

Attachment F

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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 as of the last date opposite the respective signatures below, by RCT Land Company, LP, a California Limited Partnership, having an address at P.O. Box 7537, Spreckels, CA, 93962 ("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 conserving the agricultural productive capacity and open space character of the subject property in perpetuity.

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 51.6 acres of land and is commonly known as Parcel 2 of the Vanoli Ranch Minor Subdivision (approved by the Monterey County Board of Supervisors by Resolution No. 17-155 on May 23, 2017 [as revised on October 25, 2017] on file with the Clerk of the Board of Supervisors and incorporated by this reference) together with buildings and other improvements, is located in Monterey County, California, and is identified by assessor's parcel number 221-011-017. 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, which 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 preclude the use of other evidence to establish the condition of the Property as of the date of this Easement.

C. The Easement Property is located in an Agricultural Preserve (No. 73-9) established by the County of Monterey by Board of Supervisors Resolution No. 73-34-9, Document G07281, recorded at Reel 830, Page 404 with the Monterey County Recorder on February 28, 1973 and incorporated by this reference and encumbered with a Williamson Act Agricultural Preserve Land Conservation Contract No. 73-9 (LCC 73-9) recorded at Reel 830, Page 409 with the Monterey County Recorder on February 28, 1973 as amended pursuant to the 2018 Amendment to Land Conservation Contract No. 73-9, Document No. _____, recorded with the Monterey County Recorder on _____, 2018, and incorporated by this reference that verifies the Landowner's commitment in the long-term conservation of valuable agricultural land and the retention of agricultural land. The establishment of this Deed of Agricultural Conservation Easement further verifies the Landowner's commitment in the long-term conservation of valuable agricultural land and the preservation of agricultural land in perpetuity. The Property and this Easement have met the California Farmland Conservancy Program's mandatory eligibility criteria and certain selection criteria and have multiple natural resource conservation objectives

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

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

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

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

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

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

Section 51220 of the California Government Code, which declares a public 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 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; and,

This Property is being offered as mitigation value for the cancellation fee of 12.5% of \$10,100,000 which is \$1,262,500. This cancellation fee was determined by the Monterey County Assessor's office for the 121.4 acres (Parcel 1) of the Vanoli Ranch Minor Subdivision approved by Board of Supervisors Resolution No. 17-155 as revised on October 25, 2017 (on file with the Clerk of the Board of Supervisors and incorporated by this reference) that is being rescinded from Williamson Act Agricultural Preserve and Land Conservation Contract No. 73-9. The Agricultural Conservation Easement value of these 51.6 acres as determined by current appraisal is \$361,000. The Agricultural Conservation Easement value for this Property (\$361,000) along with the Somavia Ranch property (APN 137-151-09), for which the Agricultural Conservation Easement current appraisal value is \$943,000, total \$1,304,000 which exceeds the cancellation fee of \$1,262,500.

Resolution No. 17-155, approved by the Board of Supervisors of Monterey County on May 23, 2017 (as revised on October 25, 2017), expresses support for the recording of this Easement and finds that the acceptance is consistent with the County's General Plan and the Resolution's findings.

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.

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, or construction, or utility installations 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 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, vineyard or winery products predominantly grown or raised on the Property, including facilities constructed in association with the allowed and permitted uses set forth in the Agricultural and Winery Corridor Plan, in addition to 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 C, 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.

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 Development 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 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.

310
311 11. *Commercial Signs.*
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313 Commercial signs (including billboards) unrelated to permitted activities conducted on
314 the Property or otherwise allowed under the Agricultural and Winery Corridor Plan are
315 prohibited.
316

317 12. *Recreational Uses; Motorized Vehicle Use Off Roadways*
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319 Resort structures, athletic fields, golf courses, non-residential swimming pools, public or
320 commercial airstrips, commercial equestrian facilities, public or commercial helicopter
321 pads, and any other non-agricultural recreational structures or facilities are prohibited on
322 the Property. Recreational structures or improvements for the personal use of the
323 Landowner and its guests (e.g. swimming pool, tennis court) are permitted only within
324 the Building Envelope. The use of motorized vehicles off roadways and outside of the
325 Building Envelope is prohibited except where used for agricultural production, property
326 maintenance and security, or for the purpose of monitoring this Easement.
327

