



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

TEL: (831) 384-6131 FAX: (831) 883-5995

DIRECTORS
KENNETH K. NISHI
President

WILLIAM Y. LEE
Vice President

HOWARD GUSTAFSON
THOMAS P. MOORE
DAN BURNS

Date: November 7, 2010
To: Curtis Weeks
MCWRA General Manager
From: Jim Heitzman
MCWD General Manager
Address: 893 Blanco Circle
Salinas, CA 93901
Subject: MCWD Parcel addition to CSIP

Dear Curtis,

As you are aware, the Marina Coast Water District (MCWD) recently exercised its option to purchase 224(+/-) acres of the Armstrong Ranch property for MCWD use. The property is located within existing Zone 2C, and has been previously annexed into Zones 2 and 2A. The MCWD would like to request that parcel number 175-011-031 (portion) be added to the existing Zone 2B, otherwise known as the CSIP distribution system service area.

Annexation of the parcel into Zone 2B would provide the ability to develop irrigated agriculture on the parcel.

The following are attached to this document:

- Attachment A: Map showing the location of the MCWD parcel in relationship to the existing CSIP system
- Attachment B: Grant Deed of the MCWD parcel

We look forward to working with you to affect this annexation request. I look forward to meeting with you to discuss the next steps required in processing this request.

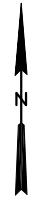
Please call me if you have any questions or require additional information.

Sincerely,

Jim Heitzman
General Manager

Attachment A
MCWD Parcel and CSIP Map

FILENAME: CSIP MAP 10-21-10 08:49pm John | XREFS: CSIP-Armstrong_10.18 | CSIP APN | InTake_Wells_Alternatives_AGLAND | X-MCWD-TBLX | N-EFF-PIPELINE | AERIAL | ccc--



MONTEREY BAY

LEGEND:



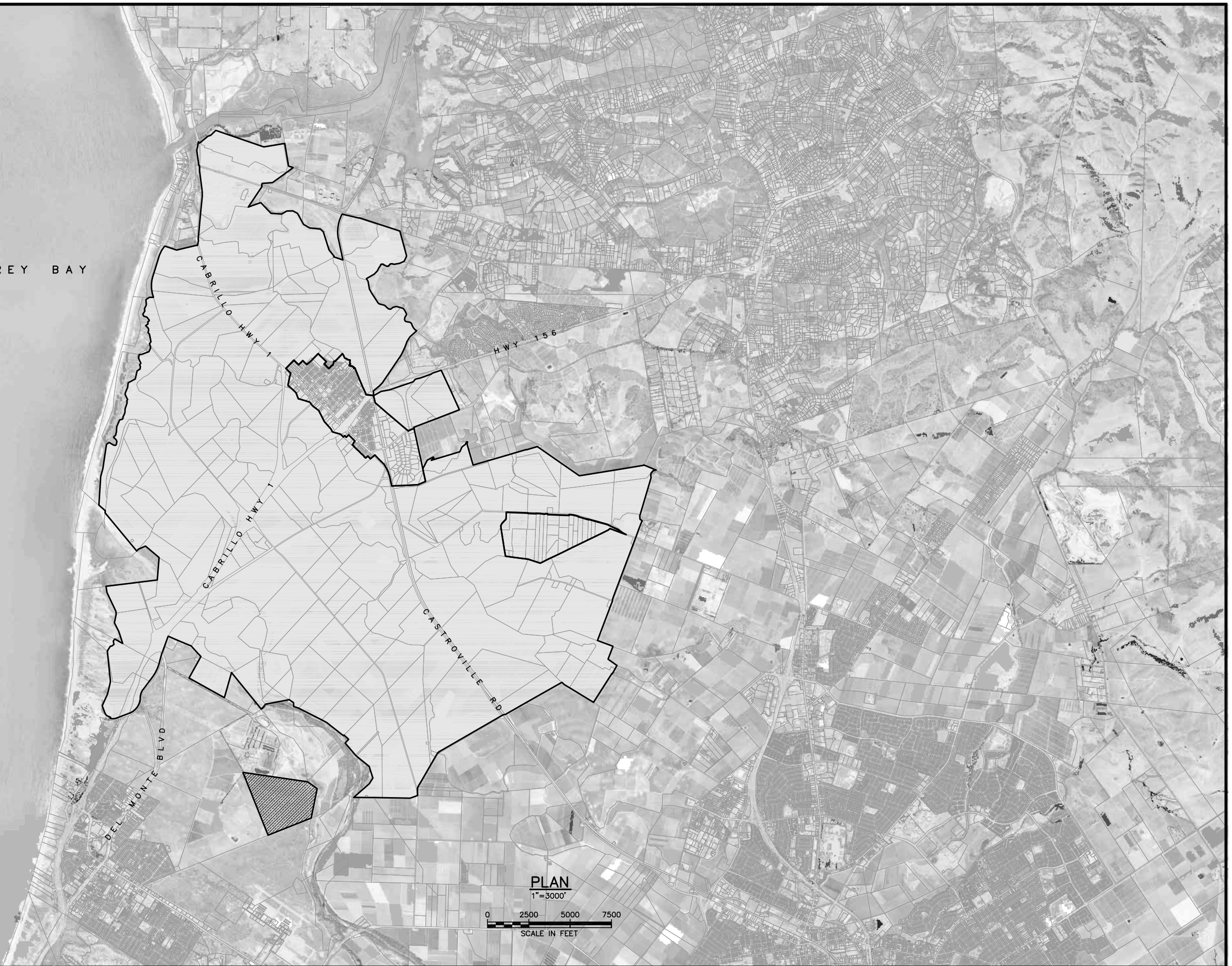
CSIP AREA



MCWD 223 ACRE PARCEL

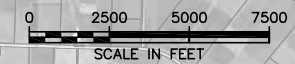


APN PARCELS



PLAN

1"=3000'



0" 1"
— VERIFY SCALES —
BAR IS ONE INCH
LONG ON FULL
SIZE DRAWING.
IF NOT ONE INCH
LONG ON THIS
DRAWING, ADJUST
SCALES ACCORDINGLY

MARINA COAST WATER DISTRICT

PROPOSED CSIP ADDITION

DWG NO

SHEET NO

PROJ NO

DATE

Attachment B
MCWD Parcel Legal Description

CTC#52504793

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

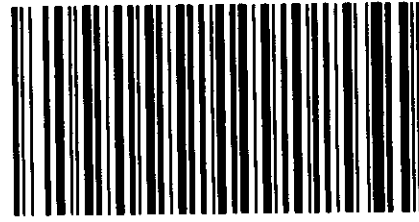
CRMARIA
6/30/2010
8:43:52

**RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:**

Lloyd Lowrey, Jr.
NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation
333 Salinas Street
Post Office Box 2510
Salinas, CA 93902-2510

DOCUMENT: **2010035894**

Titles: 1/ Pages: 26



Fees....
Taxes...
Other...
AMT PAID

Exempt from Recording Fees GC§27383

GRANT DEED

****This document has been signed in counterpart ****

Documentary Transfer Tax: None. Transfer to exempt governmental agency. R&T Code §11922.
Exempt from reassessment: Property owned by State or local government. Cal. Const. Art. 13 §3.

Unincorporated area of: Monterey County; or City of: _____
Assessor's Parcel Number: 175-011-031 (Portion).

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned granting parties (collectively, the "Grantor") hereby GRANTS to MARINA COAST WATER DISTRICT, a county water district and political subdivision of the State of California ("Grantee") the real property described as follows:

See Exhibit A, attached hereto.

This Grant Deed may be executed with counterpart signatures.

IN WITNESS WHEREOF, the undersigned Grantors have executed this Grant Deed effective as of June 28, 2010.

