

Exhibit N

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**Recording requested by and when
recorded please return to:**

Ag Land Trust
P.O. Box 1731
Salinas, CA 93902

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DEED OF AGRICULTURAL CONSERVATION EASEMENT

4 This Deed of Agricultural Conservation Easement is granted on this ___ of _____
5 2017, by RCT Lands LP, Owner, having an address at 86 Monterey Salinas Highway Salinas,
6 California , ("Landowner"), to Ag Land Trust, a California nonprofit public benefit
7 corporation, having an address at 1263 Padre Drive, Salinas, CA 93901 ("Grantee"), for the
8 purpose of forever conserving the agricultural productive capacity and open space character of
9 the subject property.

RECITALS

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A. The Landowner is the sole owner in fee simple of irrigated prime farmland property ("Property") legally described in Exhibit A ("Legal Description") and generally depicted in Exhibit B ("Vicinity Map"), attached to and made a part of this Agricultural Conservation Easement ("Easement"). The Property consists of approximately 52 acres of land and is commonly known as the "Vanoli split Ranch," together with buildings and other improvements, is located in Monterey County, California, and is identified formerly by assessor's parcel number 221-011-017-000. The existing buildings and improvements on the Property are shown within the Building Envelope as depicted in Exhibit C ("Building Envelope and Existing Improvements"), also attached to and made a part of this Easement. Except as shown in Exhibit C, the Property is open farmland, whose soils have been classified as prime farmland by the California Department of Conservation's Farmland Mapping and Monitoring Program, because this land has the soil quality, growing season, and water supply needed for sustained agricultural production.

B. The agricultural and other characteristics of the Property, its current use and state of improvement, are documented and described in a Baseline Documentation Report ("Baseline Report"), prepared by the Grantee with the cooperation of the Landowner and incorporated herein by this reference. The Landowner and the Grantee acknowledge that the Baseline Report is complete and accurate as of the date of this Easement. Both the Landowner and the Grantee shall retain duplicate original copies of the Baseline Report. The Baseline Report may be used to establish whether or not a change in the use or condition of the Property has occurred, but its existence shall not

35 preclude the use of other evidence to establish the condition of the Property as of the date
36 of this Easement.

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38 C. The easement property is encumbered with an agricultural lands
39 preservation contract (AGP 73-009) that verifies the Landowner's commitment in the
40 long-term conservation of valuable agricultural land and the retention of agricultural land.
41 The establishment of this Deed of Agricultural Conservation Easement further verifies
42 the Landowners commitment in the long-term conservation of valuable agricultural land
43 and the preservation of agricultural land in perpetuity. The Property and this Easement
44 have met the California Farmland Conservancy Program's mandatory eligibility criteria
45 and certain selection criteria and have multiple natural resource conservation objectives
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48 D. The Landowner grants this Easement for valuable consideration to the
49 Grantee for the purpose of assuring that, under the Grantee's perpetual granteeship, the
50 agricultural productive capacity and open space character of the Property will be
51 conserved and maintained forever, and that uses of the land that are inconsistent with
52 these conservation purposes will be prevented or corrected. The parties agree, however,
53 that the current agricultural use of, and improvements to, the Property are consistent with
54 the conservation purposes of this Easement.

55

56 E. The conservation purposes of this Easement are recognized by, and the
57 grant of this Easement will serve, the following clearly delineated governmental
58 conservation policies:

59

60 The Farmland Protection Policy Act, P.L. 97-98, 7 D.S.C. section 4201 et seq.,
61 whose purpose is "to minimize the extent to which Federal programs and policies
62 contribute to the unnecessary and irreversible conversion of farmland to
63 nonagricultural uses, and to assure that Federal programs are administered in a
64 manner that, to the extent practicable, will be compatible with State, unit of local
65 government and private programs and policies to protect farmland;"

66

67 California Civil Code at Part 2, Chapter 4, (commencing with section 815), which
68 defines and authorizes perpetual conservation easements;

69

70 California Constitution Article XIII, section 8, California Revenue and Taxation
71 Code sections 421.5 and 422.5, and California Civil Code section 815.1, under
72 which this Agricultural Conservation Easement is an enforceable restriction,
73 requiring that the Property's tax valuation be consistent with restriction of its use
74 for purposes of food and fiber production and conservation of natural resources;

75

76 Section 10200 et seq. of the California Public Resources Code, which creates the
77 California Farmland Conservancy Program within the Department;

78

79 Section 51220 of the California Government Code, which declares a public
80 interest in the preservation of agricultural lands, by providing that "agricultural
lands have a definitive public value as open space" and "that the discouragement of

8 premature and unnecessary conversion of agricultural land to urban uses is a matter
1 of public interest";

8
2 California Food and Agriculture Code Section 821 states that one of the major
8 principles of the State's agricultural policy is "to sustain the long-term productivity
3 of the State's farms by conserving and protecting the soil, water, and air, which are
84 agriculture's basic resources;"

85
86 The California General Plan law section 65300 et seq. and Section 65400 et seq.
87 of the California Government Code, and the Monterey County 2010 General Plan,
88 as adopted on October 26, 2010, which includes as one of its goals to protect
89 farmlands designated as prime, of statewide importance, unique, or of local
90 importance from conversion to and encroachment of non-agricultural uses.

