEA MIST FARMS, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY**

And

The COUNTY OF MONTEREY

A political subdivision of the State of California

EXHIBIT B-10

AGRICULTURAL PRESERVATION REVIEW COMMITTEE
FARMLAND SECURITY ZONE APPLICATION

Applicant Name: **Sea Mist Farms, LLC & Desert Mist Farms, LLC**

Application Number: **2012-010**

Assessor's Parcel Number(s): **167-011-013-000; 167-011-015-000; 167-081-006-000; 137-151-003-000; 137-151-003-000; 137-151-004-000; 137-151-006-000; 137-151-007-000; 137-151-008-000**

1. Is the application consistent with the General Plan? **Yes**
2. Is the property located within an existing Agricultural Preserve? **Yes, partially**
3. What is the soil capability classification (Soil Survey of Monterey County/USDA Soil Conservation Service)? **Mg, Mf, Xb, Pr, AsB, CnA, MoA, Pf, MnA, Me, PnC, CnC, AeC, SbA,**
4. Does the application meet acreage requirements? **Yes, 604 acres**
5. Does the application meet income requirements? **Yes, average \$1,700 rent per acre**
6. Has the Owner expressly requested that the County create a farmland security zone?
7. Is the property designated on the Important Farmland Series Maps, pursuant to Section 65570 as predominantly one or more of the following:
(1) prime farmland; (2) farmland of statewide significance; (3) unique farmland; (4) farmland of local importance.
Yes – (1) prime farmland
8. If not designated on the Important Farmland Series maps, is the property predominantly prime agricultural land as defined in Section 51201(c)? **N/A**
9. Is the property enforceably restricted pursuant to the Open-Space Easement Act of 1974 (commencing with Government Code Section 51070)? **N/A**
10. Is the property used for any purpose other than the production of food and fiber for commercial purposes? **No**
11. Is the property used for any use based on the compatible use provisions contained in Government Code Section 51238.1(c), or any of the compatible use provisions contained in County Resolution No. 01-486? **No**
12. Is the application within one mile of a city? **No**

EXHIBIT P.2

AGRICULTURAL PRESERVATION REVIEW COMMITTEE
FARMLAND SECURITY ZONE APPLICATION

13. Is the application within a city's sphere of influence? **No**
14. If within a city's sphere of influence, has the city expressly approved the creation of the farmland security zone by resolution? **N/A**
15. What tax impact will the application have? **-\$66,023.63**
16. What is the state subvention payment? **\$0**
17. What is the net loss to the County? **-\$66,023.63**
18. What is the *net* gain to the County? **N/A**
19. Is there any income from hunting? **No**
20. Is the application contiguous to any existing or proposed farmland security zones? **Yes**
21. Committee recommendation: **Approve**

FARMLAND SECURITY ZONE CONTRACT No. 2012-010

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 **Desert Mist Farms, LLC, a California Limited Liability Company and Sea Mist Farms, LLC, a California Limited Liability Company**, 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 attached hereto and made a part hereof; and

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

WHEREAS, the property is located in an agricultural preserve (**No. 73-12**) heretofore established by County by Resolution (**No. 73-34-12**); and

WHEREAS, Owner has expressly requested that County create a farmland security zone, which requires rescission of Agricultural Preserve Contract (**No. 73-12**) 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. 2012-010**) established by County Resolution (**No. 2011-379**); 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: 12-7-11

By: [Signature]

JANE B. PARKER

Chair, Board of Supervisors

ACKNOWLEDGMENT

State of California)

County of Monterey)

On December 7, 2011, before me Denise Hancock Board Clerk of the Board of Supervisors, personally appeared Jane B. Parker, 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~~ Denise Hancock
Board Clerk of the Board of Supervisors of
Monterey County, State of California

By Denise Hancock

[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:

Desert Mist Farms, LLC, a California Limited Liability Company

Dated: 11/30/11

Hugo Tottino
Print/Type Name: HUGO TOTTINO
Its: Managing Member

Dated: 11/30/11

Ed Boutonnet
Print/Type Name: ED BOUTONNET
Its: Managing Member

Sea Mist Farms, LLC, a California Limited Liability Company

Dated: 11/30/11

Dale D. Huss
Print/Type Name: DALE D. HUSS
Its: Managing Member

Dated: 11-30-11

Joe N. Michel, Sr
Print/Type Name: JOE N. MICHEL, SR
Its: Managing Member

STATE OF CALIFORNIA
COUNTY OF MONTEREY

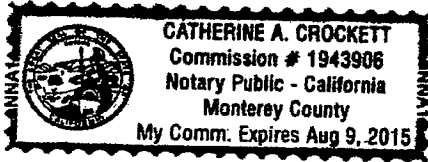
On NOVEMBER 30, 2011, before me, CATHERINE A. CROCKETT Notary Public, personally appeared HUGO TOTTINO, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the 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.