THE LOIS AND CLYDE JOHNSON, JR., 1989
IRREVOCABLE TRUST

THE SANDRA ARMSTRONG MURRAY
REVOCABLE TRUST U/A DATED MARCH 7,
1989

By: Clyde W. Johnson, III, Trustee

By: John D. Murray, Successor Co-Trustee

J & J ARMSTRONG LIMITED PARTNERSHIP

By: Gordon Rubbo, Successor Co-Trustee

By: John Coleman
Its: James A. Armstrong
General Partner

Gordon Rubbo, Co-Trustee
By: Edwin A. Johnson
By John Coleman Co Attorney in fact
Edwin A. Johnson
by James A. Armstrong co. attorney in fact
EDWIN A. JOHNSON

THE IRVINE ARMSTRONG, JR., AND
CAROL V. ARMSTRONG REVOCABLE
TRUST UNDER TRUST AGREEMENT
DATED DECEMBER 12, 1995

Irvine Armstrong, Jr. Trustee
By: Irvine Armstrong, Jr., Trustee

Carol V. Armstrong, Trustee
By: Carol V. Armstrong, Trustee

JAY M. ARMSTRONG FAMILY LIMITED
PARTNERSHIP

By: 2000 Jay M. Armstrong Revocable Trust
U/D/T 4/24/00
Its: General Partner

By: _____
Jay M. Armstrong, Trustee

THE 2004 SUSANNE IRVINE ARMSTRONG
REVOCABLE TRUST U/A DTD 5/28/04

Susanne Irvine Armstrong, Trustee
By: Susanne Irvine Armstrong, Trustee
James Irvine Armstrong, Jr. Co-Trustee

CLYDE W. JOHNSON, III and LAURENA
JOHNSON FAMILY LIMITED
PARTNERSHIP, a California limited partnership

By: _____
Its: _____

THE TRUST FOR THE BENEFIT OF MARY
JANET ARMSTRONG WEBER, as set forth in
the Order Settling Report of Trustees due to the
death of Lois Armstrong, etc., in the Estate of
Irvine Armstrong, also known as James Irvine
Armstrong, deceased, recorded January 4, 1988,
in reel 2191 at page 643

James Irvine Armstrong, Jr. Co-Trustee
By: James Irvine Armstrong, Jr., Co-Trustee

John A. Armstrong, Co-Trustee
By: John A. Armstrong, Co-Trustee

THE 2003 SUSANNE ARMSTRONG
IRREVOCABLE TRUST DATED NOVEMBER
5, 2003

John A. Armstrong, Trustee
By: John A. Armstrong, Trustee

James Irvine Armstrong, Jr. Trustee
By: James Irvine Armstrong, Jr., Trustee

STATE OF CALIFORNIA

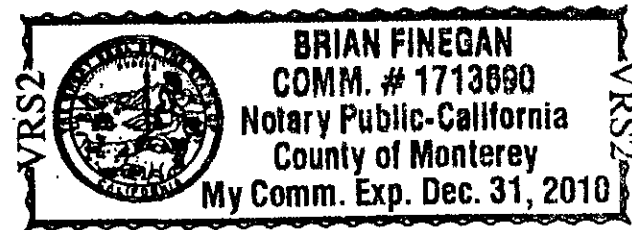
COUNTY OF MONTEREY

On JUNE 28, 2010 before me, BRIAN FINEGAN, Notary Public, personally appeared JOHN A. ARMSTRONG, 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.

Brian Finegan (Seal)
Signature



STATE OF CALIFORNIA

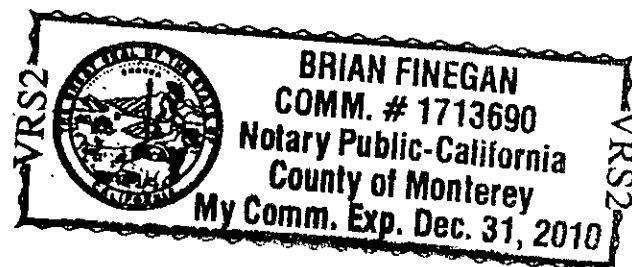
COUNTY OF MONTEREY

On JUNE 28, 2010 before me, BRIAN FINEGAN, Notary Public, personally appeared JAMES IRVINE ARMSTRONG, JR, 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.

Brian Finegan (Seal)
Signature



STATE OF CALIFORNIA

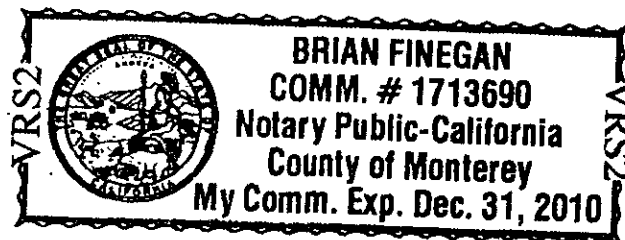
COUNTY OF MONTEREY

On JUNE 28, 2010 before me, BRIAN FINEGAN, Notary Public, personally appeared GORDON A. RUBBO, 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.

Brian Finegan (Seal)
Signature



STATE OF CALIFORNIA

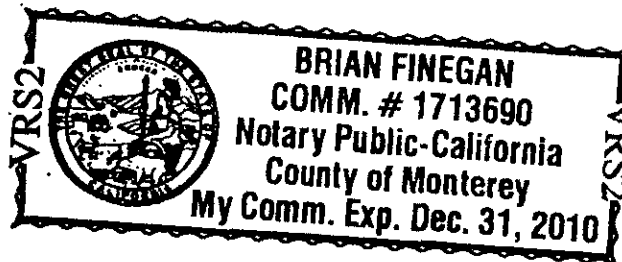
COUNTY OF MONTEREY

On JUNE 28, 2010 before me, BRIAN FINEGAN, Notary Public, personally appeared CAROL V. ARMSTRONG, 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.

Brian Finegan (Seal)
Signature



THE IRVINE ARMSTRONG, JR., AND
CAROL V. ARMSTRONG REVOCABLE
TRUST UNDER TRUST AGREEMENT
DATED DECEMBER 12, 1995

By: Irvine Armstrong, Jr., Trustee

By: Carol V. Armstrong, Trustee

THE 2004 SUSANNE IRVINE ARMSTRONG
REVOCABLE TRUST U/A DTD 5/28/04

By: Susanne Irvine Armstrong, Trustee

THE TRUST FOR THE BENEFIT OF MARY
JANET ARMSTRONG WEBER, as set forth in
the Order Settling Report of Trustees due to the
death of Lois Armstrong, etc., in the Estate of
Irvine Armstrong, also known as James Irvine
Armstrong, deceased, recorded January 4, 1988,
in reel 2191 at page 643

By: James Irvine Armstrong, Jr., Co-Trustee

By: John A. Armstrong, Co-Trustee

JAY M. ARMSTRONG FAMILY LIMITED
PARTNERSHIP

By: 2000 Jay M. Armstrong Revocable Trust
U/D/T 4/24/00
Its: General Partner

By: Jay M. Armstrong
Jay M. Armstrong, Trustee

CLYDE W. JOHNSON, III and LAURENA
JOHNSON FAMILY LIMITED
PARTNERSHIP, a California limited partnership

By: _____

Its: _____

THE 2003 SUSANNE ARMSTRONG
IRREVOCABLE TRUST DATED NOVEMBER
5, 2003

By: John A Armstrong, Trustee

By: James Irvine Armstrong, Jr., Trustee

**RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:**

Lloyd Lowrey, Jr.
NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation
333 Salinas Street
Post Office Box 2510
Salinas, CA 93902-2510

Exempt from Recording Fees GC§27383

GRANT DEED

Documentary Transfer Tax: None. Transfer to exempt governmental agency. R&T Code §11922.
Exempt from reassessment: Property owned by State or local government. Cal. Const. Art. 13 §3.

Unincorporated area of: Monterey County; or City of: _____
Assessor's Parcel Number: 175-011-031 (Portion).

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned granting parties (collectively, the "Grantor") hereby GRANTS to MARINA COAST WATER DISTRICT, a county water district and political subdivision of the State of California ("Grantee") the real property described as follows:

See Exhibit A, attached hereto.

This Grant Deed may be executed with counterpart signatures.

IN WITNESS WHEREOF, the undersigned Grantors have executed this Grant Deed effective as of June 26, 2010.