91
92 This property is being offered as mitigation value for the cancellation fee of 12.5% of
93 \$10,100,000 which is \$1,262,500. This cancellation fee was determined by the
94 Monterey County Assessor's office for the 121 acres of the "Vanoli split" that is being
95 rescinded from the Williamson Act. The Ag Easement value of these 52 acres as
96 determined by current appraisal is \$361,000. This property along with the Somavia
97 Ranch, APN 137137-151-09, whose Ag Easement current appraisal value is \$943,000
98 total \$1,304,000 which exceeds the cancellation fee.

99
100 F. The Grantee is a California nonprofit organization within the meaning of
101 California Public Resources Code section 10221 and California Civil Code section 815.3
102 and is a tax exempt and "qualified conservation organization" within the meaning of
103 Sections 501(c)(3) and 170(b)(1)(A)(iv) as defined by the United States Internal Revenue
104 Code. Grantee, as certified by Resolution No. 2005-02 of Grantee's Board of Trustees,
105 accepts the responsibility of enforcing the terms of this Easement and upholding its
106 conservation purposes forever.

107 108 GRANT OF AGRICULTURAL CONSERVATION EASEMENT

109
110 Now, therefore, for the reasons given, and in consideration of their mutual
111 promises and covenants, terms, conditions and restrictions contained herein, and other
112 good and valuable consideration, the receipt and adequacy of which are hereby
113 acknowledged, the Landowner voluntarily grants and conveys to the Grantee, and the
114 Grantee voluntarily accepts, a perpetual conservation easement, as defined by Section
115 815.1 and 815.2 of the California Civil Code and California Public Resources Code
116 section 10211, and of the nature and character described in this Easement for the purpose
117 described below, and agree as follows:

118 119 1. *Conservation Purpose.*

120
121 The conservation purpose ("Conservation Purpose" or "Purpose") of this Easement is to
122 enable the Property to remain in productive agricultural use in perpetuity by preventing
123 and correcting uses of the Property prohibited by the provisions of this Easement. To the
124 extent that the preservation of the open space character and scenic values of the Property
125 are consistent with such use, it is within the Purpose of this Easement to protect those values.

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2. Right to Use Property for Agricultural Purposes.

The Landowner retains the right to use the Property for agricultural purposes, or to permit others to use the Property for agricultural purposes, in accordance with applicable law and this Easement.

3. Prohibited Uses.

The Landowner shall not perform, nor knowingly allow others to perform, any act on or affecting the Property that is inconsistent with this Easement. Any use or activity that would diminish or impair the agricultural productive capacity and open space character or scenic values of the Property, or that would cause significant soil degradation or erosion, restrict agricultural husbandry practices, or that is otherwise inconsistent with the Conservation Purpose is prohibited ("Prohibited Use"). "Husbandry practices" means agricultural activities, such as those specified in Section 3482.5(e) of the California Civil Code, conducted or maintained for commercial purposes in a manner consistent with proper and accepted customs and standards, as established and followed by similar agricultural operations in the same locality. This Easement authorizes the Grantee to enforce these covenants in the manner described herein. However, unless otherwise specified, nothing in this Easement shall require the Landowner to take any action to restore the condition of the Property after any Act of God or other event over which it had no control. The Landowner understands that nothing in this Easement relieves it of any obligation or restriction on the use of the Property imposed by law.

4. Permission of the Grantee.

Where the Landowner is expressly required to obtain the Grantee's permission for a proposed use hereunder, said permission (a) shall not be unreasonably delayed or withheld by the Grantee, (b) shall be sought and given in writing, and (c) shall in all cases be obtained by the Landowner prior to the Landowner's undertaking of the proposed use. The Grantee shall grant permission to the Landowner only where the Grantee, acting in the Grantee's sole reasonable discretion and in good faith, determines that the proposed use is not a "Prohibited Use" per Section 3.

5. Construction or Placement of Buildings and Other Improvements.

The Landowner may undertake construction, erection, installation, or placement of buildings, structures, or other improvements on the Property only as provided in subsections (a) through (d) below. All other construction, erection, installation, or placement of buildings, structures, or other improvements on the Property is prohibited. Before undertaking any construction, erection, installation or placement that requires permission, the Landowner shall notify the Grantee and obtain prior written permission from the Grantee.

