

Stephen L. Vagnini  
Monterey County Recorder  
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12/22/2015  
11:48:58

WHEN RECORDED MAIL TO:  
Monterey County Government Center  
Clerk of the Board  
PO Box 1728  
Salinas, CA 93902

**DOCUMENT: 2015072576**



Titles: 1/ Pages: 16

Fees.... 57.00

Taxes....

Other....

AMT PAID \$57.00

# FARMLAND SECURITY ZONE CONTRACT 2016-003

(BLS Land Company, LLC)

**FARMLAND SECURITY ZONE CONTRACT No. 2016-003**

**THIS CONTRACT** is made and entered into as of the last date opposite the respective signatures by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, hereinafter called "County" and **BLS Land Company 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 (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, and simultaneous placement of the property under a new Farmland Security Zone and Contract (**No. 2016-003**) established by County Resolution (**No. 2015- 302**); 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: December 14, 2015

By: [Signature]

Simon Salinas

Chair, Board of Supervisors

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT

State of California )

County of Monterey )

On December 14, 2015, before me Denise Hancock,  
[Deputy Clerk] [Clerk] of the Board of Supervisors, personally appeared  
Simon Salinas, 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  
DENISE HANCOCK  
Deputy Clerk

[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:**

**BLS Land Company LLC,**

**a California limited liability company**

Dated: 12/1/15

  
\_\_\_\_\_  
*Brian Caprara, Managing Member/General Partner*



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF MONTEREY

On Dec. 1, 2015, before me, Rita Harrison, Notary Public, personally appeared Brian Caprara, 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.*

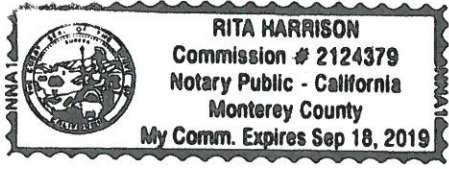
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WITNESS my hand and official seal.

Rita Harrison

Notary Public

[SEAL]



My Comm. Expires Sep 18, 2019  
MONTGOMERY COUNTY  
Notary Public - General  
Commission # 214378  
RITA HARRISON



TAMM

**EXHIBIT "A"**  
Legal Description

For APN/Parcel ID(s): 145-011-028 and 269-012-001

PARCEL I:

That certain lot, piece, parcel or tract of land situate, lying and being in the Rancho Chualar and Rancho Zanjones in Monterey County, State of California, described as follows, to-wit:

Beginning at the intersection of the centerline of the Southern Pacific Railroad right-of-way (width 100 feet) with the centerline of the Chualar-Salinas River Road (width 50 feet); thence S. 39° 49' E., along the center of said railroad right-of-way, 1074.3 feet to station; thence N. 50° 11' E., at 50 feet a concrete monument marked "C" in fence line between the said railroad right-of-way and the State Highway right-of-way, 80 feet to center of the State Highway (width 60 feet) leading from "Chualar" to Gonzales, from which a concrete monument marked "C" bears N. 50° 11' E., 30 feet; thence along the centerline of said State Highway toward Gonzales, S. 39° 49' E., 1824.3 feet to station; thence S. 50° 25' W., at 30 feet a large granite monument marked WJ, leave State Highway and center railroad right-of-way at 80 feet cross centerline of Railroad tract, at 130 feet a 4" x 4" post marked WJ 25 A-DJC, in fence on southerly side of said railroad right-of-way, 548.0 feet to 4" x 4" post marked WJ 25, DJC, set over a 1-inch steel bar 30 inches long, top of which is 20 inches below surface of ground; thence S. 44° 02' W., 911.6 feet to 4" x 4" post marked WJ 23, DJC, set over a 1-inch steel bar 30 inches long, top of which is 20 inches below surface; thence S. 40° 05' W., 233.7 feet to 4" x 4" post marked WJ 24, DJC, set over a 1-inch steel bar 30 inches long, top of which is 20 inches below surface of ground; thence S. 35° 15' W., at 33.6 feet cross the boundary between Zanjones and Chualar Ranchos, from which a large granite monument at corner C8-SJR bears S. 67° 26-1/4' E., 863.7 feet distant, 148.0 feet to a 1-inch steel bar 30 inches long, top of which is 20 inches below surface of ground; thence S. 81° 05' W., 390.1 feet to 1-inch steel bar 30 inches long, top of which is 20 inches below surface of ground; thence S. 56° 06-3/4' W., at 641.0 feet cross irrigation ditch, at 958.8 feet granite monument marked T 20-UJ, Top of which is 12 inches below surface of ground, 2252.8 feet to a 1-inch steel bar 30 inches long, top of which is 18 inches below surface of ground; thence S. 56° 30-1/4' W., 803.0 feet to 4" x 4" post marked T 22-DJC; thence N. 33° 40-1/4' W., 54.6 feet to 4" x 4" post marked T 23-DJC, standing at foot of levee on the southerly side of an irrigating ditch; thence along the southerly side of said ditch, S. 76° 21-3/4' W., 155.2 feet to 4" x 4" post marked T 24-DJC; thence S. 71° 53/ 3/4' W., 160.7 feet to 4" x 4" post marked T. 25-DJC; thence S. 64° 47-3/4' W., 259.5 feet to 4" x 4" post marked T 26-DJC; thence S. 70° 05-1/4' W., 122.0 feet to a 4" x 4" post marked T 27-DJC; thence S. 85° 04-3/4' W., 203.5 feet to 4" x 4" post marked T 28-DJC; thence N. 86° 26-1/4' W., 505.2 feet to 4" x 4" post marked T-29-DJC; thence N. 59° 04-1/2' W., 84.6 feet to 4" x 4" post marked T 30-DJC; thence N. 44° 26' W., 766.9 feet to 4" x 4" post marked T 31-DJC; thence N. 58° 26' W., 617.7 feet to 4" X 4" post marked T 32-DJC; thence N. 55° 09' W., 289.4 feet to 4" x 4" post marked T 33-DJC; thence N. 58° 49-1/2' W., 133.5 feet to 4" x 4" post marked T 34-DJC; thence N. 64° 53' W., 135.8 feet to 4" x 4" post marked T 35-DJC; thence N. 50° 52-1/4' W., at 562.2 feet a granite monument marked 36, top of which is 14 inches under ground, at the intersection of foot of said levee with the southerly side of the Chualar-Salinas River County Road, 588.4 feet to a 1-inch steel bar 30 inches long in the centerline of the said Chualar-Salinas River Road, to flush with ground; thence along the center of the said Chualar-Salinas River Road toward "Chualar", N. 56° 33' E., at 3489 feet a 1-inch steel bar 30 inches long driven flush with ground at intersection with boundary between Ranchos Chualar and Zanjones, from which a granite monument at corner C 8-SJ 4 bears S. 67° 26-1/4' E., 4694.5 feet, and a 4" x 4" post marked CSJ bears N. 67° 26-1/4' W., 30.2 feet, and a 4" x 4" post marked C, SJ, bears S. 67° 26-1/4' E., 30.2 feet, 6637.0 feet to a 1-inch steel bar 30 inches long driven flush with the ground, from which a 4" x 4" post marked DJC, CBR bears S. 36° 38' E., 25.2 feet, and a 4" x 4" post marked DJC, SPDG, at corner of depot grounds, bears N. 36° 38' W., 25.2 feet distant; thence N. 50° 11' E., still along the center of said road, 284.4 feet to the place of beginning.