THE LOIS AND CLYDE JOHNSON, JR., 1989
IRREVOCABLE TRUST

THE SANDRA ARMSTRONG MURRAY
REVOCABLE TRUST U/A DATED MARCH 7,
1989

Clyde W. Johnson III
By: Clyde W. Johnson, III, Trustee
Trustee

By: John D. Murray, Successor Co-Trustee

J & J ARMSTRONG LIMITED PARTNERSHIP

By: Gordon Rubbo, Successor Co-Trustee

By: _____

Its: _____

EDWIN A. JOHNSON

THE IRVINE ARMSTRONG, JR., AND
CAROL V. ARMSTRONG REVOCABLE
TRUST UNDER TRUST AGREEMENT
DATED DECEMBER 12, 1995

By: Irvine Armstrong, Jr., Trustee

By: Carol V. Armstrong, Trustee

THE 2004 SUSANNE IRVINE ARMSTRONG
REVOCABLE TRUST U/A DTD 5/28/04

By: Susanne Irvine Armstrong, Trustee

THE TRUST FOR THE BENEFIT OF MARY
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By: James Irvine Armstrong, Jr., Co-Trustee

By: John A. Armstrong, Co-Trustee

JAY M. ARMSTRONG FAMILY LIMITED
PARTNERSHIP

By: 2000 Jay M. Armstrong Revocable Trust
U/D/T 4/24/00
Its: General Partner

By: _____
Jay M. Armstrong, Trustee

CLYDE W. JOHNSON, III and LAURENA
JOHNSON FAMILY LIMITED
PARTNERSHIP, a California limited partnership

By: _____
Clyde W. Johnson III
Laurena Johnson

Its: _____

THE 2003 SUSANNE ARMSTRONG
IRREVOCABLE TRUST DATED NOVEMBER
5, 2003

By: John A. Armstrong, Trustee

By: James Irvine Armstrong, Jr., Trustee

ACKNOWLEDGEMENT

State of California

County of FRESNO

On JUNE 26, 2010 before me, Michele Terrell-Silva, Notary Public

personally appeared CLYDE W JOHNSON, III- - - - -

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

[Handwritten signature of Michele Terrell-Silva]
Michele Terrell-Silva, Notary Public
559-978-3773



OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could present fraudulent removal and reattachment of this form to another document,

Description of Attached Document

Title or Type of Document: GRANT DEED

Document Date: JUNE 26, 2010 Numbers of Pages: 7

Signer(s) Other Than Named Above: - - - - -

Capacity(ies) Claimed by Signer(s)

Signer's Name: - - - - -

- Individual
- Corporate Officer --Title(s): _____
- Partner -- Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT
OF SIGNER

Signer is Representing: _____

Signer's Name: - - - - -

- Individual
- Corporate Officer --Title(s): _____
- Partner -- Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT
OF SIGNER

Signer is Representing: _____

ACKNOWLEDGEMENT

State of California

County of FRESNO

On JUNE 26, 2010 before me, Michele Terrell-Silva, Notary Public
CLYDE W. JOHNSON III & LAURENA JOHNSON- - -
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 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

[Handwritten Signature]
Michele Terrell-Silva, Notary Public
559-978-3773



OPTIONAL

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Description of Attached Document
GRANT DEED - - - -

Title or Type of Document: _____

Document Date: JUNE 26, 2010 Numbers of Pages: 7

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Signer's Name: _____

- Individual
- Corporate Officer --Title(s): _____
- Partner -- Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT
OF SIGNER

Signer is Representing: _____

- Individual
- Corporate Officer --Title(s): _____
- Partner -- Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT
OF SIGNER

Signer is Representing: _____

**RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:**

Lloyd Lowrey, Jr.
NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation
333 Salinas Street
Post Office Box 2510
Salinas, CA 93902-2510

Exempt from Recording Fees GC§27383

GRANT DEED

Documentary Transfer Tax: None. Transfer to exempt governmental agency. R&T Code §11922.
Exempt from reassessment: Property owned by State or local government. Cal. Const. Art. 13 §3.

Unincorporated area of: Monterey County; or City of: _____
Assessor's Parcel Number: 175-011-031 (Portion).

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned granting parties (collectively, the "Grantor") hereby GRANTS to MARINA COAST WATER DISTRICT, a county water district and political subdivision of the State of California ("Grantee") the real property described as follows:

See Exhibit A, attached hereto.

This Grant Deed may be executed with counterpart signatures.

IN WITNESS WHEREOF, the undersigned Grantors have executed this Grant Deed effective as of _____, 2010.

THE LOIS AND CLYDE JOHNSON, JR., 1989
IRREVOCABLE TRUST

By: Clyde W. Johnson, III, Trustee

THE SANDRA ARMSTRONG MURRAY
REVOCABLE TRUST U/A DATED MARCH 7,
1989

6/27/2010
John D Murray Successor of Co-Trustee

By: John D. Murray, Successor Co-Trustee

J & J ARMSTRONG LIMITED PARTNERSHIP

By: _____

Its: _____

By: Gordon Rubbo, Successor Co-Trustee

EDWIN A. JOHNSON

STATE OF CALIFORNIA

COUNTY OF MONTEREY

MA

NON PUBLIC

Q

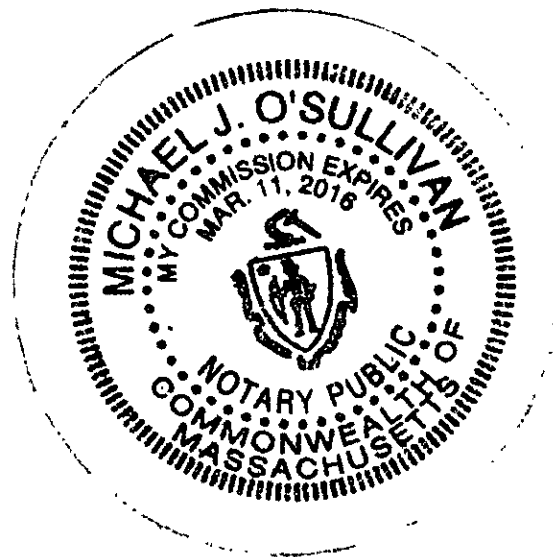
Q

On 6/27/2010 before me, Michael J. O'Sullivan, Notary Public, personally appeared Peter D Murray Successor Co-Trustee, 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 [Signature] (Seal)
Michael J. O'Sullivan
by CA Exp 3/11/16



STATE OF CALIFORNIA

COUNTY OF MONTEREY

On _____, 2010 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.

Signature (Seal)

[Handwritten initials]

ACCEPTANCE

IN WITNESS WHEREOF, the Marina Coast Water District, a county water district and political subdivision of the State of California, hereby accepts and approves this Quitclaim Deed and for itself, its successors and assigns, and agrees to all the covenants, conditions, reservations, restrictions, and terms contained therein.

MARINA COAST WATER DISTRICT, a
county water district and political subdivision of
the State of California



By: Kenneth K. Nishi
Its: President



By: Jim Heitzman
Its: Secretary

STATE OF CALIFORNIA

COUNTY OF MONTEREY

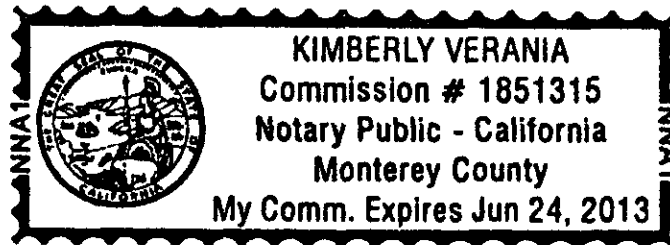
On June 25, 2010 before me, Kimberly Verania, Notary Public, personally appeared Kenneth K Nishi & Jim Heitzman, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same 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.

[Handwritten Signature]

Signature (Seal)



STATE OF CALIFORNIA

COUNTY OF MONTEREY

On _____, 2010 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.

Signature (Seal)

**Exhibit A to Grant Deed
(Property Description)**

PARCEL I:

That certain parcel designated "MCWD RESERVED PARCEL" as said parcel is shown on the map Recorded in Volume 31 of Surveys at Page 21 in the office of the County Recorder of Monterey County, California, lying within Rancho Las Salinas in the unincorporated area of said county and more particularly described as follows:

BEGINNING at a 3/4" iron pipe with plastic cap stamped "RCE 29811" on the southeasterly line of Parcel "A" as said parcel is shown on the map recorded in Volume 7 of Surveys at Page 102 in the Office of the County Recorder of said county, said point bears South 68°12'24" West, 127.91 feet along said line from a brass disc set in concrete and stamped "AP-40 FOMR - U.S. BUREAU OF LAND MANAGEMENT 1958" at an angle point in said southeasterly line as shown on said map; thence along said line

1) South 68°12'24" West, 2,671.85 feet to a 3/4" iron pipe with plastic cap stamped "RCE 29811"; thence leaving said southeasterly line on a course perpendicular thereto, across said Parcel "A"

2) North 21°47'36" West, 4,085.86 feet to a 3/4" iron pipe with plastic cap stamped "RCE 29811" at an angle point in the northerly line of said Parcel "A"; thence along said northerly line

3) South 81°46'38" East, 3,899.78 feet to a point on the westerly line of an existing 20' wide sanitary sewer easement as described in the grant deed recorded in Reel 1670, Page 1016 in the office of the County Recorder of said county; thence along said westerly line

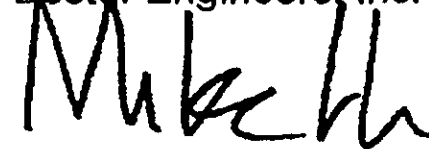
4) South 3°36'05" East, 2,136.95 feet to the beginning of a tangent curve to the right having a radius of 1990.00 feet; thence

5) 111.49 feet along said curve, through a central angle of 3°12'36" to the **POINT OF BEGINNING**

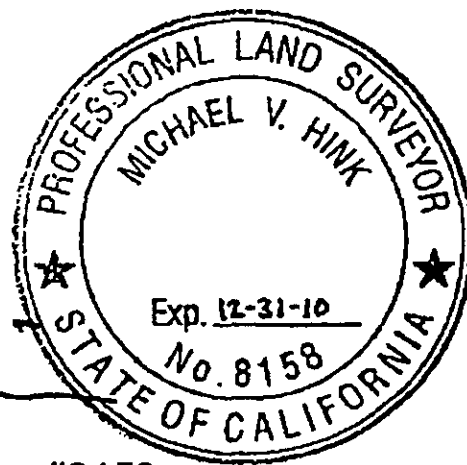
Containing 223.92 Acres, more or less, as shown on the plat attached hereto and made a part hereof.