Catherine A. Crockett

Notary Public



STATE OF CALIFORNIA
COUNTY OF MONTEREY

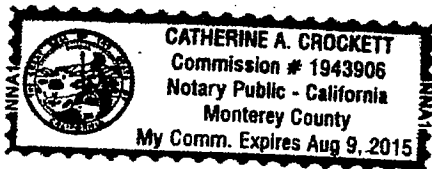
On NOVEMBER 30, 2011, before me, CATHERINE A. CROCKETT Notary Public, personally appeared DALE D. HOSS, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the 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.

Catherine A. Crockett

Notary Public



STATE OF CALIFORNIA
COUNTY OF MONTEREY

On NOVEMBER 30, 2011, before me, CATHERINE A. CROCKETT, Notary Public, personally appeared ED BOUJONNET, 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 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.~~

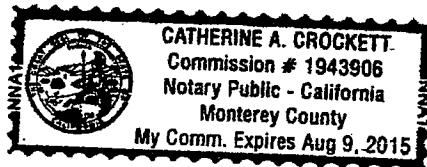
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Catherine A. Crockett

Notary Public

[SEAL]



STATE OF CALIFORNIA
COUNTY OF MONTEREY

On NOVEMBER 30, 2011, before me, CATHERINE A. CROCKETT, Notary Public, personally appeared JOE M. MICHELI, SR, 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 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.~~

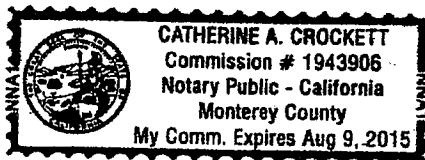
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Catherine A. Crockett

Notary Public

[SEAL]



PROPERTY DESCRIPTION

EXHIBIT "A"

CERTAIN REAL PROPERTY SITUATE IN THE RANCHO GUADALUPE Y LLIANITOS DE LOS CORREOS , COUNTY OF MONTEREY, STATE OF CALIFORNIA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL I:

"Parcel 3" as said parcel is shown and designated on the Record of Survey filed January 19, 2001 in Volume 24 of Surveys, at Page 45, Official Records, Monterey County.

BEING a portion of Rancho Guadalupe and a part of that certain 250 acre tract of land described in that certain Decree of Distribution entered in the Matter of the Estate of Thomas Chappell, deceased, a certified copy of which was recorded May 29, 1917 in Volume 164 of Deeds, at Page 42, as described in Parcels II through VII shown below:

PARCEL II:

"30 acres of land, being a portion of said tract herein first above described, lying Northerly of the 29.30 acres devised to J. Fred Chappell and the 30.70 acres of land devised to J.H. Chappell and bounded by the line between Lots M and A.1 of said Guadalupe Rancho and the Easterly line of the lands of said tract herein first above described and the Northerly lines of said 29.30 tract devised to J. Fred Chappell and the 30.70 acre tract devised to J.H. Chappell and by a line sufficiently distant Northerly there from and parallel thereto to include an area of 30 acres of land, including that part of the new road extending from said Soledad Road; also a portion of said tract herein first above described, containing 12.31 acres of land in the Northerly portion of said tract lying Easterly of the tract devised to Mable Chappell, and hereinafter described, said tracts so devised to William Chappell, being bounded by the center line of the new road, running parallel to said Soledad Road and by the Southerly boundary line of Buena Esperanza Rancho and by the Easterly line of said 12.30 acre tract devised to said Mabel Chappell and by a line sufficiently distant there from and parallel thereto, including 12.31 acres of land."

