

2021 AMENDMENT TO LAND CONSERVATION CONTRACT No. 71-40

THIS AMENDMENT TO LAND CONSERVATION CONTRACT No. 71-40 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 **Scheid Vineyards California Inc., A California Corporation**, 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 property is located in an Agricultural Preserve (**No. 71-40**) heretofore established by County by **Resolution No. 71-14-40**; and

WHEREAS, on July 20, 2021 pursuant to Board of Supervisors **Resolution No. 21-215** the Board of Supervisors took the following actions: **(a.)** Approved and accepted a Final Parcel Map for a minor subdivision to divide a 373-acre parcel into four (4) parcels of 149 acres (Parcel A); 94 acres (Parcel B); 68 acres (Parcel C); and 62 acres (Parcel D); **(b.)** Directed the Clerk of the Board to submit the Final Parcel Map for filing with the County Recorder, subject to the collection of the applicable recording fees; **(c.)** Amended the existing Williamson Act Agricultural Preserve No. 71-40 and Land Conservation Contract No. 71-40 and authorized the Chair or the Vice Chair of the Board of Supervisors to execute a new or amended Williamson Act Agricultural Preserve Land Conservation Contract or Contracts for the four (4) new parcels created by the minor subdivision; and **(d.)** Directed the Clerk of the Board to record the new or amended Williamson Act Land Conservation Contract or Contracts for the four (4) new parcels subject to the submittal of the applicable recording fees by the property owner of record; and

WHEREAS, said Board of Supervisors authorized the Chair of the Board to execute a new or amended Land Conservation Contract or Contracts in order to rescind a portion of the existing Land Conservation Contract as applicable to the four (4) new parcels and simultaneously execute a new or amended Land Conservation Contract for the four (4) new parcels between the County and the property owners and directed the Clerk of the Board to record the new or amended Land Conservation Contract or Contracts subject to the submittal of the appropriate recording fees from the property owner of record; and

WHEREAS, the County and Owner wish to simultaneously rescind a portion of Land Conservation Contract **No.71-40** recorded at **Reel 689 Page 656** on **February 26, 1971** as applicable to the four (4) new parcels and simultaneously execute a new or amended Land Conservation Contract for the four (4) new parcels between the County and Owner; and

WHEREAS, both Owner and County desire to limit the use of the property to agricultural and compatible uses;

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 Chapter 7 (commencing with Section 51200) as Part 1, Division 1, Title 5 of the Government Code, which is known as the California Land Conservation Act of 1965, or as the Williamson Act. This contract is subject to all of the provisions of this act including any amendments thereto which may be enacted from time to time.

2. RESTRICTION ON USE OF PROPERTY.

During the term of this contract, and any and all renewals thereof, the property described in Exhibit A shall not be used by Owner, or Owner's successors in interest, for any purpose other than the production of food and fiber for commercial purposes and uses compatible thereto. A list of all such compatible uses is set forth in Exhibit B, attached hereto and by this reference incorporated herein. County, by uniform rule adopted by the Board of Supervisors of County, may from time to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the agricultural preserve in which the property in Exhibit A is located; provided, however, County may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit B. The provisions of this contract and any uniform rule supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of County.

3. 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.

4. NOTICE OF NONRENEWAL.

(a) If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal 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 3 above.

(b) If either party serves written notice of nonrenewal in any year within the time limits of (a) 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.

5. 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.

6. 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.

7. DIVISION OF LAND.

The property described in Exhibit A shall not be divided without the written approval of the County first had and obtained. This contract is divisible in the event the property described in Exhibit A is divided. Owner agrees to submit any proposed division to County for its approval and County, if it approves said division, shall, as a condition of its approval of the division, require the execution by Owner of a contract identical to this contract on each parcel created by the division. Owner agrees to execute such contract or contracts as applicable. The division of land under contract within an agricultural preserve will not be approved unless It can be reasonably established that there will be no loss in the production of food and fiber within the agricultural preserve from said division.

8. EMINENT DOMAIN OR OTHER ACQUISITION.

(a) 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 agricultural preserve pursuant to this contract for condemnation or acquisition, shall be provided by the public agency, or person, or authorized agent, to the Director of Conservation and to the local governing body responsible for the administration of the preserve in accordance with Government Code Sections 51291 and 51291.5. The Director of Conservation shall provide a copy of any material received from the public agency, or person, or authorized agent, relating to the proposed acquisition, to the Secretary of Food and Agriculture in accordance with Section 51291(b). When land in an agricultural preserve pursuant to this contract is acquired by a public agency, the public agency shall notify the Director of Conservation within 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 preserve shall be governed by Government Code Section 51294 (Government Code Section 51291(e)).

9. CANCELLATION.

This contract may be canceled by the mutual agreement of the parties hereto in the manner provided in this paragraph. It is understood by the parties hereto that the existence of an opportunity for another use of the property shall not be sufficient reason for the cancellation of this contract. A potential alternative use of the property may be considered only if there is no proximate non-contracted land suitable for the use to which it is proposed that this property be put. The parties further understand that the uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation of this contract, but may be considered only if there is no other reasonable or comparable agricultural use to which the land may be put.