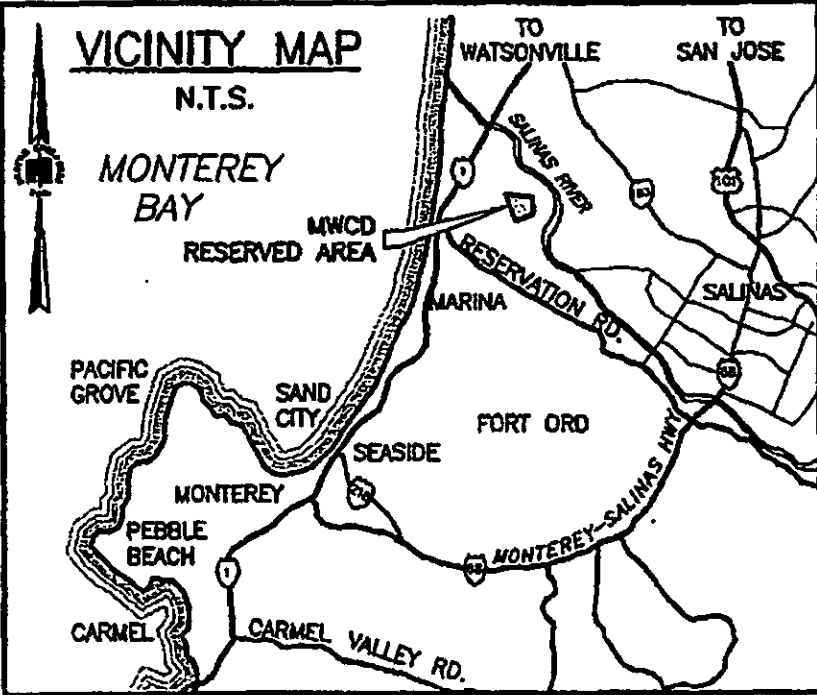
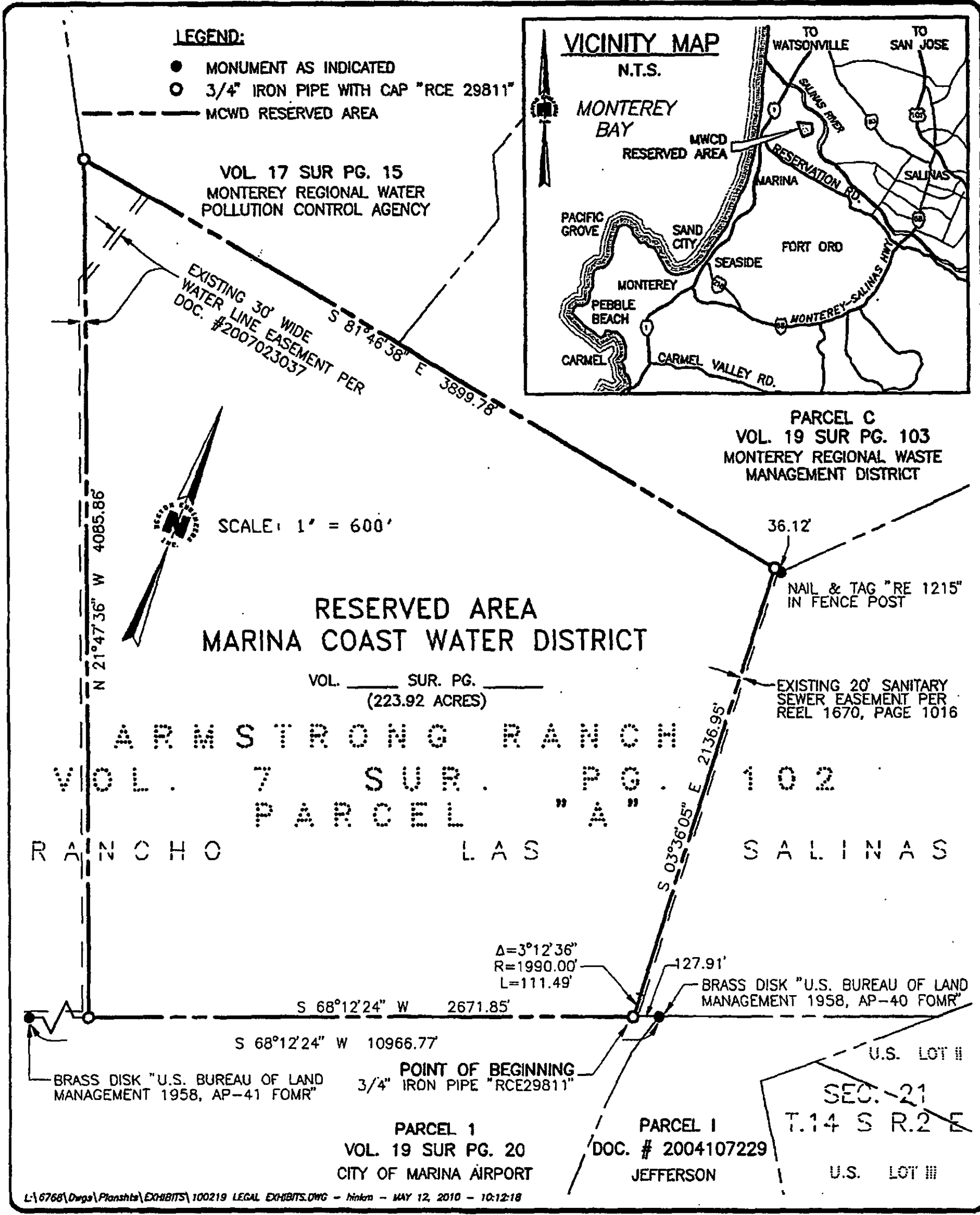
Dated: May 12, 2010

Bestor Engineers, Inc.



Michael V. Hink
Licensed Land Surveyor #8158
Expires: 12/31/10
W.O. 6768.00





BESTOR ENGINEERS, INC.
CIVIL ENGINEERING - SURVEYING - LAND PLANNING
9701 BLUE LARKSPUR LANE, MONTEREY, CALIFORNIA 93940

PREPARED FOR: MARINA COAST WATER DISTRICT

EXHIBIT:
MARINA COAST WATER DISTRICT RESERVED AREA
MCWD / ARMSTRONG RANCH

COUNTY OF MONTEREY, CALIFORNIA

SCALE: 1" = 600'

DATE: 5/12/10

SHEET: 2 OF 2

NO: 6768.02

PARCEL II:

A non-exclusive easement thirty feet (30') wide appurtenant to Parcel I, described above, and to such other property used by Grantee for potable and/or reclaimed water system purposes and as designated by Grantee as being appurtenant thereto, over, under and across the following described property for construction, roads, utilities (including communications), pipelines, and any other purpose for which a road may be used, subject to the non-exclusive Reserved Easements described below:

A portion of "Parcel A" as said parcel is shown on the map recorded in Volume 7 of Surveys at Page 102 in the office of the County Recorder of Monterey County, California, lying within Rancho Las Salinas and Monterey City Lands Tract No. 1 in the unincorporated area of said county, described as follows:

A strip of land 30.00 feet in width, adjoining and lying southwesterly and northwesterly respectively of Courses #26 & #25 of said parcel as shown on said map, said strip is more particularly described as follows:


BEGINNING at a 3/4" iron pipe stamped "RCE29811" at the southeasterly terminus of said course #26, said point being also the most northerly corner of that certain parcel designated "MCWD Reserved Parcel" on the map Recorded in Volume _____ of Surveys at Page _____ in the office of the County Recorder of said county ; thence along the southwesterly line of said "MCWD Reserved Parcel"