PARCEL III:

29.30 acres of the tract of land containing 250 acres, above referred to bounded by the line between Lots M and A.1 of the Guadalupe Rancho and by the Soledad Road and by the center line of a new road leading from Soledad Road to the other private road across said tract and by a line sufficiently distant from said Soledad Road to make an area of 29.30 acres of land; and also 12.30 acres of land in the Northerly portion of said tract of land, bounded by said line between Lots M and A.1 of said Guadalupe Rancho, and the Southerly boundary of the Buena Esperanza Rancho

EXHIBIT "A"

and the center line of said private road, running from said line between said Lots M and A.1 and parallel thereto to make an area of 12.30 acres of land.

PARCEL IV:

40.00 acres of the tract of land hereinabove referred to, bounded by the line between Lots M and A.1 of the Guadalupe Rancho and by the Easterly line of said tract of land hereinafter described and by the center line of the new road running parallel to the Soledad Road and by the Northerly line of the 30 acre tract of land distributed to Mae Chappell Ulrici by the Decree of Distribution in the Matter of the Estate of Thomas Chappell, deceased, containing 30 acres of land, including that part of the new road running parallel to said Soledad Road.

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PARCEL V:

30.70 acres of land bounded by the center line of a private road leading from the Soledad Road to the other private road and by the Easterly line of tract hereinabove referred to and by the said Soledad Road and by a line sufficiently distant Northerly from said Soledad Road to make an area of 30.70 acres of land; also a tract of land containing 12.30 acres of land in the Northerly part of the tract hereinabove referred to, Easterly of the 12.30 acres of land distributed to J. Fred Chappell (by the Decree of Distribution in the Matter of the Estate of Thomas Chappell, deceased) being bounded on the Southwest by the center line of a new road running parallel to the Soledad Road; on the Northwest by the Southeasterly line of the tract distributed to said J. Fred Chappell; on the Northeast by the Southern boundary line of the Buena Esperanza Rancho and on the Southeast by a line parallel to the Southeasterly line of the land distributed to J. Fred Chappell and sufficiently Southeasterly there from to include an area of 12.30 acres of land.

PARCEL VI:

All of those certain parcels of real property comprising 42.31 acres of land which was by said Decree finally distributed to Mae Chappell Ulrici, otherwise known as May Chappell Ulrici, and otherwise known as Mae Chappell Ulrici, and otherwise known as May Ulrici, the said decedent, and being described in said Decree as follows:

"30 acres of land herein first above described and bounded by the line between Lots M and A.1 of the Guadalupe Rancho and by the Easterly line of said tract first above described and by the Northerly line of the 30 acre tract devised to Mable Chappell, and by a line sufficiently distant there from Northerly and parallel thereto to include an area of 30 acres, including that part of the new road leading from said Soledad Road, also 12.31 acres of land in the Northerly part of said tract first hereinabove described, lying Easterly of a 12.31 acre tract devised and bequeathed to said William Chappell and bounded by the center line of said new road, running parallel to said Soledad Road and by the Easterly line of said tract first hereinabove described and by the Southerly line of the Buena Esperanza Rancho, and by a line Easterly of said 12.31 acre tract, devised to said William Chappell, and containing 12.31 acres of land, more or less".

PARCEL VII:

30 acres of land, being a portion of 250 acre tract herein first above referred to and bounded by the line between Lots M and A.1 of said tract and the Easterly line of said tract and by the Northerly line of said 30 acre tract devised by said Last Will and Testament to William Chappell, and by a line sufficiently distant Northerly there from and parallel thereto to include an area of 30 acres of land, including that part of said new road leading from the said Soledad Road; also 12.30 acres of land in the Northerly portion of said tract herein first above referred to bounded by the center line of the new road, running parallel to said Soledad Road and by the Southerly line of the Buena Esperanza Rancho and by the Easterly line of the 12.30 acre tract devised by said Last Will and Testament to J.E. Chappell, and by a line sufficiently distant Easterly there from and parallel thereto to include the said area of 12.30 acres.

EXCEPTING THERE FROM that portion of Parcels II through VII above mentioned, as conveyed in the Deed to T.M.V. Lands, a California General Partnership, recorded March 2, 2001 in Series 200104722, Monterey County records.