328 13. *Water Rights.*
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330 The Landowner shall retain and reserve all ground water, and all appropriate,
331 prescriptive, contractual or other water rights appurtenant to the Property at the time this
332 Easement becomes effective. The Landowner shall not permanently transfer, encumber,
333 lease, sell, or otherwise separate such quantity of water or water rights from title to the
334 Property itself. Permanent separation of water or water rights is prohibited. All water
335 shall be retained in Monterey County for agricultural production and used in conjunction
336 with the improvements permitted by Section 5 of this Easement only. Water may be
337 distributed to a contiguous property or other property owned or leased by the Landowner
338 on an annual basis for agricultural production only. Any temporary distribution of water
339 shall not impair the long-term agricultural productive capacity or open space character of
340 the Property.
341

342 14. *Rights Retained by the Landowner.*
343

344 Subject to Section 7 and to interpretation under Section 22, as owner of the Property, the
345 Landowner reserves all interests in the Property not transferred, conveyed, restricted,
346 prohibited or extinguished by this Easement. These ownership rights include, but are not
347 limited to, the right to sell, lease, or otherwise transfer the Property to anyone the
348 Landowner chooses, as well as the right to privacy, the right to exclude any member of
349 the public from trespassing on the Property, and any other rights consistent with the
350 Purpose of this Easement. Nothing contained herein shall be construed as a grant to the
351 general public of any right to enter upon any part of the Property.
352

353 Nothing in this Easement relieves the Landowner of any obligation or restriction on the
354 use of the Property imposed by law.
355

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

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

(a) Taxes – The Landowner shall be solely responsible for payment of all taxes and assessments levied against the Property. If the Grantee ever pays any taxes or assessments on the Property, or if the Grantee pays levies on the Landowner's interest in order to protect Grantee's interests in the Property, the Landowner will reimburse the Grantee for the same. It is intended that this Easement constitute an enforceable restriction within the meaning of Article XIII, Section 8 of the California Constitution and that this Easement qualify as an enforceable restriction under the provisions of California Revenue and Taxation Code Sections 402.1(a)(8) and 423.

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

(c) Liability and Indemnification – In view of the Grantee's negative rights, limited access to the land, and lack of active involvement in the day-to-day management activities on the Property, the Landowner shall indemnify, protect, defend and holds harmless the Grantee, the Grantee's officers, directors, members, employees, contractors, legal representatives, agents, successors and assigns (collectively, "Agents and Assigns") from and against all liabilities, costs, losses, orders, liens, penalties, claims, demands, damages, expenses, or causes of action or cases, including without limitation reasonable attorneys' fees, arising out of or 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, nor its 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, and/or its 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.

17. *Enforcement.*

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

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

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

18. *Transfer of Easement.*

This Easement may only be assigned or transferred to a private nonprofit organization that, at the time of transfer, is a "qualified organization" under Section 170(h) of the United States Internal Revenue Code and meets the requirements of Section 815.3(a) of the California Civil Code and has similar purposes to preserve agricultural lands and open space. If no such private nonprofit organization exists or is willing to assume the responsibilities imposed by this Easement, then this Easement may be transferred to any public agency authorized to hold interests in real property as provided in Section 815.3(b) of the California Civil Code. Such an assignment or transfer may proceed only if the organization or agency expressly agrees to assume the responsibility imposed on the Grantee by the terms of this Easement and is expressly willing and able to hold this Easement for the Purpose for which it was created. All assignment and assumption agreements transferring the Easement shall be duly recorded in Monterey County.

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

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

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

Pursuant to California Civil Code at Part 2, Chapter 4, (commencing with section 815),

which defines and authorizes perpetual conservation easements; this Easement shall run with the land in perpetuity. Every provision of this Easement that applies to the Landowner or the Grantee shall also apply to their respective agents, heirs, executors, administrators, assigns, and all other successors as their interests may appear.