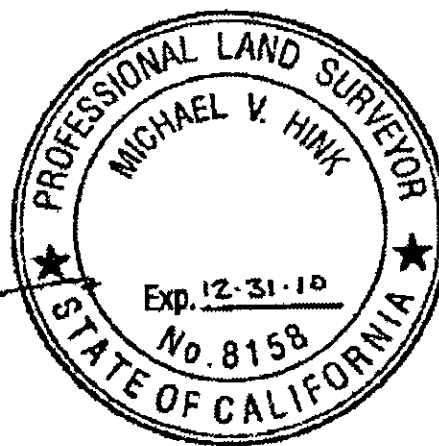
- 1) South 21°47'36" East, 34.65 feet to a point on a line parallel with and 30.00 feet distant southerly from Course #27 as shown on said map recorded in Volume 7 of Surveys at Page 102; thence along said parallel line
- 2) North 81°46'38" West, 31.99 feet to a point on a line parallel with an 30.00 feet distant southwesterly from said Course #26; thence along said parallel line
- 3) North 29°41'54" West, 3014.54 feet to a point on a line parallel with an 30.00 feet distant northwesterly from said Course #25; thence along said parallel line
- 4) North 60°08'44" East, 2020.38 feet to a point along Course #24 as shown on said map; thence along said Course #24
- 5) South 60°17'24 East, 34.76 feet to the northeasterly terminus of said Course #25; thence along said Course #25
- 6) South 60°08'44" West, 2008.09 feet to the northwesterly terminus of said Course #26; thence along said Course #26
- 7) South 29°41'54" East, 2,969.96 feet to the **Point of Beginning**.

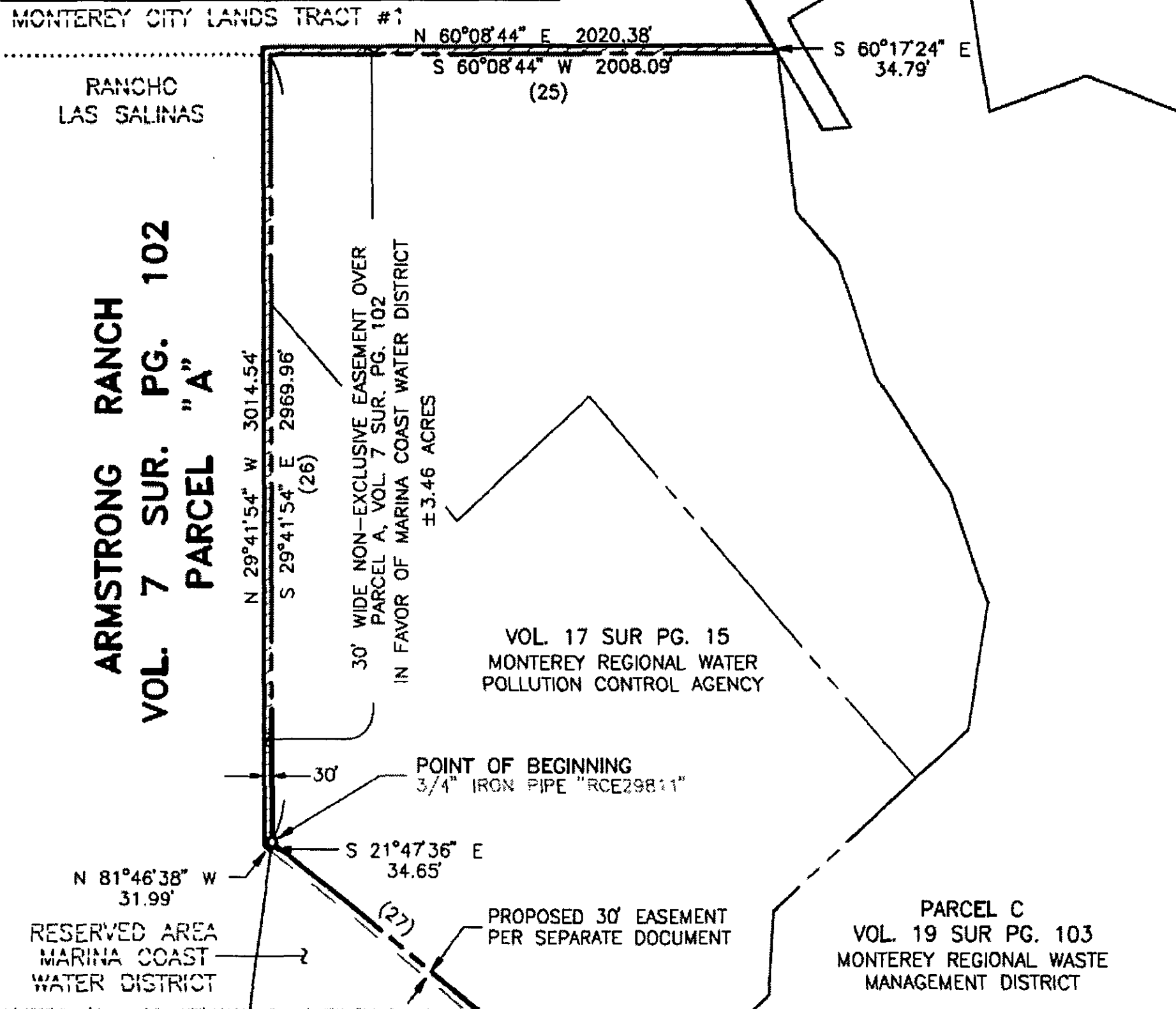
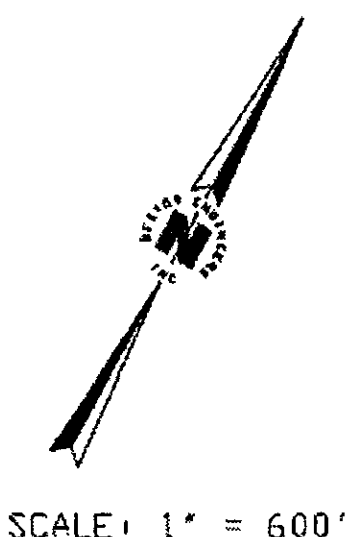
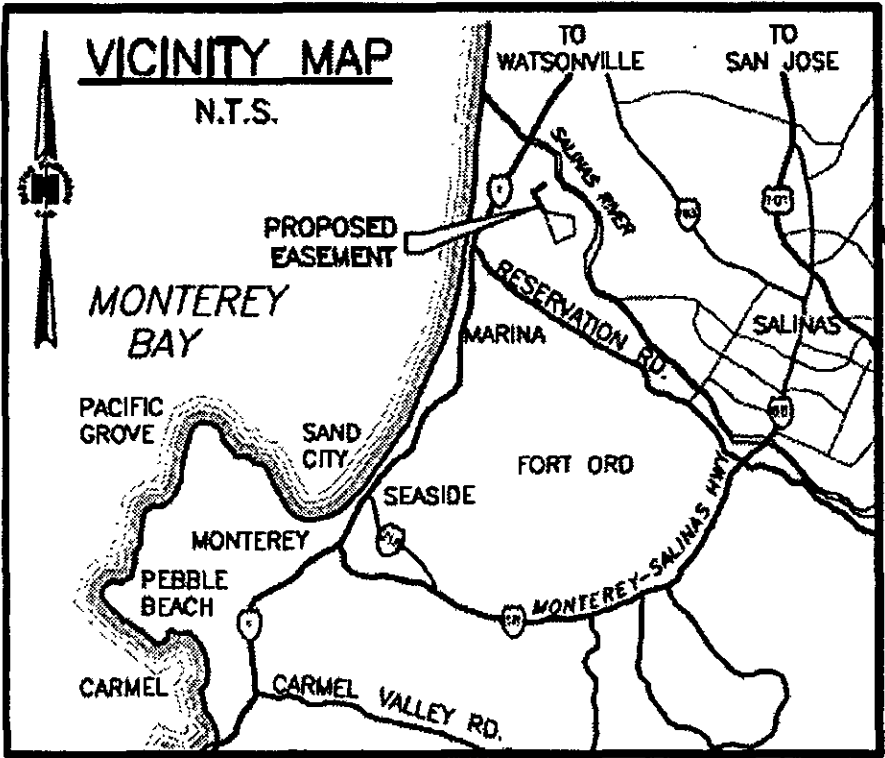
Containing 3.46 acres, more or less, as shown on the plat attached hereto and made a part hereof

Dated: June 14, 2010

Beston Engineers, Inc.


