

FILED

MAR 15 2006

LISA M. GALDOS  
CLERK OF THE SUPERIOR COURT  
~~C. WILLIAMS~~ DEPUTY

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7 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
8 IN AND FOR THE COUNTY OF MONTEREY  
9

10 SALINAS VALLEY PROPERTY OWNERS FOR  
11 LAWFUL ASSESSMENTS; *et al.*,

12 Plaintiffs,

13 vs.

14 COUNTY OF MONTEREY; BOARD OF  
15 SUPERVISORS OF THE COUNTY OF  
16 MONTEREY; MONTEREY COUNTY WATER  
17 RESOURCES AGENCY; DOES 1 through 100,  
18 Inclusive, and ALL PERSONS INTERESTED IN THE  
19 MATTER of the Validity of the Assessments Levied for  
20 the Salinas Valley Water Project by the Monterey  
21 County Water Resources Agency and Approved by  
22 County of Monterey Ordinance Number 4203,

23 Defendants.

Case No. M66890

STIPULATED JUDGMENT  
AFTER BENCH TRIAL AND  
JUDGMENT THEREON

24 Plaintiffs in this validation action are: Salinas Valley Property Owners for Lawful  
25 Assessments, Ernie Best; Shirley L. Best; John Broome; Butler & Short; Corda Ranch; Cypress  
26 Vineyards, LP; Danini Ranch; De Carli Ranch; Donald De Roza; Double Eagle Vineyards, LP;  
27 Richard H. Gavin; Kristin L. Gavin; Highlands Vineyards, LP; Hooker Ranch; JEG Livingston  
28 Ranches; JJ&H Violini; M&M Dairy, Inc.; Tom H. McNamara; Herbert G. Meyer; Kevin  
Pierarcy; Pisoni Farms; Rincon Farms, Inc.; Santa Lucia, LP; Smith & Hook Vineyards; Richard  
E. Stewart; Alison D. Stewart; V&V Farms; Scott Wilkinson; John S. Broome Jr. Trust; Henry  
Corda; Daoro Family Trust Dated August 28, 2002; Gregory D. and Susan K. Decarli Trust;  
De Dampierre Ranch; Lillian Gularte Trust; Raymond Gularte Trust; Clarice Mahlman; William

STIPULATED JUDGMENT AFTER BENCH TRIAL AND JUDGMENT THEREON

EXHIBIT B

1 D. Massa Revocable Trust Dated February 7, 1994; Rocci A. Martignoni; William Panziera;  
2 Calvin Pearcey; Rancho Hooker, LLC; Tan Oak Canyon Ranch, a California general partnership;  
3 T.M.V. Lands, a California general partnership (collectively "Plaintiffs"). Defendants in this  
4 action are: County of Monterey, Board of Supervisors of the County of Monterey, and Monterey  
5 County Water Resources Agency ("MCWRA") (collectively "Defendants").

6 Plaintiffs' validation complaints having been properly noticed, served, filed and answered,  
7 this validation action challenging Defendants' assessments levied under Monterey County  
8 Ordinance No. 04203 for the Salinas Valley Water Project (hereafter "Zone 2C assessments")  
9 came on regularly for trial on August 31, 2005, in Department 15 of the Superior Court, the  
10 Honorable Michael S. Fields presiding. Andrew M. Hitchings appeared as attorney for Plaintiffs,  
11 and Steven P. Saxton appeared as attorney for Defendants.

12 The Court has reviewed the parties' points and authorities, reviewed the evidence and  
13 underlying administrative record, and considered the arguments of counsel. The matter having  
14 been submitted for decision, the Court issued its final statement of decision on 3-9-06,  
15 2006, which is incorporated by this reference in full, and is made a part of this Stipulated  
16 Judgment in its entirety.

17 IT IS HEREBY STIPULATED by and between Plaintiffs and Defendants in the above-  
18 captioned action, and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED,  
19 AND DECREED as follows:

20 1. Judgment shall be entered in this action in favor of Plaintiffs and against Defendants  
21 as follows:

22 a. The entire Zone 2C assessment is eliminated for the Plaintiffs' lands  
23 identified with the following County Assessors Parcel Nos.:

24 145072004000, 223042002000,

25 145131009000, 145072012000, 145072013000, 145181001000, 145181002000,

26 145181004000, 145181005000, 145072020000, 145072021000, 145011051000,

27 415111003000, 145072017000, 145072018000, 223041008000, 416481008000,

28 416491008000, 416501001000, 223041009000, 223042004000, 223042005000,

1 223042006000, 145072006000, 145072007000, 145072008000, 145072009000,  
2 145072010000, 145072011000.