For purposes of this section, the term "improvements" shall not refer to, and specifically

173 excludes, crops, plants, trees, vines, or other living improvements planted for agricultural
174 purposes, nor shall it refer to irrigation improvements necessary or desirable to irrigate
175 the Property for agricultural purposes, all of which may be made without permission of
176 the Grantee.

177

178 (a) Fences - Existing fences may be repaired and replaced without permission of
179 the Grantee. New fences may be built anywhere on the Property for purposes of
180 reasonable and customary agricultural management, and for security of farm
181 produce, livestock, equipment, and improvements on the Property, without
182 permission of the Grantee.

183

184 (b) Agricultural Structures and Improvements - Existing agricultural structures
185 and improvements, if any, as shown in Exhibit C and more fully described in the
186 Baseline Report, may be repaired, reasonably enlarged, and replaced at their
187 current locations within the Building envelope for agricultural purposes without
188 permission from the Grantee. New buildings and other structures and
189 improvements to be used solely for agricultural production on the Property or sale
190 of farm products predominantly grown or raised on the Property, including barns
191 and equipment sheds, but not including any dwelling or farm labor housing, may
192 be built on the Property within the Building Envelope depicted in Exhibit B,
193 without permission of the Grantee. All permissible new agricultural structures
194 may be repaired, reasonably enlarged, and replaced without permission of the
195 Grantee. Any other agricultural production or marketing-related structures may
196 be constructed only with permission of the Grantee pursuant to Section 4.

197

198 (c) Residential Dwellings - No single family dwelling may be built on the
199 Property.

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201 (d) Agricultural Employee Housing -No agricultural employee housing may be
202 constructed or placed on the Property.

203

204 (e) Utilities and Septic Systems. Wires, lines, pipes, cables or other facilities
205 providing electrical, gas, water, sewer, communications, energy generation, or
206 other utility services solely to serve the improvements permitted herein or to
207 transmit power generated on the Property may be installed, maintained, repaired,
208 removed, relocated and replaced. In addition, septic or other underground
209 sanitary systems serving the improvements permitted herein may be installed,
210 maintained, repaired, replaced, relocated or improved, but must be located within
211 the Building Envelope. Power generation and transmission facilities primarily for
212 agricultural and other permitted uses on the Property may be constructed within
213 the Building Envelope. Power generated in excess of requirements on the
214 Property may be sold to appropriate public utilities. Notwithstanding the
215 foregoing, commercial power generation, collection or transmission facilities,
216 including wind or solar farms outside of Building Envelope, and the conveyance
217 of any rights-of-way over, under or on the Property for any such purpose, are
218 prohibited.

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6. No Subdivision.

The division, subdivision, defacto subdivision, or partition of the Property, including transfer of development rights, whether by physical, legal, or any other process, is prohibited.

The Landowner and Grantee acknowledge and understand that the Property consists of one legal parcel, and that no additional, separate legal parcels currently exist within the Property that may be recognized by a certificate of compliance or conditional certificate of compliance pursuant to California Government Code section 66499.35 based on previous patent or deed conveyances, subdivisions, or surveys. The Landowner will not apply for or otherwise seek recognition of additional legal parcels within the Property based on certificates of compliance or any other authority. The Landowner shall continue to maintain the legal parcel comprising the Property, and all interests therein, under common ownership, as though a single legal parcel.

Lot line adjustment may be permitted only with the written approval of the Grantee pursuant to Section 4, in conjunction with the approval of the local jurisdiction, and for purposes of maintaining, enhancing or expanding agricultural practices or productivity on the Property.

7. Extinguishment of Developeru Rights.

The Landowner hereby grants to the Grantee all development rights except as specifically reserved in this Easement, that were previously, are now or hereafter allocated to, implied, reserved, appurtenant to, or inherent in the Property, and the parties agree that such rights are released, terminated, and extinguished, and may not be used on or transferred by either party to any portion of the Property as it now or later may be bounded or described, or to any other property adjacent or otherwise, or used for the purpose of calculating permissible lot yield of the Property or any other property. This Easement shall not create any development rights.

8. Mining.

The commercial mining or extraction of soil, sand, gravel, rock, oil, natural gas, fuel, or any other mineral substance, using any method that disturbs the surface of the land, is prohibited.

9. Paving and Road Construction.

Other than roads and parking areas or driveways to the Building Envelope as identified in the Baseline Report, no portion of the Property presently unpaved shall be paved or otherwise covered with concrete, asphalt, or any other impervious paving material, unless such measures are required by air quality laws or regulations applicable to the Property. Except as otherwise permitted herein, no road for access or other purposes shall be

265 constructed without the permission of the Grantee pursuant to Section 4.
266 Notwithstanding the foregoing, construction of unpaved farm roads, as necessary or
267 desirable by agricultural operations, is permitted without permission from the Grantee.
268 The Landowner shall notify the Grantee of any significant net relocation or addition of
269 unpaved farm roads.