Michael V. Hink
Licensed Land Surveyor #8158
Expires: 12/31/10





L:\6768\Draws\Monshots\EXHIBITS\100611 LEGAL EXHIBIT #3.DWG - hbkkm - JUN 14, 2010 - 11:04:11

BESTOR ENGINEERS, INC.
 CIVIL ENGINEERING - SURVEYING - LAND PLANNING
 8701 BLUE LARKSPUR LANE, MONTEREY, CALIFORNIA 93940

PREPARED FOR: MARINA COAST WATER DISTRICT

EXHIBIT:
 30' WIDE NON-EXCLUSIVE EASEMENT IN FAVOR OF
 MARINA COAST WATER DISTRICT
 MCWD / ARMSTRONG RANCH
 COUNTY OF MONTEREY, CALIFORNIA

SCALE: 1" = 600'
 DATE: 6/14/10
 SHEETS:
2 OF 2
 NO: 6768.02

PARCEL III:

A non-exclusive easement thirty feet (30') wide appurtenant to Parcel I, described above, for temporary road purposes, over and across the easement area described in that certain Grant of Easement filed for record on March 21, 2007 as document number 2007023037 in the Office of the Record, County of Monterey, California, but excluding those portions of the said easement area quitclaimed by Grantee by Quitclaim Deed recorded concurrently herewith. The temporary road easement shall terminate automatically upon the earlier of: a) Grantee obtaining an easement for road access to Parcel I over Charlie Benson Drive (also referred to as Charlie Benson Lane); or b) December 31, 2020. Grantee shall exercise due diligence and use its reasonable best efforts to obtain the easement over Charlie Benson Drive.

PARCEL IV:

For purposes of amending the permitted purposes of the easement conveyed by that certain Grant of Easement filed for record on March 21, 2007 as document number 2007023037 in the Office of the Record, County of Monterey, California ("Grant of Easement"), a non-exclusive easement for the purposes of installation, inspection, replacement, maintenance and removal of one or more underground water pipelines and appurtenants and for and utility purposes, including communications (the "Utility Facilities") on, over, under, across and along the easement area described in Grant of Easement, but excluding those portions of the said easement area quitclaimed by Grantee by Quitclaim Deed recorded concurrently herewith ("Easement Property"). Grantee's use of the Easement Property shall be subject to the terms and conditions set forth in the Grant of Easement, as amended herein.

SUBJECT TO THE FOLLOWING CONDITION SUBSEQUENT. Any use by Grantee of Parcel I, described above ("Parcel I"), for any purpose other than for the production, storage, treatment or distribution of treated water (tertiary treatment or its equivalent) or potable water, and any incidental uses reasonably necessary or appropriate thereto shall require the prior written approval of the owners of the Benefited Property, defined below. The foregoing restriction on Grantee's use of Parcel I, described above, is intended by Grantor and Grantee to create a fee simple subject to a condition subsequent only for the benefit the Benefited Property and shall not constitute a dedication to public use or result in Parcel I being held pursuant to the public trust doctrine.

If Grantee makes any use of Parcel I other than as described above and such use continues for a period of ninety (90) days after written notice from any owner of the Benefited Property to Grantee demanding the cessation of such use, the owner of the Benefited Property shall have the right to exercise by court action on behalf of all owners of the Benefited Property the power of termination as to Parcel I, as defined in California Civil Code section 885.010, et seq.; provided if the nature of the use complained of is such that more than ninety (90) days is reasonably required to terminate or remove the use, Grantee shall not be in breach of the condition if during such 90-day period Grantee commences the termination or removal of such use and diligently prosecutes the same to completion.

This condition subsequent shall benefit and be enforceable by the owners of fee title to the property of Grantor described in Exhibit A-1, attached hereto ("Grantor's Property"), but excluding any property owned by a governmental agency, a non-profit entity, or any organization that may qualify to be exempt from federal income taxes (the benefiting property being referred to as the

“Benefited Property”). This condition subsequent shall burden Parcel I and be enforceable against the owner(s) of fee title to Parcel I (“Parcel I Owner”).

This condition subsequent may be modified, amended or terminated by written approval of all owners of the Benefited Property and the Parcel I Owner which approval shall be evidenced by a writing executed and acknowledged by owners of the Benefited Property holding not less than two-thirds of the acreage the Benefited Property and by the Parcel I Owner and filed for record in the Office of the Recorder, County of Monterey, California; provided, if any portion of the Benefited Property is subdivided into separate legal parcels for residential use (such portion(s) being collectively referred to as the “Residential Development”), the written approval of the owners of the Benefited Property shall be: a) owners holding not less than a two-thirds of the acreage of the Benefited Property other than the Residential Development area, plus b) the owners holding not less than a majority of the residential parcels within the Residential Development.

In the event any owner of the Grantor’s Property or the Parcel I Owner bring a legal action for the interpretation or enforcement of this condition subsequent or the parties’ respective rights and obligations hereunder, the prevailing party in such action shall be entitled to an award of reasonable attorney’s fees, court costs and other allowable costs.

For the benefit of the Benefited Property, a memorandum of this condition subsequent and power of termination shall be executed by the parties and recorded.

GRANTOR RESERVES from Parcel I the following easements (“Reserved Easements”) which shall be appurtenant to Grantor’s Property:

a) A non-exclusive easement thirty feet (30’) wide over, under and across the following described property for agricultural irrigation, roads, utilities (including communications), pipelines, and any other purpose for which a road may be used:

See Exhibit A-2, attached hereto; and

b) A non-exclusive easement of varying width, over, under and across the following described property for agricultural irrigation, roads, utilities (including communications), pipelines, and any other purpose for which a road may be used; in addition, within the southerly 60’ of the 160’ x 1000’ agricultural strip (“Agricultural Strip”) the easement may be used for well purposes, which wells may be relocated within the Agricultural Strip from time to time, on well sites which may extend north of the southerly 60’ of the strip:

See Exhibit A-3, attached hereto; and

c) Grantor shall also have the right to two (2) well sites located within Parcel I, described above, anywhere along its southerly boundary west of the Agricultural Strip and as close as practical to said boundary. Such two (2) well sites shall be of sufficient size to accommodate all necessary well and appurtenant improvements and to comply with any then existing set-back requirements mandated by the Health Department or any other agencies having jurisdiction. Either or both of these two (2) well sites as permitted in the first sentence of this paragraph may be identified by Grantor, in writing, not later than sixty (60) days after receipt by Grantee of preliminary development plans for construction of a reservoir upon Parcel I, described above. In the event that Grantor shall fail to identify either or both of said well sites prior to the expiration of said sixty (60) day period, Grantor

shall still be entitled to both of said well sites but then such well sites shall not be closer than two hundred feet (200') of any such reservoir or portion thereof that has been designated on said preliminary development plans submitted to Grantor. Furthermore, Grantor shall continue to have the right to the additional well sites within the Agricultural Strip without limitation as to timeframe or the number of well sites that may be situate within the Agricultural Strip.

Subject to the limitation set forth below regarding the use of water, the foregoing Reserved Easements shall be freely assignable and usable by others, and not subject to being extinguished or limited because of overburden or surcharge, and which said Reserved Easements shall not interfere or be used so as to interfere with the use of the balance of said Parcel I, described above, for the production, storage, or distribution of treated water (tertiary treatment or its equivalent) or potable water.

GRANTOR AND GRANTEE COVENANT AND AGREE that before either Grantor or Grantee installs any facilities in the Reserved Easements, Grantor and Grantee will meet and confer to assure that their respective uses of and facilities in the Reserved Easements will not conflict. Both parties shall act reasonably in considering the needs of the other. Grantee shall not place any non-potable water impoundment within the Agricultural Strip or place any non-potable water pipeline closer than 110' north of the southerly boundary of the Agricultural Strip. Grantee shall not be required to move any facilities the installation of which has been approved by Grantor. Water from wells located on Parcel I, described above, and the Agricultural Strip shall be used only on Grantor's Property, Parcel I, described above, and the adjacent lands of the Monterey Regional Water Pollution Control Agency ("MRWPCA").

This Deed is given by Grantor in lieu of eminent domain by Grantee.

Exhibit A-1
Grantor's Property

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

Certain real property located in Monterey County more commonly known as the Sand Hills Ranch more particularly described as follows, to-wit:

A portion of Monterey City Lands, Tract No. 1, and Rancho Las Salinas, situate in the County of Monterey, State of California, and described as those parcels of land designated as Parcels A, B, and D, on "Record of Survey", filed for record, October 27, 1965 in Volume 7 of Maps and Surveys, at Page 102, Monterey County Records.

