

# Exhibit M

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

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

**DEED OF AGRICULTURAL CONSERVATION EASEMENT**

This Deed of Agricultural Conservation Easement is granted on this \_\_\_ of \_\_\_\_\_  
2017, by TMV Lands, Owner, having an address at P.O. Box 2028,  
Salinas, CA 93902 ("Landowner"), to Ag Land Trust, a California nonprofit public  
benefit corporation, having an address at 1263 Padre Drive, Salinas, CA 93901  
("Grantee"), for the purpose of forever conserving the agricultural productive capacity  
and open space character of the subject property.

**RECITALS**

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 66 acres  
of land and is commonly known as the "Somavia Ranch," together with buildings and  
other improvements, is located in Monterey County, California, and is identified by  
assessor's parcel number 137-151-009-000. 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 farmland of statewide importance 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.

37  
38  
39  
40 C. The Landowner grants this Easement for valuable consideration to the  
41 Grantee for the purpose of assuring that, under the Grantee's perpetual granteeship, the  
42 agricultural productive capacity and open space character of the Property will be  
43 conserved and maintained forever, and that uses of the land that are inconsistent with  
44 these conservation purposes will be prevented or corrected. The parties agree, however,  
45 that the current agricultural use of, and improvements to, the Property are consistent with  
46 the conservation purposes of this Easement.

47  
48 D. The conservation purposes of this Easement are recognized by, and the  
49 grant of this Easement will serve, the following clearly delineated governmental  
50 conservation policies:

51  
52 The Farmland Protection Policy Act, P.L. 97-98, 7 D.S.C. section 4201 et seq.,  
53 whose purpose is "to minimize the extent to which Federal programs and policies  
54 contribute to the unnecessary and irreversible conversion of farmland to  
62 nonagricultural uses, and to assure that Federal programs are administered in a  
63 manner that, to the extent practicable, will be compatible with State, unit of local  
64 government and private programs and policies to protect farmland;"

65  
66 California Civil Code at Part 2, Chapter 4, (commencing with section 815), which  
67 defines and authorizes perpetual conservation easements;

68  
69 California Constitution Article XIII, section 8, California Revenue and Taxation  
70 Code sections 421.5 and 422.5, and California Civil Code section 815.1, under  
71 which this Agricultural Conservation Easement is an enforceable restriction,  
72 requiring that the Property's tax valuation be consistent with restriction of its use  
73 for purposes of food and fiber production and conservation of natural resources;

74  
75 Section 10200 et seq. of the California Public Resources Code, which creates the  
76 California Farmland Conservancy Program within the Department;

77  
78 Section 51220 of the California Government Code, which declares a public  
79 interest in the preservation of agricultural lands, by providing that "agricultural  
80 lands have a definitive public value as open space" and "that the discouragement of

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

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

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

The Ag Easement value of this property is \$943,000. This value along with the Vanoli Split 52 acre Ag Easement Value of \$361,000 total \$1,304,000. These two properties Ag Easement values are mitigating the cancellation fee for rescinding the Williamson Act from the Vanoli split 121 acres. The Monterey County Assessor's office appraised value of the Vanoli 121 acres is \$10,100,000. The cancellation fee is 12.5% of the appraised value \$10,100,000 or \$1,262,500. The total value of the Somavia Ranch and the Vanoli split 52 acres is greater than the fee.

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

#### GRANT OF AGRICULTURAL CONSERVATION EASEMENT

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

##### *1. Conservation Purpose.*

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

127  
128 *2. Right to Use Property for Agricultural Purposes.*  
129

130 The Landowner retains the right to use the Property for agricultural purposes, or to permit  
131 others to use the Property for agricultural purposes, in accordance with applicable law and  
132 this Easement.  
133

134 *3. Prohibited Uses.*  
135

136 The Landowner shall not perform, nor knowingly allow others to perform, any act on or  
137 affecting the Property that is inconsistent with this Easement. Any use or activity that  
138 would diminish or impair the agricultural productive capacity and open space character or  
139 scenic values of the Property, or that would cause significant soil degradation or erosion,  
140 restrict agricultural husbandry practices, or that is otherwise inconsistent with the  
141 Conservation Purpose is prohibited ("Prohibited Use"). "Husbandry practices" means  
142 agricultural activities, such as those specified in Section 3482.5(e) of the California Civil  
143 Code, conducted or maintained for commercial purposes in a manner consistent with  
144 proper and accepted customs and standards, as established and followed by similar  
145 agricultural operations in the same locality. This Easement authorizes the Grantee to  
146 enforce these covenants in the manner described herein. However, unless otherwise  
147 specified, nothing in this Easement shall require the Landowner to take any action to  
148 restore the condition of the Property after any Act of God or other event over which it  
149 had no control. The Landowner understands that nothing in this Easement relieves it of  
150 any obligation or restriction on the use of the Property imposed by law.  
151

152 *4. Permission of the Grantee.*  
153

154 Where the Landowner is expressly required to obtain the Grantee's permission for a  
155 proposed use hereunder, said permission (a) shall not be unreasonably delayed or  
156 withheld by the Grantee, (b) shall be sought and given in writing, and (c) shall in all cases  
157 be obtained by the Landowner prior to the Landowner's undertaking of the proposed use.  
158 The Grantee shall grant permission to the Landowner only where the Grantee, acting in  
159 the Grantee's sole reasonable discretion and in good faith, determines that the proposed  
160 use is not a "Prohibited Use" per Section 3.  
161