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271 10. *Trash and Storage.*

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273 The dumping or accumulation on the Property of any kind of trash, refuse, vehicle bodies
274 or parts, or "Hazardous Materials," as defined in Section 25 is prohibited. Farm-related
275 trash and refuse produced on the Property may be temporarily stored on the Property
276 subject to all applicable laws. The storage of agricultural products and byproducts
277 produced on the Property and materials reasonably required for agricultural production
278 on the Property, including Hazardous Materials, is permitted as long as it is done in
279 accordance with all applicable government laws and regulations.

280

281 11. *Commercial Signs.*

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283 Commercial signs (including billboards) unrelated to permitted activities conducted on
284 the Property are prohibited.

285

286 12. *Recreational Uses, Motorized Vehicle Use Off Roadways*

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288 Resort structures, athletic fields, golf courses, non-residential swimming pools, public or
289 commercial airstrips, commercial equestrian facilities, public or commercial helicopter
290 pads, and any other non-agricultural recreational structures or facilities are prohibited on
291 the Property. Recreational structures or improvements for the personal use of the
292 Landowner and its guests (e.g. swimming pool, tennis court) are permitted only within
293 the Building Envelope. The use of motorized vehicles off roadways and outside of the
294 Building Envelope is prohibited except where used for agricultural production, property
295 maintenance and security, or for the purpose of monitoring this Easement.

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297 13. *Water Rights.*

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299 The Landowner shall retain and reserve all ground water, and all appropriative,
300 prescriptive, contractual or other water rights appurtenant to the Property at the time this
301 Easement becomes effective. The Landowner shall not permanently transfer, encumber,
302 lease, sell, or otherwise separate such quantity of water or water rights from title to the
303 Property itself. Permanent separation of water or water rights is prohibited. All water
304 shall be retained in Monterey County for agricultural production and used in conjunction
305 with the improvements permitted by Section 5 of this Easement only. Water may be
306 distributed to a contiguous property or other property owned or leased by the Landowner
307 on an annual basis for agricultural production only. Any temporary distribution of water
308 shall not impair the long-term agricultural productive capacity or open space character of
309 the Property.

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311 14. *Rights Retained by the Landowner.*

312

313 Subject to Section 7 and to interpretation under Section 22, as owner of the Property, the
314 Landowner reserves all interests in the Property not transferred, conveyed, restricted,
315 prohibited or extinguished by this Easement. These ownership rights include, but are not
316 limited to, the right to sell, lease, or otherwise transfer the Property to anyone the
317 Landowner chooses, as well as the right to privacy, the right to exclude any member of
318 the public from trespassing on the Property, and any other rights consistent with the
319 Purpose of this Easement. Nothing contained herein shall be construed as a grant to the
320 general public of any right to enter upon any part of the Property.

321

322 Nothing in this Easement relieves the Landowner of any obligation or restriction on the
323 use of the Property imposed by law.

324

325 15. *Responsibilities of the Landowner and the Grantee Not Affected*

326

327 Other than as specified herein, this Easement is not intended to impose any legal or other
328 responsibility on the Grantee, or in any way to affect any existing obligation of the
329 Landowner as owner of the Property. Among other things, this shall apply to:

330

331 (a) Taxes - The Landowner shall be solely responsible for payment of all taxes
332 and assessments levied against the Property. If the Grantee ever pays any taxes or
333 assessments on the Property, or if the Grantee pays levies on the Landowner's
334 interest in order to protect Grantee's interests in the Property, the Landowner will
335 reimburse the Grantee for the same. It is intended that this Easement constitute an
336 enforceable restriction within the meaning of Article XIII, Section 8 of the
337 California Constitution and that this Easement qualify as an enforceable
338 restriction under the provisions of California Revenue and Taxation Code
339 Sections 402. 1 (a)(8) and 423.

340

341 (b) Upkeep and Maintenance - The Landowner shall be solely responsible for the
342 upkeep and maintenance of the Property, to the extent it may be required by law.
343 The Grantee shall have no obligation for the upkeep or maintenance of the
344 Property. If the Grantee acts to maintain the Property in order to protect the
345 Grantee's interest in the Property, the Landowner will reimburse the Grantee for
346 any such costs.