3 b. For the Plaintiffs' lands identified with the following County Assessors

4 Parcel Nos.:

5 269061020000, 145151004000, 269061008000, 145111004000, 145111005000,  
6 223011058000, 223011032000, 223011022000, 269062003000, 269063002000,  
7 269063003000, 223031005000, 269061011000, 269061018000, 269061019000,  
8 223032010000, 223041028000, 223011017000, 223011018000, 223011019000,  
9 223011021000, 167051005000, 167051006000, 167051007000, 167051008000,  
10 223011003000, 223011036000, 223034010000, 223034011000, 020011002000,  
11 020021003000, 223011057000, 223041025000, 223041037000, 223041038000,  
12 223041039000, 223071003000, 223071006000, 223071007000, 223071008000,  
13 223071012000, 223031004000, 145181003000, 020011001000, 020021027000,  
14 020281073000, 020281077000, 223061015000, 223061005000, 223061006000,  
15 223081006000, 167041005000, 145011050000, 020071008000, 020083002000,  
16 020083003000, 020083004000, 223011012000, 223033003000, 223034008000,  
17 223011004000, 223011005000, 269061009000, 223011015000, 223011016000,  
18 223071001000, 223034009000, 145011006000, 145011007000,

19 the Zone 2C assessment is reduced to \$9.20 per acre of irrigated agriculture or other active or  
20 developed land use, to \$0.91 per acre of dry farming, grazing and vacant lot acreage, and to  
21 \$0.09 per acre of river channels and lands with frequent flooding.

22 c. For the Plaintiffs' lands identified with the following County Assessors

23 Parcel Nos.:

24 145151001000, 145151005000, 269031005000, 167052010000, 167042021000,  
25 145011009000, 223061016000, 145011010000, 167042005000, 167042006000,

26 if the lands are situated outside the 100-year floodplain of the Salinas River, the Zone 2C  
27 assessment is reduced to \$11.04 per acre of irrigated agriculture or other active or developed land  
28 use, to \$1.10 per acre of dry farming, grazing and vacant lot acreage, and to \$0.11 per acre of

1 river channels and lands with frequent flooding; if the lands are situated within the 100-year  
2 floodplain of the Salinas River, the Zone 2C assessment is reduced to \$13.04 per acre of irrigated  
3 agriculture, to \$1.30 per acre of dry farming, grazing and vacant lot acreage, and to \$0.13 per acre  
4 of river channels and lands with frequent flooding. Whether the lands are outside of or within the  
5 100-year floodplain of the Salinas River will be calculated based on the location of the individual  
6 acre, not of the APN-designated parcel as a whole.

7 d. For the Plaintiffs' lands identified with the following County Assessors  
8 Parcel Nos.:

9 269031006000, 269031007000, 269031008000, 269031009000, 167032011000,  
10 167033001000, 137151003000, 137151004000, 167011015000, 137151006000,  
11 137151007000, 137151008000, 137151009000, 167011013000, 167081006000,  
12 167042004000, 167091001000, 167032010000, 167032010000, 167091002000,

13 if the lands are situated outside the 100-year floodplain of the Salinas River, the Zone 2C  
14 assessment is reduced to \$12.35 per acre of irrigated agriculture or other active or developed land  
15 use, to \$1.23 per acre of dry farming, grazing and vacant lot acreage, and to \$0.12 per acre of river  
16 channels and lands with frequent flooding; if the lands are situated outside the 100-year floodplain  
17 of the Salinas River, the Zone 2C assessment is reduced to \$14.35 per acre of irrigated agriculture,  
18 to \$1.43 per acre of dry farming, grazing and vacant lot acreage, and to \$0.14 per acre of river  
19 channels and lands with frequent flooding. Whether the lands are outside of or within the  
20 100-year floodplain of the Salinas River will be calculated based on the location of the individual  
21 acre, not of the APN-designated parcel as a whole.