ALL THAT CERTAIN real property situate in the Rancho Guadalupe, County of Monterey, State of California, described as follows:

PARCEL VIII

A PORTION of Lot M, as said lot is shown and so designated upon Map entitled "Map of the Partition of the Rancho Guadalupe" prepared by Charles Healy, dated January 22, 1873 and attached to Page 467 in Book M of "Deeds", Records of said County; said portion being more particularly described as follows:

Beginning at the intersection of the line between Lots M and A.1 with the fence on the Easterly side of the Hilltown-Paraiso Road from which 6" x 6" line post on the Westerly side of said road bears S. 40° 15' W., 53.5 feet distant; thence along the Easterly side of said Hilltown-Paraiso Road toward Hilltown, N. 39° 46' W., 92 feet and N. 24° 15' W., 156 feet to a 4" x 5" fence post; thence leave the road and running N. 87° 20' 20" E., 312.0 feet to a double willow stump 2 inches in diameter in line of the above mentioned Lots M and A.1 and thence along said line S. 40° 15' W., 297 feet to the place of beginning.

PARCEL IX:

BEGINNING at the most Northerly corner of said Lot M, being the most Northerly corner of the Rancho Guadalupe and the most Easterly corner of the Rancho Buena Vista; thence along the Northwesterly boundary of Lot M and the Boundary between said Ranchos,

- 1.) S. 55° 16' 54" W., (S. 53° 45' W., as per said map), 3050 feet, more or less, to the Northerly line of River Road (a county road 60 feet wide); thence leaving said boundary and along said Northerly line of River Road with the following 16 courses,

- 2.) S. 62° 21' 38" E., 79.20 feet; thence
- 3.) S. 69° 20' 28" E., 506.45 feet; thence
- 4.) Easterly along the arc of a tangent circular curve; concave to the North, the radius of which is 3970.00 feet, through a central angle of 7° 02', for an arc distance of 487.34 feet, at 96.02 feet along said arc a point herein designated "Point A" for further description; thence tangentially from said curve
- 5.) S. 76° 22' 28" E., 278.12 feet; thence
- 6.) Easterly along the arc of a tangent circular curve, concave to the North, the radius of which is 5470.00 feet, through a central angle of 6° 03' for an arc distance of 577.59 feet, at 182.80 feet along said arc a point, herein designated "Point B", for further description, at 267.932 feet along said arc a point herein designated "Point C" for further description; thence tangentially from said curve
- 7.) S. 82° 25' 28" E., 309.58 feet; thence
- 8.) Easterly along the arc of a tangent circular curve, concave to the South, the radius of which is 1230.00 feet, through a central angle of 14° 43' 30", for an arc distance of 316.11 feet, at 307.05 feet along said arc a point herein designated "Point D" for further description; thence tangentially from said curve
- 9.) S. 67° 41' 58" E., 450.29 feet; thence
- 10.) Southeasterly along the arc of a tangent circular curve, concave to the South, the radius of which is 2180.00 feet, through a central angle of 11° 13' 40", for an arc distance of 427.20 feet, at 46.93 feet along said arc a point herein designated as "Point E" for further description, at 200.04 feet along said arc a point herein designated as "Point F" for further description; thence tangentially from said curve.
- 11.) S. 56° 28' 18" E., 307.97 feet; thence
- 12.) Southeasterly along the arc of a tangent circular curve, concave to the South, the radius of which is 4530.00 feet, through a central angle of 2° 48' 30", for an arc distance of 222.04 feet; thence tangentially
- 13.) S. 53° 39' 48" E., 454.10 feet; thence
- 14.) S. 53° 15' 25" E., 281.37 feet; thence
- 15.) Southeasterly along the arc of a tangent circular curve, concave to the South, the radius of which is 1030.00 feet, through a central angle of 20° 23' 40", for an arc distance of 366.63 feet to a point herein designated "Point G" for further description; thence tangentially
- 16.) S. 32° 51' 45" E., 297.84 feet; thence
- 17.) S. 32° 58' 05" E., 245.55 feet; thence leave Northerly line of River Road
- 18.) N. 89° 57' 55" E., 311.90 feet to the Southeasterly boundary of said Lot M; thence along said boundary
- 19.) N. 42° 52' 55" E., (N. 41° 15' E., per before mentioned map), 5053.5 feet more or less to the most Easterly corner of said Lot M; thence along the Northeasterly boundaries of Lot M with the following three courses,
- 20.) N. 60° 30' W., 660 feet, per said map; thence
- 21.) S. 72° 45' W., 3762 feet, per said map; thence
- 22.) N. 60° 00' W., 2244 feet, per said map, to the point of beginning.