347

348 (c) Liability and Indemnification - In view of the Grantee's negative rights,
349 limited access to the land, and lack of active involvement in the day-to-day
350 management activities on the Property, the Landowner shall indemnify, protect,
351 defend and holds harmless the Grantee, the Grantee's officers, directors, members,
352 employees, contractors, legal representatives, agents, successors and assigns
353 (collectively, "Agents and Assigns") from and against all liabilities, costs, losses,
354 orders, liens, penalties, claims, demands, damages, expenses, or causes of action
355 or cases, including without limitation reasonable attorneys' fees, arising out of or
356 in any way connected with or relating to the Property or the Easement. The

357 Landowner shall be solely liable for injury or the death of any person, or physical
358 damage to any property, or any other costs or liabilities resulting from any act,
359 omission, condition, or other matter related to or occurring on or about the
360 Property, regardless of cause, unless due to the negligence or willful misconduct
361 of the Grantee, the Grantee's Agents and Assigns. The Grantee shall be named as
362 an additional insured on Landowner's general liability insurance policy.
363

364 Neither the Grantee, nor the Grantee's Agents and Assigns shall have
365 responsibility for the operation of the Property, monitoring of hazardous
366 conditions on it, or the protection of the Landowner, the public or any third parties
367 from risks relating to conditions on the Property. Without limiting the foregoing,
368 neither the Grantee, the Department, nor their respective Agents and Assigns shall
369 be liable to the Landowner or other person or entity in connection with consents
370 given or withheld, or in connection with any entry upon the Property occurring
371 pursuant to this Easement, or on account of any claim, liability, damage or
372 expense suffered or incurred by or threatened against the Landowner or any other
373 person or entity, except as the claim, liability, damage, or expense is the result of
374 the gross negligence or intentional misconduct of the Grantee, the Department,
375 and/or their respective Agents and Assigns.
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377 16. *Monitoring.*

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379 The Grantee shall manage its responsibilities as holder of this Easement in order to
380 uphold the Purpose of this Easement. The Grantee's responsibilities include, but are not
381 limited to, annual monitoring, such additional monitoring as circumstances may require,
382 record keeping, and enforcement of this Easement, for the purpose of preserving the
383 Property's agricultural productive capacity and open space character in perpetuity.

384 Failure of the Grantee to carry out these responsibilities shall not impair the validity of
385 this Easement or limit its enforceability in any way. With reasonable advance notice
386 (except in the event of an emergency circumstance or prevention of a threatened breach),
387 Grantee shall have the right to enter upon, inspect, observe, monitor and evaluate the
388 Property to identify the current condition of, and uses and practices on the Property and
389 to determine whether the condition, uses and practices are consistent with this Easement.
390

391 Grantee shall indemnify, defend with counsel of Landowner's choice, and hold
392 Landowner harmless from, all expense, loss, liability, damages and claims, including
393 Landowner's attorneys' fees, if necessary, arising out of Grantee's entry on the Property,
394 unless caused by a violation of this Easement by Landowner or by Landowner's
395 negligence or willful misconduct.
396

397 The Grantee shall maintain records of the annual monitoring visit, describing method of
398 monitoring, condition of the Property, stating whether any violations were found during
399 the period, describing any corrective actions taken, the resolution of any violation, and
400 any transfer of interest in the Property. Failure to do so shall not impair the validity of
401 this Easement or limit its enforceability in any way.
402

403 17. *Enforcement.*

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405 The Grantee may take all actions that it deems necessary to ensure compliance with the
406 terms, conditions, covenants, and purposes of this Easement. The Grantee shall have the
407 right to prevent and correct violations of the terms, conditions, covenants, and purposes
408 of this Easement. If the Grantee finds what it believes is a violation or potential
409 violation, it may at its discretion take appropriate legal action to ensure compliance with
410 the terms, conditions, covenants, and purposes of this Easement and shall have the right
411 to correct violations and prevent the threat of violations. Except when an ongoing or
412 imminent violation could irreversibly diminish or impair the agricultural productive
413 capacity and open space character of the Property, the Grantee shall give the Landowner
414 written notice of the violation or potential violation, and thirty (30) days to correct it,
415 before filing any legal action.
416

417 If a court with jurisdiction determines that a violation may exist, has occurred, or is about
418 to occur, the Grantee may obtain an injunction, specific performance, or any other
419 appropriate equitable or legal remedy, including (i) money damages, including damages
420 for the loss of the agricultural conservation values protected by this Easement, (ii)
421 restoration of the Property to its condition existing prior to such violation, and (iii) an
422 award for all of the Grantee's expenses incurred in stopping and correcting the violation,
423 including but not limited to reasonable attorney's fees. The failure of the Grantee to
424 discover a violation or potential violation, or to take immediate legal action to prevent or
425 correct a violation or potential violation known to the Grantee, shall not bar the Grantee
426 from taking subsequent legal action. The Grantee's remedies under this section shall be
427 cumulative and shall be in addition to all remedies now or hereafter existing at law or in
428 equity.
429

430 Without limiting the Landowner's liability therefor, the Grantee shall apply damages
431 recovered to the cost of undertaking any corrective action on the Property. Should the
432 restoration of lost values be impossible or impractical for whatever reason, the Grantee
433 shall apply any and all damages recovered to furthering its mission, with primary
434 emphasis on agricultural conservation easement acquisition and enforcement.
435

