

LAND CONSERVATION CONTRACT

THIS LAND CONSERVATION CONTRACT is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between GREENGATE FARMS EDNA VALLEY, LLC, a California limited liability company, hereinafter referred to as "Owner", and the COUNTY OF SAN LUIS OBISPO, a political subdivision of the State of California, hereinafter referred to as "County".

WITNESSETH

WHEREAS, Owner possesses certain real property situated in the County of San Luis Obispo, State of California, hereinafter described as "the subject property", and more particularly described in Exhibit A attached hereto and incorporated by reference herein as though set forth in full; and

WHEREAS, the subject property is devoted to agricultural uses and uses compatible thereto, and is located within an agricultural preserve heretofore established by the County; and

WHEREAS, both Owner and County desire to limit the use of the subject property to agricultural, related and compatible uses in order to preserve a maximum amount of agricultural land, to conserve the State's economic resources, to maintain the agricultural economy, to assure a food supply for future residents, and to discourage premature and unnecessary conversion of agricultural land to urban uses, recognizing that such land has public value as open-space and constitutes an important physical, social, aesthetic, and economic asset to the County; and

WHEREAS, the placement of the subject property in an agricultural preserve and the execution and approval of this contract is deemed to be a determination that the

highest and best use of the subject property during the term of this contract, or any renewal thereof, is for agricultural uses and Owner agrees that agricultural zoning is the appropriate zoning for said premises; and

WHEREAS, Owner has supplied County with a title company lot book guarantee or preliminary title report listing all trust deed beneficiaries and mortgagees, if any, under prior recorded deeds of trust and mortgages on the subject property; and

WHEREAS, both Owner and County intend that the terms, conditions and restrictions of this contract are substantially similar to the terms, conditions, and restrictions of contracts authorized by the California Land Conservation Act of 1965 so as to be an enforceable restriction under the provisions of California Revenue and Taxation Code Section 422; and

WHEREAS, it is the intent of County and Owner that the continued existence of this contract is made dependent upon the continued recognition of the restrictions on the use of Owner's land for property tax valuations.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. This contract is made and entered into pursuant to the California Land Conservation Act of 1965 (Government Code Sections 51200 et seq.) and is subject to all of the provisions thereof, including any amendments thereto which may be enacted from time to time, which are incorporated by reference herein as though set forth in full. This contract is further made and entered into pursuant to Revenue and Taxation Code Section 422, including any amendments thereto which may be enacted from time to time, which are incorporated by reference herein as though set forth in full.

2. During the term of this contract, the subject property shall not be used for any purpose other than "agricultural or compatible uses" as defined in this paragraph. "Agricultural or compatible uses" as used in this contract are described in the County's Rules of Procedure to Implement the California Land Conservation Act of 1965. Table 2 of the Rules of Procedure provides a list of all land uses which are defined in the Land Use Element for the Inland Portion and Coastal Zone of the County and denotes whether these uses are allowable, conditional per Table 2 footnotes, or prohibited. "Agricultural or compatible uses" are subject to all applicable standards in and requirements of the Land Use Element and the Land Use Ordinance/Coastal Zone Land Use Ordinance for the Agriculture land use category. If the subject property is not already in the Agriculture land use category, the County will initiate a general plan amendment to change the land use category to Agriculture within one year after the agricultural preserve is established.

The parties further recognize that the Land Use Element, Land Use Ordinance/Coastal Zone Land Use Ordinance, and Rules of Procedure to Implement the California Land Conservation Act of 1965 may be amended in accordance with State law and the County Code. The parties further recognize that the uses allowed pursuant to this contract may be expanded or restricted from time to time by reason of such amendments. The subject property is currently designated by the Land Use Element and Land Use Ordinance/Coastal Zone Land Use Ordinance as Agriculture.

3. This contract shall be effective as of the day and year first above written and shall remain in effect for the period of 20 years therefrom; provided, however, that beginning with the first day of January of the year in which the contract will have an unexpired term of nine years, and on each first day of January thereafter, a year shall

be added automatically to the initial term unless notice of nonrenewal is given as provided in Government Code Section 51245 and the County's Rules of Procedure to Implement the California Land Conservation Act of 1965, subject to the filing deadlines stated therein. Under no circumstances shall a notice of renewal be required of either party to effectuate the automatic renewal option of this paragraph.