EXCEPTING from Parcel B that portion described in Final Order of Condemnation, Action No. 69707, Superior Court of California, County of Monterey, recorded July 1, 1974 in Reel 0922, Page 0049, Official Records, of Monterey County.

ALSO EXCEPTING THEREFROM an undivided 18.933088% interest in and to all minerals, coals, oils, petroleum, gas and kindred substances under and in said land, but without the right of entry of the surface thereof, but with the right however, to drill in, through or under said land or to explore, develop, or take all minerals, coals, oils, petroleum, gas and other kindred substances in and from said land, all such operations to be conducted only below a depth of five hundred feet below the surface thereof, as excepted in the Deed from Crocker National Bank, as Trustee, dated December 8, 1979 and recorded March 21, 1979 in Reel 1316 at Page 1165.

ALSO EXCEPTING THEREFROM all that portion conveyed in the Deed to Marina United Methodist Church Inc., a California Corporation by Deed recorded December 7, 1981 in Reel 1520 of Official Records, at Page 501, being Parcel 1, as said parcel is shown on the Map filed December 3, 1981 in Volume 15 of Parcel Maps, at Page 19, Monterey County Records.

ALSO EXCEPTING THEREFROM all that portion described in the Stipulated Judgment and Final Order of Condemnation to Marina County Water District, a Public Agency, Plaintiff, recorded June 29, 1983 in Reel 1650 of Official Records, at Page 11, Monterey County Records.

ALSO EXCEPTING THEREFROM all that portion conveyed in the Deed to the City of Marina, a Municipal Corporation, recorded November 21, 1994 in Reel 3173 of Official Records, at Page 1392, Monterey County Records.

APN: 175-011-011, 175-011-012, 175-011-013, 175-011-031, 175-011-038, 175-011-045, 175-011-046, 203-011-003, 203-011-008, 203-011-021, 203-011-023, 203-011-024, 203-021-001

**Exhibit A-2 to Grant Deed
(Reserved Easement)**

**LEGAL DESCRIPTION OF A NON-EXCLUSIVE 30 FOOT WIDE EASEMENT
OVER MARINA COAST WATER DISTRICT RESERVED PARCEL**

A portion of that certain parcel designated "MCWD RESERVED PARCEL" as said parcel is shown on the map Recorded in Volume 31 of Surveys at Page 21 in the office of the County Recorder of Monterey County, California, lying within Rancho Las Salinas in the unincorporated area of said county, described as follows:

A strip of land 30 feet in width adjoining and lying southerly of the northerly line of said parcel, said northerly line being annotated on said map as "S 81°46'38" W 3899.78'."

The sidelines of said strip shall be extended or shortened so as to terminate on the easterly and southwesterly lines of said parcel.

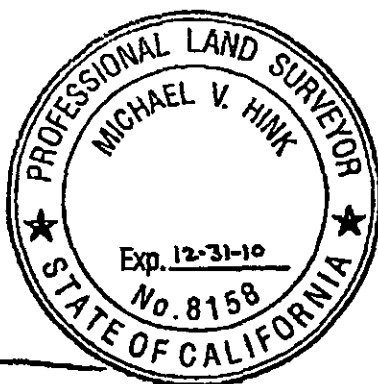
Containing 2.68 acres, more or less, as shown on the plat attached hereto and made a part hereof.

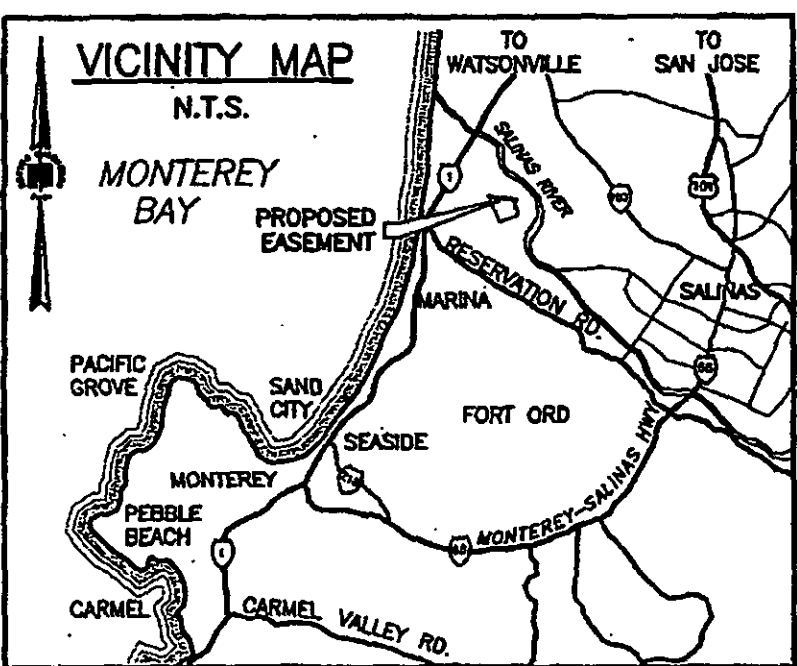
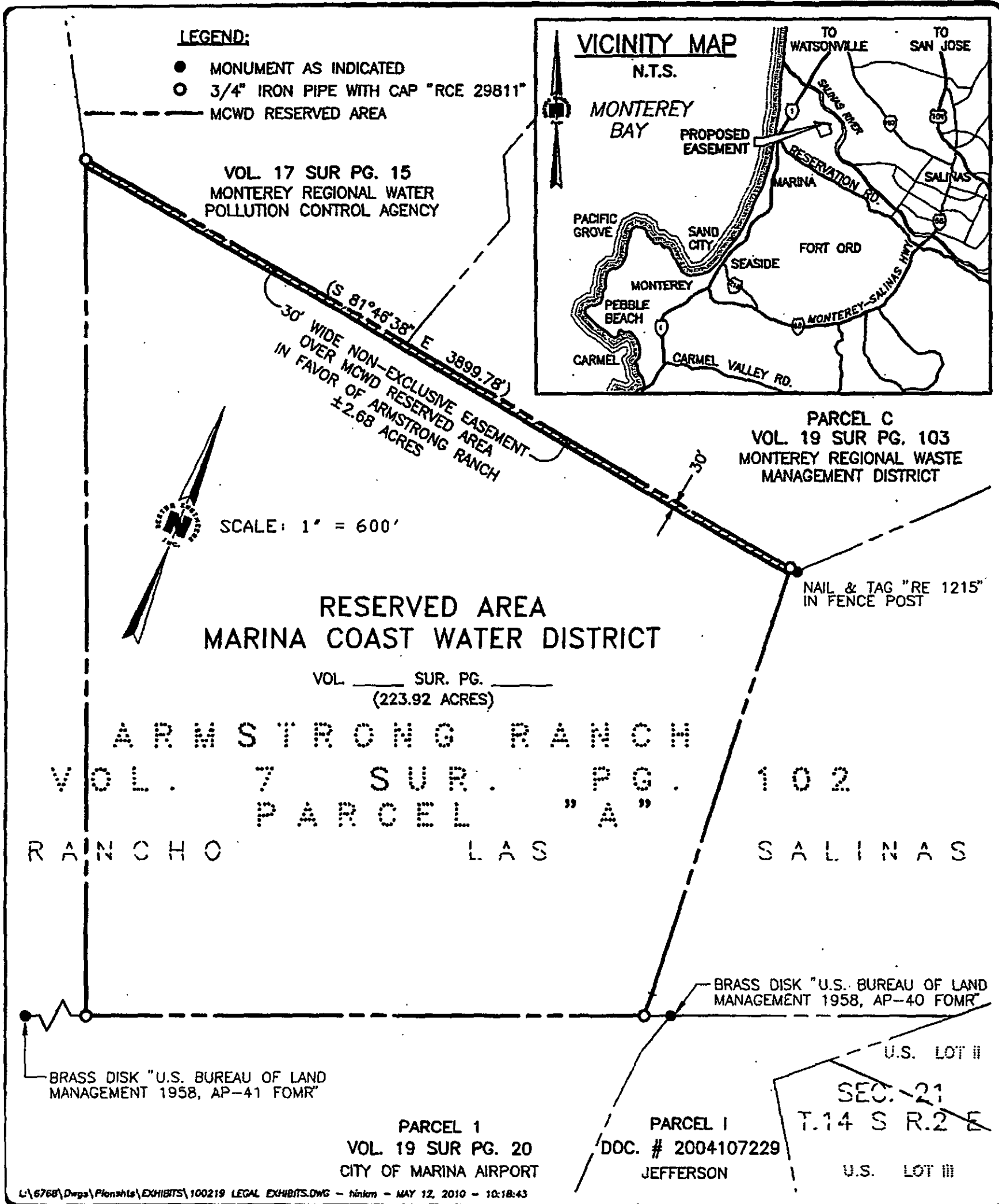
Dated: May 12, 2010

Bestor Engineers, Inc.