436 18. *Transfer of Easement.*

437
438 This Easement may only be assigned or transferred to a private nonprofit organization
439 that, at the time of transfer, is a "qualified organization" under Section 170(h) of the
440 United States Internal Revenue Code and meets the requirements of Section 81S.3(a) of
441 the California Civil Code and has similar purposes to preserve agricultural lands and
442 open space. If no such private nonprofit organization exists or is willing to assume the
443 responsibilities imposed by this Easement, then this Easement may be transferred to any
444 public agency authorized to hold interests in real property as provided in Section 81S.3(b)
445 of the California Civil Code. Such an assignment or transfer may proceed only if the
446 organization or agency expressly agrees to assume the responsibility imposed on the
447 Grantee by the terms of this Easement and is expressly willing and able to hold this
448 Easement for the Purpose for which it was created. All assignment and assumption

449 agreements transferring the Easement shall be duly recorded in Monterey County.

450

451 If the Grantee should desire to assign or transfer this Easement, the Grantee must obtain
452 written permission from the Landowner and the Board of Supervisors of Monterey
453 County, which permission shall not be unreasonably withheld.

454

455 If the Grantee or its successors ever ceases to exist or no longer qualifies under Section
456 170(h) of the U.S. Internal Revenue Code, or applicable state law, the Department of
457 Conservation, in consultation with the Landowner, shall identify and select an
458 appropriate private or public entity to whom this Easement shall be transferred.

459

460 *19. Perpetual Duration and No Merger of Title.*

461

462 Pursuant to California Civil Code at Part 2, Chapter 4, (commencing with section 815),
463 which defines and authorizes perpetual conservation easements; this Easement shall run
464 with the land in perpetuity. Every provision of this Easement that applies to the
465 Landowner or the Grantee shall also apply to their respective agents, heirs, executors,
466 administrators, assigns, and all other successors as their interests may appear.

467

468 No merger of title, estate or interest shall be deemed effected by any previous,
469 contemporaneous, or subsequent deed, grant, or assignment of an interest or estate in the
470 Property, or any portion thereof, to the Grantee, or its successors or assigns. It is the
471 express intent of the parties that this Easement not be extinguished by, merged into,
472 modified, or otherwise deemed affected by any other interest or estate in the Property
473 now or hereafter held by the Grantee or its successors or assigns.

474

475 *20. Transfer of Property Interest.*

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477 Any time the Property itself, or any interest in it, is transferred by the Landowner to any
478 third party, the Landowner shall notify the Grantee in writing at least thirty (30) days
479 prior to the transfer of the Property or interest, and the document of conveyance shall
480 expressly incorporate by reference this Easement. Any document conveying a lease of
481 the Property shall expressly incorporate by reference this Easement. Failure of the
482 Landowner to do so shall not impair the validity of this Easement or limit its
483 enforceability in any way.

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485 *21. Amendment of Easement.*

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487 This Easement may be amended only with the written consent of the Landowner and the
488 Grantee. Any such amendment shall be consistent with the Purpose of this Easement and
489 with the Grantee's easement amendment policies, and shall comply with all applicable
490 laws, including Section 170(h) of the Internal Revenue Code, or any regulations
491 promulgated in accordance with that section, and with Section 815 et seq. of the
492 California Civil Code, and any regulations promulgated thereunder. No amendment shall
493 diminish or affect the perpetual duration or the Purpose of this Easement, nor the status or
494 rights of the Grantee under the terms of this Easement.

495
496 This Easement and any amendment to it shall be recorded in Monterey County.

497
498 22. Termination of Easement.

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500 (a) This Easement can only be terminated or extinguished, whether in whole or in
501 part, by judicial proceedings in a court of competent jurisdiction. The fact that the
502 land is not in agricultural use is not reason for termination of this Easement.
503 Termination of the Easement through condemnation is subject to the requirements
504 of the eminent domain laws of the State of California, federal law, and this
505 Easement. Grantee shall be paid by the condemnor the value of the Easement at
506 the time of condemnation. Purchase in lieu of condemnation, or settlement of an
507 eminent domain proceeding, shall occur pursuant to applicable laws and
508 procedures, and shall require approval of the Grantee. Grantee shall have an
509 opportunity to accompany the appraiser for the condemning agency when the
510 appraiser goes on the Property with Landowner. Should this Easement be
511 condemned or otherwise terminated on any portion of the Property, the balance of
512 the Property shall remain subject to this Easement. In this event, all relevant
513 related documents shall be updated and re-recorded by the Grantee to reflect the
514 modified easement area. Encumbrances junior to this Easement shall remain
515 subordinate to the Easement as amended.

