

2019059676

Stephen L. Vagnini
Monterey County Clerk-Recorder

12/16/2019 01:44 PM

Recorded at the request of:
CLERK OF THE BOARD

Titles: 1 Pages: 16

Fees: \$58.00
Taxes: \$0.00
AMT PAID: \$58.00



THIS SPACE FOR RECORDER'S USE ONLY

WHEN RECORDED MAIL TO:

Clerk of the Board

168 W. Alisal St., 1st Floor

Salinas, CA 93901

TITLE OF DOCUMENT

Farmland Security Zone Contract No. 2020-005

Board of Supervisors Agenda Date: December 10, 2019
Item No. 30, Legistar File ID No. RES 19-172
Board of Supervisors Resolution No. 2019-418

FARMLAND SECURITY ZONE CONTRACT No. 2020-005

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 **Soledad Ranches Limited Partnership, a California Limited Partnership**, hereinafter called "Owner."

WITNESSETH:

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

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

WHEREAS, Owner has expressly requested that County create a farmland security zone, and placement of the property under a new Farmland Security Zone and Contract (No. 2020-005) established by County Resolution (No. 2019- 418); 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 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, 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 farmland security zone 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 51283.1 (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 improvements shall be levied at a reduced rate unless the tax directly benefits the land or the living improvements. (Government Code Section 51267.2).

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 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 4.

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/her/its 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 contract identical to this contract on each parcel created by the division. Owner agrees to execute such contract or contracts, as applicable. The division of land under

contract within a farmland security zone will not be approved unless it can be reasonably established that there will be no loss in the production of food and fiber within the farmland security zone 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 51296.7). 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.). Notice of intent to consider land in farmland security zone 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 Section 51291(b). When land in a farmland security zone pursuant to this contract is acquired by a public agency, the public agency shall notify the Director of Conservation within ten (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 farmland security zone 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 review 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 51296.6 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 and Taxation 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 Revenue and Taxation Code 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 Revenue and Taxation Code 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 zone 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 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), only if all of the requirements pursuant to Government Code Section 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 farmland security zone in which the property described in Exhibit A is located and shall be published pursuant to Government Code Section 6061. In addition, at least ten (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 farmland security zone 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 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 attorney's fees incurred by or imposed upon County by or in connection with such litigation, and Owner shall and will pay all costs and reasonable attorney's 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 fiber 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.

20. INCORPORATION OF RECITALS

The parties understand and agree that the Recitals to this Farmland Security Zone Contract are hereby incorporated into this Farmland Security Zone Contract.

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 Chair of the Board of Supervisors.

Dated: 12-12-19

COUNTY OF MONTEREY

By: _____

John M. Phillips
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)

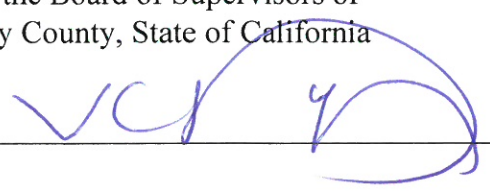
On December 12, 2019, before me, Valerie Ralph

Clerk of the Board of Supervisors, personally appeared ~~John~~^{John} John M. Phillips, 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.

VALERIE RALPH
Clerk of the Board of Supervisors of
Monterey County, State of California

By: 

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

[COUNTY SEAL]:

OWNER:

Soledad Ranches Limited Partnership, a California Limited Partnership

By: J. W. Williams III Management Company LLC, Its General Partner

Dated: 12/13/19

Kirk Williams

By: Kirk Williams, Manager

J.W. Williams III Management Company LLC

Its: General Partner

Dated: _____

And by: _____

Type/Print _____

Its: Manager

J.W. Williams III Management Company LLC

Its: General Partner

**Note: For Limited Liability Companies (LLCs), California Corporations Code Section 17703.01 requires signature by at least two (2) managers, or by one (1) manager in the case of a limited liability company whose articles of organization state it is managed by only one (1) manager. If the LLC's articles of organization provide for signature by only one (1) manager, please provide a copy of said articles of organization to the Office of the County Counsel-Risk Manager, Attention: Mary Grace Perry, Deputy County Counsel.*

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.