4. This contract may not be canceled except pursuant to a request by Owner, and as provided in Article 5 of the California Land Conservation Act of 1965 as that Act may be amended from time to time. Provided, however, no such cancellation shall occur until notice and public hearing thereon is conducted in the manner provided by Government Code Sections 51284 and 51285, as those sections may be amended from time to time.

5. Owner, upon request of County, shall provide County with information relating to Owner's obligations under this contract.

6. Any conveyance, contract or authorization (whether oral or written) by Owner or his successors in interest which would permit use of the above-described premises contrary to the terms of the contract may be declared void by the County Board of Supervisors; such declaration or the provisions of this contract may be enforced by County by an action filed in the Superior Court of the County for the purpose of compelling compliance or restraining breach thereof. These remedies are non-exclusive and County may take any other action legally available to enforce the terms of this contract.

7. The within contract shall run with the land described herein and shall be binding upon the heirs, successors, and assigns of the parties hereto.

8. The minimum lot size for the purposes of this contract shall be 40 acres. Any act by Owner which results in creation of a parcel or parcels of land, within the above-described premises, smaller than the minimum lot size prescribed in this paragraph for said premises shall constitute a violation of this contract and shall be subject to all the provisions of paragraph 6 hereof.

9. Any transfer by Owner of any portion of the property which is the subject of this contract shall be a violation of this contract, if the portion transferred is smaller in size than the minimum lot size prescribed in the provisions of paragraph 8 above. Such a violation shall be subject to all of the provisions of paragraph 6 hereof. Provided, however, if the subject property is smaller in size than the minimum lot size prescribed in the provisions of paragraph 8 above, the subject property may be transferred in its entirety. Provided further, however, if the subject property is located in whole or in part within one mile of an urban reserve line or adjacent to a village reserve line as designated by the Land Use Element, an existing parcel or a group of contiguous existing parcels may be transferred if the property transferred and the property retained each satisfies the minimum acreage required to qualify according to Table 1 of the Rules of Procedure.

10. The trust deed beneficiaries and mortgagees, if any, listed on the lot book guarantee or preliminary title report referred to above, and whose signatures are affixed hereto, do hereby assent to this contract, and, further, do hereby subordinate their respective interests to the contractual restrictions imposed by this contract, specifically to the agricultural and compatible uses and minimum lot sizes imposed on the subject property by reason of this contract.

11. This contract may be executed in one or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

COUNTY OF SAN LUIS OBISPO

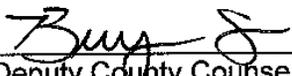
By: \_\_\_\_\_  
Chairperson of the Board of Supervisors

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL  
County Counsel

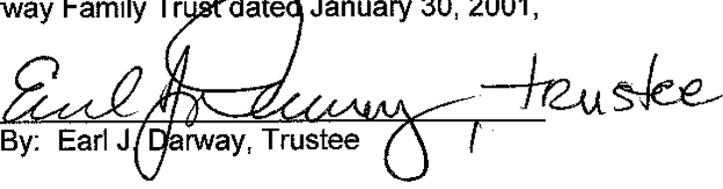
By:   
Deputy County Counsel

Dated: 11.20.15

OWNER

GREENGATE FARMS EDNA VALLEY, LLC, a  
California limited liability company

By: Earl J. Darway, Trustee of the Earl J.  
Darway Family Trust dated January 30, 2001,

 trustee  
By: Earl J. Darway, Trustee

[NOTE: This contract will be recorded. All signatures to this contract must be  
acknowledged by a notary on an all purpose acknowledgement form.]

Greengate-Darway\_AGP2013-00014\_Ctr.wpd



**ACKNOWLEDGMENT**

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 San Luis Obispo

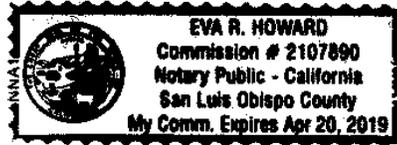
On November 18 2015 before me, Eva R Howard, Notary Public  
(insert name and title of the officer)

personally appeared Earl J. Darway  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature  (Seal)



**EXHIBIT A**

**Legal Description**

PARCEL 2: (Portion of 044-401-042 and a Portion of 044-161-010) – (CERTIFICATE OF COMPLIANCE 2015-055860)