(a) Upon the written request of Owner to cancel this contract, the Board of Supervisors of the County of Monterey may adopt a resolution consenting to such request. When Owner petitions the Board for tentative cancellation of this contract pursuant to Government Code Section 51281 et seq, and when the Board accepts the application as complete pursuant to Government Code Section 65943, the Board shall immediately mail notice to the Director of Conservation pursuant to Government Code Section 51284.1. The notice shall include a copy of the petition, this contract, a general description in text or diagram, of the land that is subject to the proposed cancellation, the deadline for submitting comments regarding the proposed cancellation (consistent with the Permit Streamlining Act commencing with Government Code Section 65920), but in no case less than 30 days prior to the scheduled action by the Board. The Director shall review the proposed cancellation and submit comments by the deadline specified by the Board. Any comments submitted shall advise the Board on the findings required by Section 51282 with respect to the proposed cancellation. Prior to acting on the proposed cancellation, the Board shall consider the comments by the Director of Conservation, if submitted (Government Code Section 51284.1).

(b) Prior to the adoption of a resolution consenting to the request of the landowner to cancel this contract, the Board of Supervisors of County shall hold a public hearing on the matter. Notice of the hearing shall be mailed to each and every owner of property under contract within the agricultural preserve in which the property described in Exhibit A is located, and shall be published pursuant to Government Code Section 6061. In addition, at least 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 agricultural preserve is situated may protest such cancellation to the Board of Supervisors.

(c) The Board of Supervisors may adopt a resolution consenting to the request of Owner to cancel this contract only if they find: (1) The cancellation is consistent with the purposes of the California Land Conservation Act of 1965 as amended; and (2) the cancellation is in the public interest (Government Code Section 51282).

(d) Within 30 days of the tentative cancellation of this contract, the Board shall publish notice of its decision, including the date, time and place of the public hearing, a general explanation of the decision, the findings made pursuant to Government Code Section 51282, and a general description in text or by diagram, of the land under contract, as a display advertisement of at least one-eighth page in at least one newspaper of general circulation within the County. In addition, within 30 days of the tentative cancellation of the contract, the Board shall deliver a copy of the published notice of the decision, as described above, to the Director of Conservation. The publication shall be for informational purposes only, and shall create no right, standing, or duty that would otherwise not exist with regard to cancellation proceedings (Government Code Section 51284).

10. 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 12 ½ percent of the cancellation valuation of the property.

(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.

11. 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.

12. COSTS OF LITIGATION.

In case County shall, without any fault on its part, be made a party to any litigation commenced by or against Owner, then Owner shall and will pay all costs and reasonable attorneys fees incurred by or imposed upon County by or in connection with such litigation, and Owner shall and will pay all costs and reasonable attorneys fees which may be incurred or paid by County in enforcing the covenants and agreements of this contract.

13. 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.

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.

14. INCORPORATION OF RECITALS.

The parties understand and agree that the Recitals to this Land Conservation Contract are hereby incorporated into this Land Conservation 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.

COUNTY OF MONTEREY

Dated: 8/24/2024

By: Wendy Root Askew
Wendy Root Askew
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 July 20, 2021, before me, VALEHIE RALPH, Clerk of Board

Clerk of the Board of Supervisors, personally appeared Supervisor Wandy Root Aslew, 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.

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

By: [Signature]


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

VALEHIE RALPH, Clerk of the Board

[COUNTY SEAL]:

OWNER: Scheid Vineyards California Inc., A California Corporation

Dated: 8/12/21

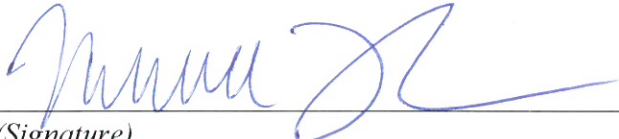

(Signature)

Scott Scheid

(Type/Print Name of Signatory)

Its: President
(Type/Print Title of Corporate Officer/Signatory; i.e.,
Chair, President or Vice President per California
Corporations Code Section 313.)

Dated: 8/12/21


(Signature)

Michael Thomsen

(Type/Print Name of Signatory)

Its: Chief Financial Officer
(Type/Print Title of Corporate Officer/Signatory; i.e.,
Secretary, Assistant Secretary, Treasurer, Assistant
Treasurer or Chief Financial Officer per California
Corporations Code Section 313.)

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

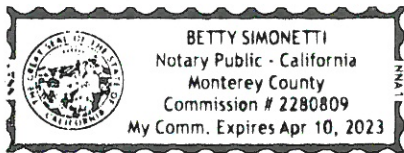
On August 12, 2021, before me, Betty Simonetti,
Notary Public, personally appeared Scott Scheid, who proved to me
on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/~~their~~
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.

Betty Simonetti
Notary Public

[SEAL]



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 August 12, 2021, before me, Betty Simonetti,
Notary Public, personally appeared Michael Thompson, 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.

Betty Simonetti
Notary Public

[SEAL]



EXHIBIT A

LEGAL DESCRIPTION

That certain real property situate in the County of Monterey, State of California, described as follows:

Parcels A, B, C and D as shown on that certain map filed for record this 18th day of August 2021 in Volume 24 of Parcel Maps at Page 8 in the Office of the Monterey County Recorder, State of California.

EXHIBIT "B"

LAND CONSERVATION CONTRACT

COMPATIBLE USES

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. Dwellings for persons employed by owner or lessee and the family of the 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.”