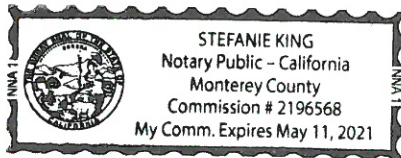
STATE OF CALIFORNIA
COUNTY OF MONTEREY

On December 13, 2019, before me, Stefanie King,
Notary Public, personally appeared Kirk Williams, 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.

[SEAL]



Stefanie King
Notary Public

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 _____, 2019, before me, _____,
Notary Public, personally appeared _____, who proved to me
on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/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.

[SEAL]

Notary Public

SCHEDULE A
LOT BOOK GUARANTEE

The assurances referred to on the face page hereof are:

That, according to the Company's property records relative to the following described real property (but without examination of those Company records maintained and indexed by name):

Real property in the unincorporated area of the County of Monterey, State of California, described as follows:

CERTAIN REAL PROPERTY SITUATE IN LOT 5 OF THE RANCHO PARAJE DE SANCHEZ IN THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, BEING A PART OF THAT CERTAIN 222.06 ACRE TRACT OF LAND SHOWN ON MAP ENTITLED "RECORD OF SURVEY" FILED JANUARY 19, 1965, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, IN MAP BOOK SEVEN OF SURVEYS, AT PAGE 61, SAID PART BEING PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY OF SAID 222.06 ACRE TRACT OF LAND FROM WHICH THE SOUTHERLY CORNER THEREOF BEARS ALONG SAID BOUNDARY SOUTH 46° 56' EAST, 720.4 FEET DISTANT, AND RUNNING THENCE ALONG SAID BOUNDARY.

1ST: NORTH 46° 56' WEST, 1,170.1 FEET TO THE WESTERLY CORNER OF SAID 222.06 ACRE TRACT OF LAND IN THE CENTERLINE OF FAIRVIEW ROAD (A COUNTY ROAD 50 FEET WIDE); THENCE LEAVE SAID BOUNDARY AND RUNNING ALONG SAID ROAD CENTERLINE AND THE NORTHWESTERLY BOUNDARY OF SAID 222.06 ACRE TRACT OF LAND,