162 *5. Construction or Placement of Buildings and Other Improvements.*  
163

164 The Landowner may undertake construction, erection, installation, or placement of  
165 buildings, structures, or other improvements on the Property only as provided in  
166 subsections (a) through (d) below. All other construction, erection, installation, or  
167 placement of buildings, structures, or other improvements on the Property is prohibited.  
168 Before undertaking any construction, erection, installation or placement that requires  
169 permission, the Landowner shall notify the Grantee and obtain prior written permission  
170 from the Grantee.  
171

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

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

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

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

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

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

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

219  
220 *6. No Subdivision.*  
221

222 The division, subdivision, defacto subdivision, or partition of the Property, including  
223 transfer of development rights, whether by physical, legal, or any other process, is  
224 prohibited.  
225

226 The Landowner and Grantee acknowledge and understand that the Property consists of  
227 one legal parcel, and that no additional, separate legal parcels currently exist within the  
228 Property that may be recognized by a certificate of compliance or conditional certificate  
229 of compliance pursuant to California Government Code section 66499.35 based on  
230 previous patent or deed conveyances, subdivisions, or surveys. The Landowner will not  
231 apply for or otherwise seek recognition of additional legal parcels within the Property  
232 based on certificates of compliance or any other authority. The Landowner shall continue  
233 to maintain the legal parcel comprising the Property, and all interests therein, under  
234 common ownership, as though a single legal parcel.  
235

236 Lot line adjustment may be permitted only with the written approval of the Grantee  
237 pursuant to Section 4, in conjunction with the approval of the local jurisdiction, and for  
238 purposes of maintaining, enhancing or expanding agricultural practices or productivity on  
239 the Property.  
240

241 *7. Extinguishment of Developer Rights.*  
242

243 The Landowner hereby grants to the Grantee all development rights except as specifically  
244 reserved in this Easement, that were previously, are now or hereafter allocated to,  
245 implied, reserved, appurtenant to, or inherent in the Property, and the parties agree that  
246 such rights are released, terminated, and extinguished, and may not be used on or  
247 transferred by either party to any portion of the Property as it now or later may be  
248 bounded or described, or to any other property adjacent or otherwise, or used for the  
249 purpose of calculating permissible lot yield of the Property or any other property. This  
250 Easement shall not create any development rights.  
251

252 *8. Mining.*  
253

254 The commercial mining or extraction of soil, sand, gravel, rock, oil, natural gas, fuel, or  
255 any other mineral substance, using any method that disturbs the surface of the land, is  
256 prohibited.  
257

258 *9. Paving and Road Construction.*  
259

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

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

#### 10. *Trash and Storage.*

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

#### 11. *Commercial Signs.*

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

#### 12. *Recreational Uses,' Motorized Vehicle Use Off Roadways*

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

#### 13. *Water Rights.*

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

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

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

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

#### *16. Monitoring.*

The Grantee shall manage its responsibilities as holder of this Easement in order to uphold the Purpose of this Easement. The Grantee's responsibilities include, but are not limited to, annual monitoring, such additional monitoring as circumstances may require, record keeping, and enforcement of this Easement, for the purpose of preserving the Property's agricultural productive capacity and open space character in perpetuity. Failure of the Grantee to carry out these responsibilities shall not impair the validity of this Easement or limit its enforceability in any way. With reasonable advance notice (except in the event of an emergency circumstance or prevention of a threatened breach), Grantee shall have the right to enter upon, inspect, observe, monitor and evaluate the Property to identify the current condition of, and uses and practices on the Property and to determine whether the condition, uses and practices are consistent with this Easement.

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

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

403     17. *Enforcement.*

404  
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.*

476  
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.

484  
485 *21. Amendment of Easement.*

486  
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.  
499

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

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

### 23. Interpretation.

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

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

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

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

To the Landowner:

TMV Lands  
P.O. Box 2028  
Salinas, CA 93902

To the Grantee:

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

### 25. The Landowner's Environmental Warranty.

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

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

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

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

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

(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.

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

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

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

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

28. *Severability.*

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

29. *Entire Agreement.*

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

691  
692  
693 TMV Lands

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

713 ACKNOWLEDGMENTS 714

715 State of California

716 County of ) ss

717 )

718

719 On before me, ,personally appeared

720 , who proved to me on the basis of satisfactory evidence to

721 be the person(s) whose name is subscribed to the within instrument and acknowledged to

722 me that he executed the same in his authorized capacity, and that by his signature on the

723 instrument the person, or the entity upon behalf of which the person acted, executed the

724 instrument.

725

726 I certify under PENALTY of PERJURY under the laws of the State of California that the

727 foregoing paragraph is true and correct.

728

729 WITNESS my hand and official seal.

730

731 Signature \_\_\_\_\_

732

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734

735 Notary Public

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737 State of California

738 County of ) ss

739 )

740

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753 Signature \_\_\_\_\_

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757 Notary Public

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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)**

771  
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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)

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