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

20. Transfer of Property Interest.

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

21. Amendment of Easement.

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

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

22. Termination of Easement.

(a) This Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. The fact that the land is not in agricultural use is not reason for termination of this Easement. Termination of the Easement through condemnation is subject to the requirements of the eminent domain laws of the State of California, federal law, and this Easement. Grantee shall be paid by the condemnor the value of the Easement at the time of condemnation. Purchase in lieu of condemnation, or settlement of an eminent domain proceeding, shall occur pursuant to applicable laws and procedures, and shall require approval of the Grantee. Grantee shall have an

540 opportunity to accompany the appraiser for the condemning agency when the
541 appraiser goes on the Property with Landowner. Should this Easement be
542 condemned or otherwise terminated on any portion of the Property, the balance of
543 the Property shall remain subject to this Easement. In this event, all relevant
544 related documents shall be updated and re-recorded by the Grantee to reflect the
545 modified easement area. Encumbrances junior to this Easement shall remain
546 subordinate to the Easement as amended.

547
548 (b) In the event the Landowner is notified that a public entity intends or proposes
549 to acquire the Easement Area in whole or in part by eminent domain, the
550 Landowner shall provide the Grantee, with a copy of the notification within five
551 (5) business days of having received such notification. In the event the
552 Landowner intends to seek termination of the easement pursuant to initiation of a
553 judicial proceeding which is not based on eminent domain, the Landowner shall
554 notify the Grantee, of such intent no later than sixty (60) days before initiating
555 such proceedings. No inaction or silence by the Grantee, shall be construed as
556 abandonment of the Easement.

557
558 (c) The grant of this Easement gives rise to a property right immediately vested in
559 the Grantee. For the purpose of determining the amount to be paid by the
560 Landowner in a repurchase of the Easement pursuant to judicial proceedings, and
561 for the purpose of allocating proceeds from a sale or other disposition of the
562 Property at the time of termination, the Easement and the Grantee's property right
563 therein shall have a value equal to the difference between the current fair market
564 value of the Property as if unencumbered by this Easement and the current fair
565 market value of the Property encumbered by this Easement, each as determined
566 on or about the date of termination. The values shall be determined by an
567 appraisal performed by an appraiser jointly selected by the Landowner and the
568 Grantee. The Landowner shall pay the cost of the appraisal, and it is subject to
569 approval by the Grantee. Nothing herein shall prevent the Landowner or the
570 Grantee from having an appraisal prepared at its own expense.

571
572 (d) Upon approval of termination of this Easement or any portion thereof, the
573 Landowner shall reimburse the Grantee the amount equal to the value of the
574 Easement that is terminated. If only a portion of the Easement is so terminated,
575 the reimbursement shall be pro-rated. This Easement shall not be deemed
576 terminated under a judicial termination proceeding until such payment is received
577 by the Grantee. Grantee, in using any funds received from the termination of this
578 Easement, shall use the funds in a manner consistent with the Purpose of this
579 Easement.

580
581 (e) If the Grantee obtains payment on a claim under a title insurance policy
582 insuring this Easement, payment shall be distributed as set forth in this section.

583
584 23. *Interpretation.*
585

(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.

24. *Notices.*

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:

RCT Land Company, LP
P.O. Box 7537
Spreckels, CA 93962

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 merged into and superseded by this written instrument.

30. Acceptance.

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

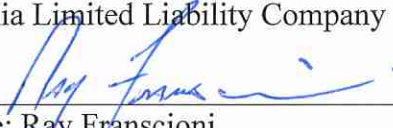
To Have and To Hold, this Deed of Agricultural Conservation Easement unto the Grantee, its successors and assigns, forever.

In Witness Whereof, the Landowner and the Grantee, intending to legally bind themselves, have set their hands as of the last date opposite the respective signatures below.

LANDOWNER

RCT Land Company, LP,
a California Limited Partnership

By: RCT Management Group, LLC
a California Limited Liability Company

By: 
Name: Ray Franscioni
Title: Manager

Date: 4/2/18

By: 
Name: Carli Chasen
Title: Manager

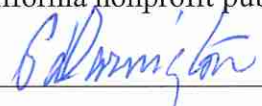
Date: 4/2/18

By: 
Name: Teresa Franscioni
Title: Manager

Date: 4/2/18

GRANTEE

Ag Land Trust,
a California nonprofit public benefit corporation

By: 

Name: Sherwood Darington
Title: Managing Director

Date: 4/2/18

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Monterey

On the April 2, 2018 before me, Kirsten Thorup a Notary Public,
personally appeared Ray Francioni and Sherwood Darrington,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