516
517 (b) In the event the Landowner is notified that a public entity intends or proposes
518 to acquire the Easement Area in whole or in part by eminent domain, the
519 Landowner shall provide the Grantee, the with a copy of the notification within
520 five (5) business days of having received such notification. In the event the
521 Landowner intends to seek termination of the easement pursuant to initiation of a
522 judicial proceeding which is not based on eminent domain, the Landowner shall
523 notify the Grantee, of such intent no later than sixty (60) days before initiating
524 such proceedings. No inaction or silence by the Grantee, shall be construed as
525 abandonment of the Easement.

526
527 (c) The grant of this Easement gives rise to a property right immediately vested in
528 the Grantee. For the purpose of determining the amount to be paid by the
529 Landowner in a repurchase of the Easement pursuant to judicial proceedings, and
530 for the purpose of allocating proceeds from a sale or other disposition of the
531 Property at the time of termination, the Easement and the Grantee's property right
532 therein shall have a value equal to the difference between the current fair market
533 value of the Property as if unencumbered by this Easement and the current fair
534 market value of the Property encumbered by this Easement, each as determined
535 on or about the date of termination. The values shall be determined by an
536 appraisal performed by an appraiser jointly selected by the Landowner and the
537 Grantee. The Landowner shall pay the cost of the appraisal, and it is subject to
538 approval by the Grantee. Nothing herein shall prevent the Landowner or the
539 Grantee from having an appraisal prepared at its own expense.

540

54 (d) Upon approval of termination of this Easement or any portion thereof, the
1 Landowner shall reimburse the Grantee the amount equal to the value of the
54 Easement that is terminated. If only a portion of the Easement is so terminated,
2 the reimbursement shall be pro-rated. This Easement shall not be deemed
54 terminated under a judicial termination proceeding until such payment is received
3 by the Grantee. Grantee, in using any funds received from the termination of this
54 Easement, shall use the funds in a manner consistent with the Purpose of this
4 Easement.

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552
553 23. *Interpretation.*

554
555 (a) This Easement shall be interpreted under the laws of the State of California,
556 resolving any ambiguities and questions of the validity of specific provisions so as
557 to give maximum effect to its conservation purposes.

558
559 (b) References to specific authorities in this Easement shall be to the statute, rule,
560 regulation, ordinance, or other legal provision that is in effect at the time this
561 Easement becomes effective.

562
56 (c) No provision of this Easement shall constitute governmental approval of any
3 improvements, construction or other activities that may be permitted under this
56 Easement.

4
56
5
569 Any notices to the Landowner and the Grantee required by this Easement shall be in
570 writing and shall be personally delivered or sent by First-Class Mail to the following
571 addresses, unless a party has been notified by the other of a change of address:

572
573 To the Landowner:

574 RCT Lands LP
575 P.O. Box 7537
577 Spreckels, CA 93962

578
579 To the Grantee:

580
58 Ag Land Trust
P.O. Box 1731
585 Salinas, CA 93902

25. *The Landowner's Environmental Warranty.*

587 (a) Nothing in this Easement shall be construed as giving rise to any right or
588 ability in the Grantee to exercise physical or management control over the day-to-
589 day operations of the Property, or any of the Landowner's activities on the
590 Property, or otherwise to become an "owner" or "operator" with respect to the
591 Property as those words are defined and used in environmental laws, including the
592 Comprehensive Environmental Response, Compensation, and Liability Act of
593 1980 ("CERCLA"), as amended or any corresponding state and local statute or
594 ordinance.

595
596 (b) The Landowner warrants that it has no actual knowledge of a release or
597 threatened release of any Hazardous Materials on, at, beneath or from the
598 Property. Moreover the Landowner hereby promises to defend and indemnify the
599 Grantee against all litigation, claims, demands, penalties and damages, including
600 reasonable attorneys' fees, arising from or connected with the release or
601 threatened release of any Hazardous Materials on, at, beneath or from the
602 Property, or arising from or connected with a violation of any Environmental
603 Laws. The Landowner's indemnification obligation shall not be affected by any
604 authorizations provided by the Grantee to the Landowner with respect to the
605 Property or any restoration activities carried out by the Grantee at the Property;
606 provided, however, that the Grantee shall be responsible for any Hazardous
607 Materials contributed after this date to the Property by the Grantee.

608
609 (c) The Landowner warrants that it shall remain in compliance with, all applicable
610 Environmental Laws. The Landowner warrants that there are no notices by any
611 governmental authority of any violation or alleged violation of, non-compliance
612 or alleged non-compliance with or any liability under any Environmental Law
613 relating to the operations or conditions of the Property.

614
615 (d) "Environmental Law" or "Environmental Laws" means any and all Federal,
616 state, local or municipal laws, rules, orders, regulations, statutes, ordinances,
617 codes, guidelines, policies or requirements of any governmental authority
618 regulating or imposing standards of liability or standards of conduct (including
619 common law) concerning air, water, solid waste, Hazardous Materials, worker
620 and community right-to-know, hazard communication, noise, radioactive
621 material, resource protection, subdivision, inland wetlands and watercourses,
622 health protection and similar environmental health, safety, building and land use
623 as may now or at any time hereafter be in effect.