THAT PORTION OF PARCEL 8 OF PARCEL MAP COAL 86-327, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA PER MAP RECORDED AUGUST 2, 1988 IN BOOK 43 AT PAGE 77 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF A ROAD, 30 FEET WIDE, AS SHOWN ON MAP RECORDED IN BOOK 1 AT PAGE 74 OF RECORD OF SURVEYS IN THE OFFICE OF SAID RECORDER, DISTANT SOUTH 32°51'14" WEST 61.56 FEET, FROM POINT "BB11" AS SHOWN ON MAP RECORDED IN BOOK 108 AT PAGES 42 THROUGH 44 OF RECORD OF SURVEYS IN THE OFFICE OF SAID RECORDER, THENCE NORTH 55°35'34" WEST 587.17 FEET TO THE NORTHWESTERLY BOUNDARY OF SAID PARCEL 8.

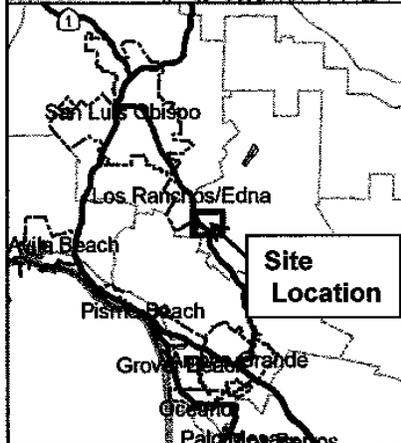
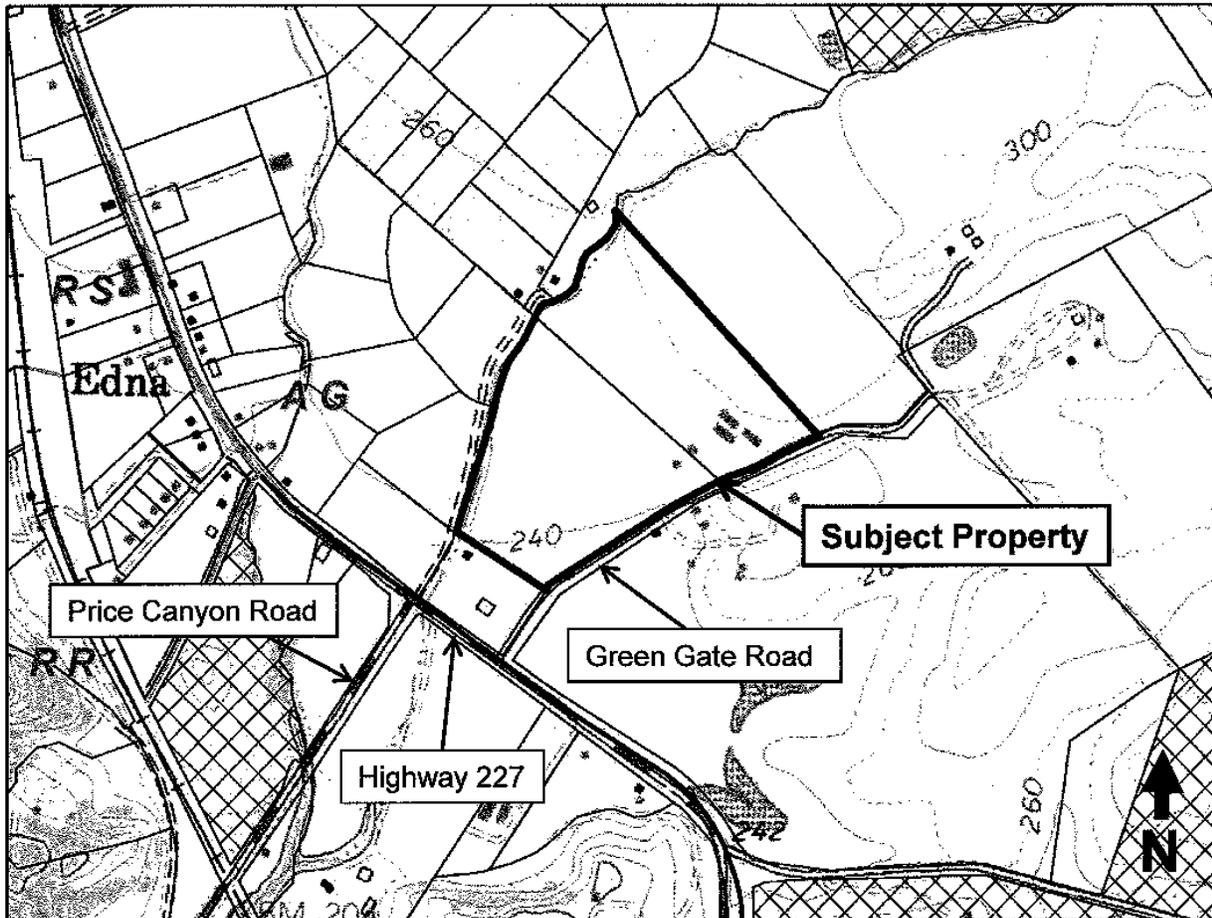
TOGETHER WITH THAT PROPERTY DESCRIBED IN DEED RECORDED IN BOOK 64 AT PAGE 226 OF DEEDS IN THE OFFICE OF SAID RECORDER.