Michael V. Hink
Licensed Land Surveyor #8158
Expires: 12/31/10
W.O. 6768.00





BESTOR ENGINEERS, INC.
CIVIL ENGINEERING - SURVEYING - LAND PLANNING
9701 BLUE LARKSPUR LANE, MONTEREY, CALIFORNIA 93940

PREPARED FOR: MARINA COAST WATER DISTRICT

EXHIBIT:
30' WIDE NON-EXCLUSIVE EASEMENT OVER
NORTH SIDE RESERVED AREA
MCWD / ARMSTRONG RANCH
COUNTY OF MONTEREY, CALIFORNIA

SCALE: 1" = 600'
DATE: 5/12/10
SHEET:
2 OF 2
NO: 6768.02

**Exhibit A-3 to Grant Deed
(Reserved Easement)**

**LEGAL DESCRIPTION OF A NON-EXCLUSIVE EASEMENT OF VARYING WIDTH
OVER MARINA COAST WATER DISTRICT RESERVED PARCEL**

A portion of that certain parcel designated "MCWD RESERVED PARCEL" as said parcel is shown on the map Recorded in Volume _____ of Surveys at Page _____ in the office of the County Recorder of Monterey County, California, lying within Rancho Las Salinas in the unincorporated area of said county, described as follows:

A strip of land of varying width adjoining and lying northwesterly of the southeasterly line of said parcel, said line being annotated on said map as "S 68°12'24" W 2671.85'."

The northeasterly 1,000.00' of said strip as measured along said line being 160.00 feet in width as measured at right angles thereto. The remainder of said strip being 30.00 feet in width.

The sidelines of said strip shall be extended or shortened so as to terminate on the easterly and southwesterly lines of said parcel.

Containing 4.93 acres, more or less, as shown on the plat attached hereto and made a part hereof

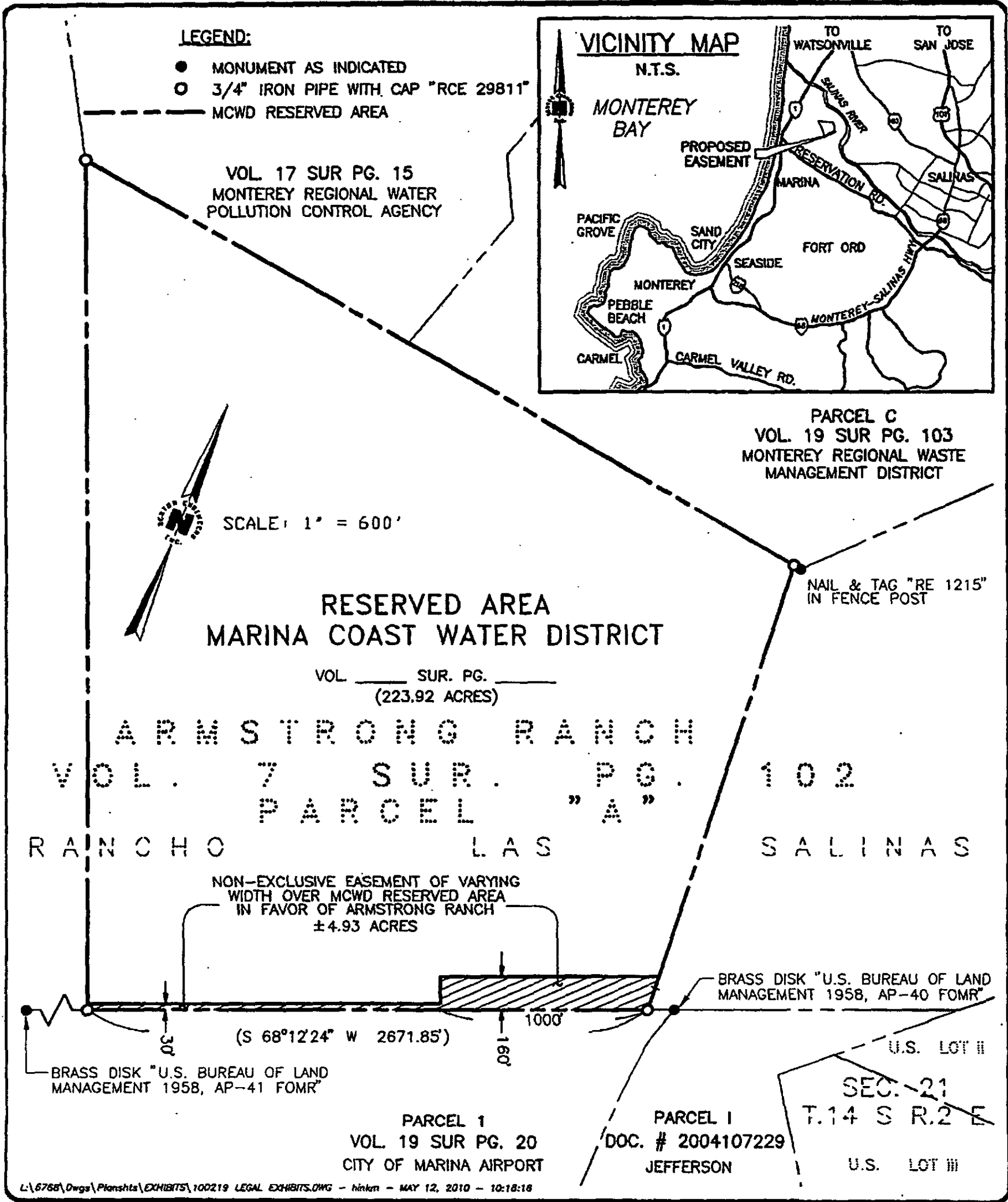
Dated: May 12, 2010

Bestor Engineers, Inc.



Michael V. Hink
Licensed Land Surveyor #8158
Expires: 12/31/10
W.O. 6768.00





BESTOR ENGINEERS, INC.
CIVIL ENGINEERING - SURVEYING - LAND PLANNING
9701 BLUE LARKSPUR LANE, MONTEREY, CALIFORNIA 93940

PREPARED FOR: MARINA COAST WATER DISTRICT
EXHIBIT:
NON-EXCLUSIVE EASEMENT OF VARYING WIDTH OVER
SOUTH SIDE RESERVED AREA
MCWD / ARMSTRONG RANCH
COUNTY OF MONTEREY, CALIFORNIA

SCALE 1" = 600'
DATE 5/12/10
SHEET 2 OF 2
NO. 6768.02

EXHIBIT A

OWNERS OF THE SUBJECT PROPERTY

CLYDE W. JOHNSON III, Trustee of the Lois and Clyde JOHNSON, Jr. 1989 Irrevocable Trust

J & J ARMSTRONG LIMITED PARTNERSHIP

IRVINE ARMSTRONG, JR. and CAROL V. ARMSTRONG, as Trustees of the Irvine Armstrong, Jr. and Carol V. Armstrong Revocable Trust under Trust Agreement dated December 12, 1995

SUSANNE IRVINE ARMSTRONG, as Trustee of The 2004 Susanne Irvine Armstrong Revocable Trust U/A DTD 5/28/04.

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR. AND JOHN A. ARMSTRONG, as Co-Trustees, to be held in trust for the benefit of Mary Janet Armstrong Weber as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, deceased, recorded January 4, 1988 in reel 2191 at page 643

JOHN D. MURRAY and GORDON RUBBO, as successor Trustees of the Sandra Armstrong Murray Revocable Trust U/A dated March 7, 1989

JAY M. ARMSTRONG FAMILY LIMITED PARTNERSHIP

EDWIN A. JOHNSON

CLYDE W. JOHNSON III, and LAURENA JOHNSON FAMILY LIMITED PARTNERSHIP, a California limited partnership

IRVINE ARMSTRONG, JR. AND CAROL V. ARMSTRONG, as Trustees of the Irvine Armstrong, Jr. and Carol V. Armstrong Revocable Trust under Trust Agreement dated December 12, 1995, JAY M. ARMSTRONG FAMILY LIMITED PARTNERSHIP and J & J ARMSTRONG LIMITED PARTNERSHIP, as tenants in common

EDWIN A. JOHNSON

JOHN A. ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and GORDON RUBBO, as Trustees of The 2003 Susanne Armstrong Irrevocable Trust dated November 5, 2003

END OF DOCUMENT