PARCEL II:

TOGETHER WITH an easement as follows, to-wit:

The right to use, for road purposes, in common with the owners, assigns or grantees of land in the Chualar and Zanjones Ranchos, that certain right-of-way described as follows, to-wit:

A part of the Rancho Chualar, Monterey County, State of California, described as follows to-wit:

Beginning at the northeastern corner of the depot grounds at a 4" x 4" post marked DJC, 22, SPDG, RW, In fence corner; thence N. 50° 11' E., 116.1 feet to a 4" x 4" post marked RW, 22, DJC, in fence on the southwestern side of the State

**EXHIBIT "A"**  
Legal Description

Highway right-of-way; thence along the line of said highway, S. 56 ° 38' E., 41.8 feet to a 1-inch steel bar 30 inches long, top flush with ground; thence leave the highway and running S. 50 ° 11' W., 128.2 feet to a 4" x 4" post marked DJC, RW 23, in fence on the eastern side of said depot grounds; thence N. 39 ° 49' W., along depot grounds, 40.0 feet to the place of beginning.

EXCEPTING the interest of the County of Monterey, for road purposes, over those certain strips or parcels in State Highway, and road leading from "Chualar" to the Salinas River, both as now traveled.  
FURTHER EXCEPTING the easement to Southern Pacific Railroad Company, for railroad purposes, over that certain strip of parcel of land in right-of-way, as now in use.

FURTHER EXCEPTING that portion of the property granted to the State of California and described as follows:

Beginning at the most southerly corner of the Chualar Station grounds as conveyed to the Southern Pacific Branch Railroad Company by deed recorded in Book P of Deeds page 397 records of Monterey County; thence (1), along courses (1), (2), (3) and the southwesterly 42.53 feet of course (4) in the Resolution to abandon recorded in Volume 2088 at page 516 of Official Records of said County; thence (2), leaving said course (4), S. 44 ° 40' 43" E., 876.08 feet; thence (3), tangent to last describe course, southeasterly along a curve to the right with a radius of 1975 feet through an angle of 06 ° 20' 54" for an arc length of 218.83 feet; thence (4), S. 38 ° 19' 49" E., 1794.22 feet to a point on the northwesterly line of the land conveyed to Takeo Yuki by deed recorded September 16, 1952, in Volume 1405 at page 359 Official Records of said County, distant along last said line S. 51 ° 40' 22" W., 84.47 feet from its intersection with the southwesterly right of way line of the Southern Pacific Company's railroad; thence (5), N. 51 ° 40' 11" E. along said northwesterly line of Yuki 50.00 feet; thence (6), N. 38 ° 19' 49" W., 1794.22 feet; thence (7), tangent to last described course northwesterly along a curve to the left with a radius of 225 feet through an angle of 06 ° 20' 54" from an arc length of 224.37 feet; thence (8), N. 44 ° 40' 43" W., 920.99 feet to a point on course (6), in said resolution of abandonment; thence (9), S. 51 ° 40' 11" W., 85.86 feet along last said course (6), to the point of beginning. Bearings and distances used herein are based on the California Coordinate System, Zone 4; multiply distances by 1.0000638 to obtain ground level distances.

NOTE: PARCEL II ABOVE DESCRIBED IS ONLY BEING INCLUDED SO AS TO AVOID THE COMPANY BEING THE CAUSE OF EXCLUDING IT FROM DEEDS OR ENCRUMBRANCES, BUT **NO INSURANCE** IS TO BE PROVIDED AS TO SAID PARCEL.



## 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**