ALSO TOGETHER WITH THAT PORTION OF THAT PROPERTY DESCRIBED IN DEED RECORDED IN BOOK 61 AT PAGE 611 OF DEEDS IN THE OFFICE OF SAID RECORDER LYING SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTHWEST LINE OF SAID ROAD, SAID POINT BEING SOUTH 64°51'14" WEST 158.00 FEET FROM POINT "BB5" AS SHOWN ON SAID MAP RECORDED IN BOOK 108 AT PAGES 42 THROUGH 44 OF RECORD OF SURVEYS; THENCE NORTH 41°06'36" WEST 1,604 FEET, MORE OR LESS, TO THE CENTERLINE OF THE CORRAL DE PIEDRA CREEK AS DESCRIBED IN SAID DEED.

EXCEPT THEREFROM A PORTION OF SAID LAND LYING WITHIN A PART FORMERLY KNOWN AS LOT BB, ½ OF ALL OILS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN, UNDER OR UPON SAID LAND, AS RESERVED BY JOHN TIMOTHY CARROLL, ET AL., IN DEED RECORDED NOVEMBER 3, 1960 IN BOOK 1091, PAGE 509 OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM A PORTION OF SAID LAND LYING WITHIN A PART FORMERLY KNOWN AS LOTS BB AND CC, 50% INTEREST IN AND TO ALL OIL, GAS AND OTHER MINERALS IN, ON OR UNDER SAID LAND, AS RESERVED BY MARGARET ELLEN LEWIS, A MARRIED WOMAN, IN DEED RECORDED JULY 15, 1963 IN BOOK 1250, PAGE 405 OF OFFICIAL RECORDS, SAID DEED COVERING A 1/7TH INTEREST ONLY IN SAID DEED.



**Exhibit A: Edna Valley Agricultural Preserve No. 43**

-  Property APNs: 044-161-008 & 044-401-042 (ptns.)
-  Surrounding Land in Preserve & Contract

**Exhibit A: Establishing an Agricultural Preserve**

File No. AGP2013-00014 – Darway Family Trust  
 Minimum Parcel Size: 40 Acres  
 Minimum Term of Contract: 20 Years  
 Resolution No: Date:

RECORDING REQUESTED BY:

County of San Luis Obispo

AND WHEN RECORDED MAIL TO:

Clerk of the Board of Supervisors  
County of San Luis Obispo  
County Government Center  
San Luis Obispo, CA 93408

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**SUBORDINATION AGREEMENT**

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT. (THIS NOTICE REQUIRED BY CALIFORNIA CIVIL CODE SECTION 2953.3.)

The undersigned, beneficiary under that certain Deed of Trust dated December 11, 2012, recorded December 24, 2012, as Document No. 2012-075695, of the Official Records in the office of the County Recorder of the County of San Luis Obispo, State of California, hereby consents to the Land Conservation Contract entered into between GREENGATE FARMS EDNA VALLEY, LLC, a California limited liability company, and the County of San Luis Obispo, recorded concurrently herewith, and does hereby subordinate the interests of its Deed of Trust to the entire effect of the Land Conservation Contract.

SIGNED AND EXECUTED this 18<sup>th</sup> day of NOVEMBER, 2015.

BENEFICIARY

Farm Credit West, FLCA

By: Robert Cox  
[Name]: ROBERT COX  
Its [Title]: SR. VICE PRESIDENT

[NOTE: This Subordination Agreement will be recorded. All signatures to this agreement must be acknowledged by a notary.]

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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 San Luis Obispo )  
On 11-18-15 before me, Kristi Terry, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared ROBERT COX  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Signature Kristi Terry  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_  
Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_