2ND: NORTH 48° 03-1/4' EAST, 107 FEET; THENCE

3RD: NORTH 55° 33-1/4' EAST, 143 FEET; THENCE

4TH: NORTH 51° 33-1/4' EAST, 104 FEET; THENCE

5TH: NORTH 45° 03-1/4' EAST, 110 FEET; THENCE

6TH: NORTH 57° 03-1/4' EAST, 105 FEET; THENCE

7TH: NORTH 47° 33-1/4' EAST, 230 FEET; THENCE

8TH: NORTH 39° 33-1/4' EAST, 223 FEET; THENCE

9TH: NORTH 47° 33-1/4' EAST, 655 FEET; THENCE

10TH: NORTH 45° 33-1/4' EAST, 370 FEET; THENCE

11TH: NORTH 42° 33-1/4' EAST, 100 FEET; THENCE

12TH: NORTH 28° 03-1/4' EAST, 123 FEET; THENCE

13TH: NORTH 37° 03-1/4' EAST, 160 FEET; THENCE

14TH: NORTH 21° 03-1/4' EAST, 210 FEET; THENCE

First American Title Company

EXHIBIT A
PAGE 1 OF 3 PAGES

15TH: NORTH 41° 48-1/4' EAST, 227 FEET; THENCE

16TH: NORTH 46° 03-1/4' EAST, 127 FEET; THENCE

17TH: NORTH 50° 03-1/4' EAST, 160 FEET; THENCE

18TH: NORTH 40° 03-1/4' EAST, 280 FEET; THENCE

19TH: NORTH 24° 33-1/4' EAST, 140 FEET; THENCE

20TH: NORTH 40° 33-1/4' EAST, 475 FEET; THENCE

21ST: NORTH 46° 33-1/4' EAST, 185 FEET; THENCE

22ND: NORTH 22° 33-1/4' EAST, 180 FEET; THENCE

23RD: NORTH 29° 33-1/4' EAST, 200 FEET; THENCE

24TH: NORTH 32° 33-1/4' EAST, 185 FEET; THENCE

25TH: NORTH 29° 03-1/4' EAST, 215 FEET; THENCE

26TH: NORTH 33° 03-1/4' EAST, 275 FEET; THENCE

27TH: NORTH 33° 33-1/4' EAST, 225 FEET; THENCE

28TH: NORTH 40° 33-1/4' EAST, 177 FEET; THENCE

29TH: NORTH 22° 03-1/4' EAST, 218 FEET; THENCE

30TH: NORTH 12° 03-1/4' EAST, 423 FEET; THENCE

31ST: NORTH 42° 03-1/4' EAST, 395.2 FEET TO INTERSECTION WITH THE SOUTHWESTERLY LINE OF RIVER ROAD (A COUNTY ROAD 60 FEET WIDE AS DESCRIBED IN DEED FROM A. C. FRANSCIONI TO COUNTY OF MONTEREY, DATED MAY 27, 1930 AND RECORDED IN BOOK 247, PAGE 150, OFFICIAL RECORDS) FROM WHICH A 4" X 4" POST STANDING AT AN ANGLE POINT IN SAID SOUTHWESTERLY LINE BEARS ALONG SAID LINE NORTH 48° WEST, 190.8 FEET DISTANT; THENCE LEAVE SAID FAIRVIEW ROAD CENTERLINE AND RUNNING ALONG SAID SOUTHWESTERLY ROAD LINE AS FENCED AND NORTHEASTERLY BOUNDARY OF SAID 222.06 ACRE TRACT OF LAND

32ND: SOUTH 48° 00' EAST, 783.5 FEET TO A POINT FROM WHICH THE EASTERLY CORNER OF SAID 222.06 ACRE TRACT OF LAND BEARS ALONG SAID NORTHEASTERLY BOUNDARY SOUTH 48° 00' EAST, 600.7 FEET AND THENCE SOUTH 44° 56' EAST, 118.8 FEET DISTANT; THENCE LEAVE LAST MENTIONED ROAD LINE AND BOUNDARY AND RUNNING,

33RD: SOUTH 34° 27-1/2' WEST, 6,666.1 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED TO THE COUNTY OF MONTEREY, RECORDED IN BOOK 146, PAGE 81 OF DEEDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED TO THE COUNTY OF MONTEREY, RECORDED IN BOOK 146, PAGE 82 OF DEEDS.

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ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED TO THE COUNTY OF MONTEREY, RECORDED IN BOOK 247, PAGE 150, OFFICIAL RECORDS.

ALSO EXCEPT THE INTEREST RESERVED IN DEED FROM PAUL FRANSCIONI AS EXECUTOR OF THE WILL OF VITTORIA FRANSCIONI, ALSO KNOWN AS VICTORIA FRANSCIONI, DECEASED, TO JAMES WALTER WILLIAMS, JR., ET AL, RECORDED JULY 15, 1964 IN REEL 344, PAGE 205, OFFICIAL RECORDS, AS FOLLOWS:

"RESERVING TO THE ESTATE FOR THE PERIOD ENDING TWENTY-ONE (21) YEARS AFTER THE DEATH OF THE LAST TO SURVIVE OF THE DEVISEES OF THE ESTATE ABOVE, AN UNDIVIDED ONE-HALF (1/2) OF ALL OIL, GAS, HYDROCARBONS SUBSTANCES AND MINERALS, IN, ON AND UNDER SAID LAND, BUT WITHOUT RIGHT OF ENTRY ON THE SURFACE THEREOF TO A DEPTH OF 550 BELOW THE SURFACE. BUT GRANTING TO THE PURCHASERS, THEIR HEIRS, SUCCESSORS OR ASSIGNS EXCLUSIVE RIGHT TO LEASE THE SAID REAL PROPERTY FOR THE EXPLORATION FOR, DRILLING FOR, DEVELOPMENT AND PRODUCTION OF SAID SUBSTANCES SO EXCEPTED, SUBJECT TO THE PAYMENT OF ONE-HALF (1/2) OF ANY ROYALTIES AND RENTALS TO THE ESTATE AND DEVISEES OF THE ESTATE."

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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*).