EXCEPTING any and all right, title, and interest of the State of California within the bed of the Salinas River below the line of natural low water and also excepting any artificial accretion to said line of natural low water, if any.

EXCEPTING from the above described parcel all that certain portion conveyed to William P. Carnazzo, et ux, by Deed recorded May 18, 1978 in Reel 1243 of Official Records, at Page 540.

EXCEPTING THERE FROM that certain parcel of land lying in Rancho Guadalupe Y Llanitos De Los Correos being a portion of Subdivision "A" of Lot "M" as said lot is shown on Map filed for record in Volume 1 of "Outside Lands" at Page 11 of Records of said County, said portion being more particularly described as follows:

BEGINNING at a point on a Northeasterly boundary of said Lot "M" said line being the boundary common to Rancho Encinal Y Buena Esperanza and Rancho Guadalupe Y Llanitos De Los Correos as shown on Map entitled "Record of Survey, a portion of Lots "M" and "A.1" of the Rancho Guadalupe De Los Correos, Monterey County, California, filed for record in Volume 12 of "Surveys" at Page 37 of Records of said County, said point of beginning bears. S. 58° 04' 18" W., 939.77 feet, from the Northwesterly terminus of that line shown as N. 58° 04' 18" W., 2243.36 feet on said map; thence from said point of beginning, running along said Northeasterly boundary

- 1.) S. 58° 04' 18" E., 888.85 feet; thence leaving said boundary and running across said Lot M with the following (5) courses,**
- 2.) N. 73° 39' 41" W., 51.95 feet; thence**
- 3.) N. 60° 14' 39" W., 498.35 feet; thence**
- 4.) N. 64° 37' 28" W., 48.70 feet; thence**
- 5.) N. 60° 12' 19" W., 127.70 feet; thence**
- 6.) N. 43° 23' 49" W., 170.39 feet to the POINT OF BEGINNING.**

ALSO EXCEPTING THERE FROM that certain parcel of land lying in Rancho Guadalupe Y Llanitos De Los Correos being a portion of Subdivision "A" of Lot "M" as said lot is shown on Map filed for record in Volume 1 of "Outside Lands" at Page 11 of Records of said County, said parcel being more particularly described as follows:

BEGINNING at a point on a Northerly boundary of said Lot "M" being also the boundary between Rancho Guadalupe and Rancho Buena Esperanza, from which point the Westerly terminus of that line shown and so designated as S. 74° 55' 43" W., 3760.93 feet on Map entitled "Record of Survey", a portion of Lots "M" and "A.1" of the Rancho Guadalupe De Los Correos, Monterey County, California, filed for record in Volume 12 of "Surveys" at Page 37 of

Records of said County, bears N. 74° 55' 43" E., 472.01 feet; thence from said point of beginning, running along said line

- 1.) N. 74° 55' 43" E., 3197.85 feet; thence leaving said line and running across said Lot "M" with the following (10) courses,
- 2.) S. 58° 04' 31" W., 1642.20 feet; thence
- 3.) N. 34° 23' 49" W., 480.04 feet; thence
- 4.) S. 51° 24' 39" W., 81.33 feet; thence
- 5.) S. 64° 59' 17" W., 53.96 feet; thence
- 6.) S. 74° 34' 18" W., 163.08 feet; thence
- 7.) S. 80° 40' 38" W., 240.25 feet; thence
- 8.) S. 77° 52' 00" W., 185.74 feet; thence
- 9.) S. 75° 42' 55" W., 631.21 feet; thence
- 10.) S. 84° 25' 14" W., 107.00 feet; thence
- 11.) N 83° 38' 00" W., 16.44 feet to the POINT OF BEGINNING.

PARCEL X:

THAT CERTAIN parcel of land lying in Rancho Encinal Y Buena Esperanza, being a portion of Lot VI as said lot is shown and so designated upon Map filed for record in Volume 1 of "Outside Lands" at Page 9, records of said County, also being described in Land Conservation Contract filed for record on Reel 1631, at Page 235 of Official Records of said County, said portion being more particularly as follows:

BEGINNING at the most Westerly corner of said Lot VI, being the corner common to said Rancho Buena Esperanza and Ranchos Buena Vista and Guadalupe, being also the Southwesterly terminus of the centerline of Somavia Road, a county road 40.00 feet wide; thence from said point of beginning running along said centerline of Somavia Road and Northwesterly boundary of said Lot VI,

- 1.) N. 61° 03' 22" E., 245.85 feet; thence leaving said centerline and running across said Lot VI
- 2.) S. 43° 23' 49" E., 847.76 feet to a point on the Southwesterly boundary of Lot VI being the boundary between said ranchos; thence running along said boundary
- 3.) N. 58° 04' 18" W., 939.77 feet to the POINT OF BEGINNING.