22 e. Defendants will reimburse or otherwise credit each Plaintiff for the amount of  
23 Zone 2C assessment that each Plaintiff has already paid in excess of the modified assessment  
24 amounts identified in the preceding subparagraphs a through d.

25 f. To the extent any of the lands within the County Assessors Parcel Nos. listed  
26 above are designated or otherwise assigned with a new or different Assessors Parcel No., then the  
27 modified assessment amounts identified in the preceding subparagraphs a through d will continue  
28 to apply to such lands. If any of the designated County Assessors Parcels are split or merged with

1 other Parcels, or the shape of the Parcels otherwise changes, the modified assessment amounts will  
2 apply only to those acres designated under the County Assessors Parcel Nos. listed above as of  
3 the date of the execution of this Stipulated Judgment, or as listed and detailed as part of the  
4 procedure described in Paragraph 3 below.

5 2. With the exception of the preceding reductions in Zone 2C assessments for  
6 Plaintiffs' parcels, Monterey County Ordinance No. 04203 is validated in all other respects,  
7 including the imposition of assessments thereunder on all other lands within Zone 2C.

8 3. Plaintiffs and Defendants shall develop a mutually agreeable procedure that will be  
9 used to list and detail: (1) the total amount of acreage subject to the Zone 2C assessment within  
10 each of the Plaintiffs' above-referenced parcels; (2) the land use type(s) within each parcel and  
11 the specific acreage amounts for each land use type; and (3) the corresponding Zone 2C  
12 assessment rates and amounts charged based upon each land use type. This procedure will  
13 require Defendants to provide said information to Plaintiffs each year prior to the issuance of the  
14 County of Monterey's Property Tax Bills. This procedure will also provide for a dispute  
15 resolution process to address any disputes between Plaintiffs and Defendants regarding the  
16 acreage amounts or land use classifications for each of Plaintiffs' subject parcels.

17 4. Within 30 days of entry of this judgment, Defendants shall deposit into escrow  
18 Plaintiffs' costs of suit, attorneys' fees and expert consultant fees (collectively "Litigation Costs")  
19 in the total amount of \$265,785.93, such amount having been billed to Plaintiffs through  
20 January 31, 2006. The Litigation Costs shall be held in escrow pursuant to a separate escrow  
21 agreement to be executed by and between Plaintiffs and Defendants which shall provide for the  
22 disbursement of the Litigation Costs to Plaintiffs following the expiration of a 60-day period  
23 following entry of this Stipulated Judgment; provided, however, that in the event of the  
24 commencement by any non-party of a challenge to this Stipulated Judgment or Ordinance 04203  
25 within such 60-day period, then the Litigation Costs shall remain in escrow until final disposition  
26 of such challenge. In the event that such challenge results in a return to the status quo ante  
27 pursuant to paragraph 5 of this Stipulated Judgment, the Litigation Costs shall be returned to  
28 Defendants. Defendants shall also pay Plaintiffs' additional reasonable attorneys' fees and legal

1 costs incurred in this litigation after December 31, 2005, and until all of Defendants' obligations  
2 under this Stipulated Judgment are fully performed. Such additional Litigation Costs shall be  
3 placed in escrow under the same terms and conditions as set forth in this paragraph 3 above.

4 5. This Stipulated Judgment shall become final for all purposes upon its entry by the  
5 Court, and Plaintiffs and Defendants waive any right to appeal or seek review of this Stipulated  
6 Judgment by a higher court; provided, however, that if this Stipulated Judgment or  
7 Ordinance 04203 is challenged by any non-party, and any such challenge causes this Stipulated  
8 Judgment or the assessment determinations in Ordinance 04203 to be vacated or modified by the  
9 trial court, then (1) the status of this matter shall return to the status quo ante as of the point when  
10 the Court's Intended Decision had issued but no final Decision had been rendered and no  
11 Judgment entered, and (2) Plaintiffs and Defendants shall retain all rights and remedies inuring to  
12 them as of that time, including without limitation the rights to submit alternative proposed  
13 decisions and to appeal from any final judgment ultimately entered.