624
625 (e) "Hazardous Materials" means any petroleum, petroleum products, fuel oil,
626 waste oils, explosives, reactive materials, ignitable materials, corrosive materials,
627 hazardous chemicals, hazardous wastes, hazardous substances, extremely
628 hazardous substances, toxic substances, toxic chemicals, radioactive materials,
629 infectious materials and any other element, compound, mixture, solution or
630 substance which may pose a present or potential hazard to human health or the
631 environment or any other material defined and regulated by Environmental Laws.
632

(f) If at any time after the effective date of this Easement there occurs a release, discharge or other incident in, on, or about the Property of any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment, the Landowner agrees to take any steps that are required of the Landowner with respect thereto under federal, state, or local law necessary to ensure its containment and remediation, including any cleanup.

633

634 *26. The Landowner's Title Warranty; No Prior Conservation Easements.*

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643

644 The Landowner represents and warrants that it owns the entire fee simple interest in the
645 Property, including the entire mineral estate, and hereby promises to defend this
646 Easement against all claims that may be made against it. Any and all financial liens or
647 financial encumbrances with priority over this Easement existing as of the date of the
648 recording of this Easement have been subordinated. Exhibit C (Prior Encumbrances) sets
649 forth all prior encumbrances. The Landowner represents and warrants that the Property
650 is not subject to any other conservation easement whatsoever.

651

652 *27. Granting Subsequent Easements, Interests in Land, or Use Restrictions.*

653

654 With permission of the Grantee pursuant to Section 4, the Landowner may grant
655 subsequent easements, including conservation easements, interests in land, or use
656 restrictions on the Property. Under no circumstances shall the Grantee approve the
657 granting of subsequent easements, interests in land, or use restrictions that might diminish
658 or impair the agricultural productive capacity or open space character of the Property.
659 The Grantee's written approval shall be obtained at least thirty (30) days in advance of
660 the Landowner's execution of any proposed subsequent easement, interests in land, or use
661 restriction on the Property, and such subsequent easements, interests in land, and use
662 restrictions shall make reference to and be subordinate to this Easement

663

664 *28. Severability.*

665

666 If any term, provision, covenant, condition, or restriction of this Easement is held by a
667 court of competent jurisdiction to be unlawful, invalid, void, unenforceable, or not
668 effective the remainder of this Easement shall remain in full force and effect and shall in
669 no way be affected, impaired, or invalidated.

670

671 *29. Entire Agreement.*

672

673 This Easement is the final and complete expression of the agreement between the parties
674 with respect to the subject matter contained herein. Any and all prior or

675 contemporaneous agreements with respect to this subject matter, written or oral, are
676 merged into and superseded by this written instrument.
677

678 30. *Acceptance.*

679
680 As attested by the signature of its Managing Director affixed hereto, as authorized by
681 Grantee's Board of Directors/Trustees, in exchange for consideration, the Grantee hereby
682 accepts without reservation the rights and responsibilities conveyed by this Deed of
683 Agricultural Conservation Easement.

684
685 To Have and To Hold, this Deed of Agricultural Conservation Easement unto the
686 Grantee, its successors and assigns, forever.

687
688 In Witness Whereof, the Landowner and the Grantee, intending to legally bind
689 themselves, have set their hands on the date first written above.

690
691 LANDOWNER

692
693 RCT Lands LP

694
695 By: _____

696
697 Name: _____

698
699 Title: _____

700
701
702 GRANTEE

703
704 Ag Land Trust,
705 a California nonprofit public benefit corporation

706
707 By: _____

708
709 Name: Sherwood Darington

710 Title: Managing Director

711
712

ACKNOWLEDGMENTS 714

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State of California
County of

) ss
)

On before me, ,personally appeared
, who proved to me on the basis of satisfactory evidence to
be the person(s) whose name is subscribed to the within instrument and acknowledged to
me that he executed the same in his authorized capacity, and that by his signature on the
instrument the person, or the entity upon behalf of which the person 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 _____

Notary Public

State of California
County of

) ss
)

On before me, ,personally appeared
, who proved to me on the basis of satisfactory evidence to
be the person(s) whose name is subscribed to the within instrument and acknowledged to
me that he executed the same in his authorized capacity, and that by his signature on the
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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 _____

Notary Public

759 Exhibit A (Legal Description) Attached
760 Exhibit B (Vicinity Map) Attached
761 Exhibit C (Building Envelope and Existing Improvements) Attached
762 Exhibit D (Prior Encumbrances) Attached
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Exhibit A
(Legal Description)

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Exhibit B
(Vicinity Map)

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Exhibit C
(Building Envelope and Existing Improvements)

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Exhibit D
(Prior Encumbrances)