PARCEL XI:

THAT CERTAIN parcel of land lying in Rancho Encinaal Y Buena Esperanza being a portion of Lot VI as said lot is shown and so designated upon Map filed for record in Volume 1 of "Outside Lands" at Page 9, Records of said County, also being described in Land Conservation Contract filed for record on Reel 1631, at

Page 235 of Official Records of said County, said parcel being more particularly described as follows:

BEGINNING at an angle point in the Southeasterly boundary of said Lot VI, being the boundary common to Rancho Encinal Y Buena Esperanza and Rancho Guadalupe Y Llanitos De Los Correos said point being the Southeasterly terminus of that line shown and designated as N. 58° 04' 18" W., 2243.36 feet on map entitled "Record of Survey, a portion of Lots "M" and "A.1" of the Rancho Guadalupe De Los Correos, Monterey County, California", filed for record in Volume 12 of "Surveys" at Page 37 of Records of said County; thence from said point of beginning run along said line

- 1.) N. 58° 04' 18" W., 414.74 feet; thence leaving said common boundary and running across said Lot VI
- 2.) S. 73° 39' 41" E., 37.17 feet; thence
- 3.) S. 83° 38' 00" E., 776.89 feet to said Rancho boundary and the Southeasterly boundary of said Lot VI; thence run along said boundary
- 4.) S. 74° 55' 43" W., 472.01 feet to the POINT OF BEGINNING.

PARCEL XII:

THAT CERTAIN parcel of land lying in Rancho Encinal Y Buena Esperanza being a portion of Lot VI as said lot is shown and so designated upon the Map filed for record in Volume 1 of "Outside Lands" at Page 9, Records of said County, also being described in Land Conservation Contract filed for record on Reel 1631, at Page 235 of Official Records of Said County, said parcel being more particularly described as follows:

BEGINNING at the most Southeasterly corner common to Lot VI and VIII as shown on said map being a point on the line common to Rancho Encinal Y Buena Esperanza and Rancho Guadalupe Y Llanitos De Los Correos said line being shown and so designated as N. 58° 19' 17" W., 2375.33 feet on Map entitled "Record of Survey, a portion of Lots "M" and "A.1" of the Rancho Guadalupe De Los Correos, Monterey County, California", filed for record in Volume 12 of "Surveys" at Page 37 of Records of said County; thence from said point of beginning run along said line

- 1.) N. 58° 28' 36" W., (N. 58 19' 17" W., on said map) 915.61 feet; thence leave said line and run across said Lot VI the following (10) courses,
- 2.) N. 45° 49' 07" E., 172.48 feet; thence
- 3.) N. 31° 23' 01" E., 98.07 feet; thence
- 4.) N. 16° 57' 34" E., 163.94 feet; thence
- 5.) N. 49° 55' 01" E., 130.84 feet; thence
- 6.) N. 64° 32' 30" E., 313.97 feet; thence
- 7.) N. 75° 35' 59" E., 185.93 feet; thence
- 8.) N. 83° 56' 08" E., 384.76 feet; thence

- 9.) S. 80° 55' 18" E., 128.08 feet; thence
- 10.) S. 67° 19' 30" E., 99.27 feet; thence
- 11.) S. 61° 24' 16" E., 49.76 feet to the boundary common to said Lots VI and VIII; thence running along said boundary
- 12.) S. 31° 26' 40" W., 1246.29 feet to the POINT OF BEGINNING.