14 6. Plaintiffs and Defendants will cooperate in and actively support all efforts to defend  
15 against any challenges to this Stipulated Judgment by non-parties; provided, however, that  
16 Defendants, their board members, directors, officers, agents, servants, employees, successors and  
17 assigns, hereby agree to protect, defend, indemnify, and hold harmless each and all of the  
18 Plaintiffs, their heirs, executors, administrators, successors, assigns, lessees, licensees, agents, and  
19 employees, from and against any and all costs (including without limitation sums paid for  
20 attorneys' fees, consultant fees, expert fees and any other professional fees), losses, claims, liens,  
21 demands and causes of action of every kind and character that result from any actions taken by  
22 non-parties to this Stipulated Judgment, and which arise from or relate in any way to, the validity  
23 of Ordinance 04203 or the assessment determinations imposed pursuant to this Stipulated  
24 Judgment.

25 7. All provisions contained in this Stipulated Judgment are applicable to and binding  
26 upon and inure to the benefit of not only the parties to this action, but also to their respective heirs,  
27 executors, administrators, successors, assigns, lessees, licensees and to the agents, employees and  
28 attorneys in fact of any such Persons.

1 8. Full jurisdiction, power and authority are retained by and reserved to the Court to  
2 make such further or supplemental orders or directions as may be necessary or appropriate for  
3 interpretation, enforcement, or implementation of this Stipulated Judgment. Should a contest arise  
4 concerning the interpretation of one or more provisions of this Stipulated Judgment, the Court  
5 shall endeavor to interpret said provision(s) consistent with the parties' original intent in agreeing  
6 to this Stipulated Judgment.

7 9. This Stipulated Judgment may be signed by the parties in facsimile counterparts.

8 10. The clerk shall enter this Stipulated Judgment.

9 **MAR 15 2006**

**MICHAEL S. FIELDS**

10 Dated: \_\_\_\_\_, 2006

Hon. Michael S. Fields  
JUDGE OF THE SUPERIOR COURT

11  
12  
13 IN WITNESS WHEREOF, the undersigned hereby execute this Stipulated Judgment on  
14 the dates set forth opposite their signatures.

15  
16 Board of Supervisors of Monterey County  
17 Dated: March 3, 2006 By: [Signature]  
Jerry Smith, Chairman

18  
19 Monterey County Water Resources Agency  
20 Dated: March 3, 2006 By: [Signature]  
Richard Morgantini  
Chairman, Board of Directors

21  
22 Approved as to Form and Content.

23 DOWNEY BRAND LLP  
24 Dated: March 7, 2006 By: [Signature]  
25 Steven P. Saxton, Attorneys for Defendants  
26 County of Monterey; Board of Supervisors of  
27 Monterey County; Monterey County Water  
28 Resources Agency

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Dated: \_\_\_\_\_, 2006

Ernie Best

Dated: \_\_\_\_\_, 2006

Shirley L. Best

Dated: \_\_\_\_\_, 2006

  
John Broome

Dated: \_\_\_\_\_, 2006

Butler & Short

Dated: \_\_\_\_\_, 2006

Corda Ranch

Dated: \_\_\_\_\_, 2006

Cypress Vineyards, LP

Dated: \_\_\_\_\_, 2006

Danini Ranch

Dated: \_\_\_\_\_, 2006

De Carli Ranch

Dated: \_\_\_\_\_, 2006

Donald De Roza

Dated: \_\_\_\_\_, 2006

Double Eagle Vineyards, LP

Dated: \_\_\_\_\_, 2006

Richard H. Gavin

Dated: \_\_\_\_\_, 2006

Kristin L. Gavin

Dated: \_\_\_\_\_, 2006

Highlands Vineyards, LP



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Dated: \_\_\_\_\_, 2006

Rancho Hooker, LLC

Dated: \_\_\_\_\_, 2006

Tan Oak Canyon Ranch,  
a California general partnership

Dated: 2/17/06, 2006

*[Signature]*  
*[Signature]*  
T.M.V. Lands,  
a California general partnership

**Approved as to Form and Content.**

**SOMACH, SIMMONS & DUNN**

Dated: March 6, 2006

By: *[Signature]*  
**Andrew M. Hitchings, Attorneys for Plaintiffs  
Salinas Valley Property Owners for Lawful  
Assessments, et al.**