EXCEPTING THERE FROM ALL THAT PORTION OF THE HEREINBEFORE DESCRIBED TRACTS OF LAND DESCRIBED AS FOLLOWS:

FIRST:

CERTAIN REAL PROPERTY situate in the Rancho Guadalupe y Llanitos de Los Correos, County of Monterey, State Of California, being a portion of those certain tracts of land described under "Parcel III", "Parcel V", "Parcel VIII" and "Parcel IX" in the Grant Deed from TMV Lands, a California General Partnership, to Sea Mist Farms, LLC, a California Limited Liability Company and Desert Mist Farms, LLC, a California Limited Liability Company, dated July 17, 2009 and recorded in Document No. 2009055137 on 8/28/2009, records of said county, said portion being more particularly described as follows:

BEGINNING at the Northeast corner of that certain 10.00 acre tract of land, delineated Parcel "A" on the map filed January 27, 1977 in Volume 11 of Parcel Maps at Page 39, records of said county, and running along the easterly boundary thereof

- 1.) South 6° 53' 08" West, 182.11 feet to the Northerly line of River Road (a county road 60 feet wide) and the Southerly boundary of that certain 642.53 acre tract of land, shown and so delineated on the map filed March 8, 1979, in Volume 12 of Surveys at Page 37, records of said county; thence leaving the boundary of said 10.00 acre tract of land and running along the last mentioned southerly boundary and Northerly road line
- 2.) Southeasterly on the arc of a circular curve to the right (the center of the circle which said arc is a part bears South 13° 31' 35" West) with a radius of 1230.08 feet, through a central angle of 8° 47' 11", for a distance of 188.63 feet; thence leaving said curve tangentially
- 3.) South 67° 41' 14" East, 450.01 feet; thence curving tangentially
- 4.) Southeasterly on the arc of a circular curve to the right (the center of the circle which said arc is a part bears South 22° 18' 46" West) with a radius of 2180.14 feet, through a central angle of 11° 14' 16", for a distance of 427.60 feet; thence leaving said curve tangentially
- 5.) South 56° 26' 59" East, 307.43 feet; thence curving tangentially
- 6.) Southeasterly on the arc of a circular curve to the right (the center of the circle which said arc is a part bears South 33° 33' 02" West) with a radius of 4530.29 feet, through a central angle of 2° 48' 03", for a distance of 221.47 feet; thence leaving said curve tangentially

- 7.) South 53° 38' 55" East, 454.74 feet; thence
- 8.) South 53° 14' 32" East, 281.62 feet; thence curving tangentially
- 9.) Southeasterly on the arc of a circular curve to the right (the center of the circle which said arc is a part bears South 36° 45' 28" West) with a radius of 1030.06 feet, through a central angle of 20° 23' 31", for a distance of 366.61 feet; thence leaving said curve tangentially
- 10.) South 32° 51' 01" East, 337.35 feet; thence
- 11.) South 32° 57' 21" East, 462.43 feet; thence curving tangentially
- 12.) Southeasterly on the arc of a circular curve to the left (the center of the circle which said arc is a part bears North 57° 02' 39" East) with a radius of 1070.07 feet, through a central angle of 16° 37' 01", for a distance of 310.34 feet; thence leaving said curve tangentially
- 13.) South 49° 34' 22" East, 289.74 feet; thence
- 14.) South 48° 05' 03" East, 145.55 feet; thence
- 15.) South 46° 06' 45" East, 164.49 feet; thence curving tangentially
- 16.) Southeasterly on the arc of a circular curve to the right (the center of the circle which said arc is a part bears South 43° 53' 15" West) with a radius of 1230.08 feet, through a central angle of 12° 04' 10", for a distance of 259.12 feet; thence leaving said curve tangentially
- 17.) South 34° 02' 34" East, 38.72 feet; thence curving tangentially
- 18.) Southeasterly on the arc of a circular curve to the left (the center of the circle which said arc is a part bears North 55° 57' 26" East) with a radius of 1970.13 feet, through a central angle of 6° 31' 37", for a distance of 224.43 feet; thence leaving said curve tangentially
- 19.) South 40° 34' 12" East, 375.04 feet; thence
- 20.) South 38° 08' 3" 31" East, 154.73 feet to the most Southerly corner of the hereinbefore mentioned 642.53 acre tract of land; thence leaving the Northerly line of River Road (a county road 60 feet wide) and running along the Southeasterly boundary of said 642.53 acre tract of land
- 21.) North 42° 42' 06" East, 400.00 feet; thence leaving the last mentioned Southeasterly boundary
- 22.) North 49° 10' 08" West, 895.92 feet; thence
- 23.) North 44° 39' 12" West, 786.41 feet; thence
- 24.) North 39° 26' 58" West, 289.46 feet; thence
- 25.) North 66° 17' 26" West, 72.49 feet; thence
- 26.) North 29° 22' 18" West, 158.13 feet; thence
- 27.) North 23° 24' 45" West, 418.57 feet; thence
- 28.) North 17° 35' 16" West, 416.44 feet; thence
- 29.) North 6° 02' 30" West, 549.38 feet; thence
- 30.) North 79° 41' 51" West, 241.56 feet; thence
- 31.) South 88° 20' 58" West, 160.01 feet; thence
- 32.) South 85° 59' 54" West, 181.51 feet; thence
- 33.) North 88° 14' 01" West, 134.99 feet; thence
- 34.) North 84° 42' 11" West, 151.77 feet; thence

- 35.) North 73° 08' 36" West, 95.16 feet; thence
- 36.) North 61° 33' 27" West, 121.59 feet; thence
- 37.) North 60° 54' 05" West, 113.31 feet; thence
- 38.) North 51° 18' 59" West, 94.82 feet; thence
- 39.) North 73° 14' 03" West, 213.82 feet; thence
- 40.) North 84° 41' 01" West, 257.83 feet; thence
- 41.) South 60° 38' 58" West, 147.67 feet; thence
- 42.) North 58° 36' 58" West, 604.43 feet to the POINT OF BEGINNING.

CONTAINING an area of 42.04 acres of land, more or less.

SECOND:

CERTAIN real property situate in the Rancho Guadalupe y Llanitos De Los Correors, County of Monterey, State of California, being a portion of that certain tract of land described under "Parcel IX" in the Grant Deed from TMV Lands, a California General Partnership, to Sea Mist Farms, LLC, a California Limited Liability Company and Desert Mist Farms, LLC a California Limited Liability Company dated July 17, 2009 and recorded in Document No. 2009055127 on 8/28/2009, records of said County, said portion being more particularly described as follows:

BEGINNING at the most Northerly corner of that certain 10.00 acre tract of land, delineated Parcel "A" on the map filed January 27, 1977 in Volume 11 of Parcel Maps, at Page 39, records of said County, and running along the Northwesterly boundary thereof

- 1.) South 56° 32' 28" West, 732.26 feet to the Northerly line of River Road (a county road 60 feet wide) and the Southwesterly boundary of that certain 642.53 acre tract of land, shown and so delineated on the map filed March 8, 1979, in Volume 12 of Surveys at Page 37, records of said County; thence leaving the boundary of said 10 acre tract of land and running along the last mentioned Southerly boundary and Northerly road line
- 2.) Northwesterly on the arc of a circular curve to the right (the center of the circle which said arc is a part bears North 15° 17' 03" East) with a radius of 3970.25 feet, through a central angle of 5° 22' 29", for a distance of 372.44 feet; thence leaving said curve tangentially
- 3.) North 69° 20' 28" West, 507.59 feet; thence
- 4.) North 62° 21' 38" West, 73.69 feet; thence leaving the Northerly line of River Road (a county road 60 feet wide) and continuing along the Northwesterly boundary of said 642.53 acre tract of land
- 5.) North 54° 19' 39" East, 1090.35 feet; thence leaving the last mentioned Northwesterly boundary
- 6.) South 78° 18' 20" East, 100.83 feet; thence
- 7.) South 73° 20' 49" East, 56.52 feet; thence
- 8.) South 50° 55' 32" East, 94.93 feet; thence
- 9.) South 48° 00' 23" East, 183.11 feet; thence

- 10.) South 44° 23' 37" East, 122.11 feet; thence
- 11.) South 35° 06' 17" East, 130.53 feet; thence
- 12.) South 37° 12' 49" East, 71.24 feet; thence
- 13.) South 30° 29' 02" East, 105.00 feet, to the POINT OF BEGINNING.

CONTAINING an area of 18.01 acres of land, more or less.

Bearings are based on the meridian shown upon that certain hereinbefore mention map filed March 8, 1979 in Volume 12 of Surveys, at Page 37 records of Monterey County, California.

LEAVING A TOTAL AREA of 604.14 acres of land, more or less, for establishment of an agricultural preserve and application for Farmland Security Zone Contract.

This Real Property Description was prepared by me or under my direction in conformance with the requirements of the Professional Land Surveyors Act.

Philip L. Pearman, L.S. 4448
License expires 9/30/2011

END OF DESCRIPTION

"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*).

END OF DOCUMENT