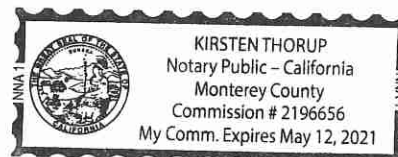
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: Kirsten Thorup

Name: Kirsten Thorup
(Typed or Printed)

(Seal)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Monterey

On the April 2, 2018 before me, Kirsten Thorup a Notary Public,
personally appeared Teresa Frasciotti and Carli Chasen,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Kirsten Thorup

Name: Kirsten Thorup
(Typed or Printed)

(Seal)

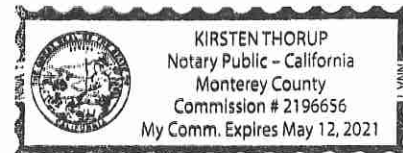


Exhibit A
(Legal Description)

H. D. PETERS CO., INC. & ASSOCIATES

Engineering-Surveying-Land Planning
119 Central Avenue - Salinas, California 93901
831-424-3961

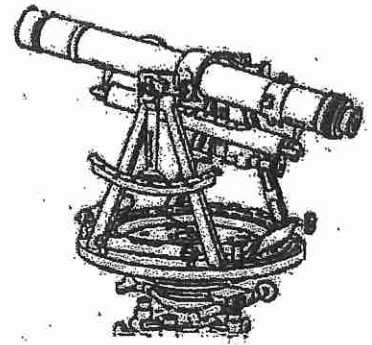


EXHIBIT "A"

Parcel 2

All that certain real property situate in Rancho Poso De Los Ositos, in the County of Monterey, State of California, described as follows:

A portion of Lot 7 of the Espinosa Portion of the Rancho Poso De Los Ositos, as said Lot is shown and so designated on map filed for record in Volume 2 of "Surveys" at Page 29. Records of said County, said portion being more particularly described as follows

Beginning at a point in the northwest boundary of said Lot 7, from which point an underground granite monument at the most northerly corner of said Lot bears North $55^{\circ} 24' 09''$ East, (North $55^{\circ} 23' 45''$ East) as shown on said map of record, 2570.60 feet distant; thence from said Point of Beginning run across said Lot 7

- (1) South $34^{\circ} 36' 14''$ East, 2239.68 feet to the southeast boundary of said Lot 7, being also the centerline of Espinosa Road, a County road 40 feet wide, (designated as right of way "B" on said map of record); thence run along said southeast boundary of Lot 7 and centerline of road with the following three courses
- (2) Southwesterly along the arc of a circular curve, concave to the southeast, the center of circle of which bears South $48^{\circ} 38' 04''$ East, 375.78 feet distant, through a central angle of $4^{\circ} 04' 54''$, for an arc distance of 26.77 feet; thence
- (3) South $37^{\circ} 17' 02''$ West, 902.45 feet; thence
- (4) Southwesterly along the arc of a circular curve, concave to the northwest, the center of circle of which bears North $52^{\circ} 44' 39''$ West, 260.00 feet distant, through a central angle of $12^{\circ} 39' 45''$, for an arc distance of 57.46 feet; thence leave said southeast boundary of Lot 7 and centerline of road and run across said Lot 7
- (5) North $34^{\circ} 36' 14''$ West, 2539.48 feet to the northwest boundary of said Lot 7; thence run along said northwest boundary

(6) North 55° 24' 09" East, 939.58 feet to the Point of Beginning.

Containing 51.60 acres of land, more or less.

End of description

This description was prepared under my direction


Virgil L. Williams, LS 3304
License expires June 30, 2018



PLAT TO ACCOMPANY DESCRIPTION

SCALE: 1"=300'

LOT 4

POINT OF
BEGINNING

N55°24'09"E

939.58'

N55°24'09"E

2570.60'

GRANITE
MONUMENT

RANCHO POZO DE LOS OSITOS

LOT 7

SEE VOLUME 2 "SURVEYS" PAGE 29

PARCEL

2

51.60
ACRES

N34°36'14"W

2539.48'

2239.68'

S34°36'14"E

R=375.78'
A=4°04'54"
L=26.77'

R=260.00'
A=12°39'45"
L=57.46'

N40°04'54"W (R)

S31°17'02"W 902.45'

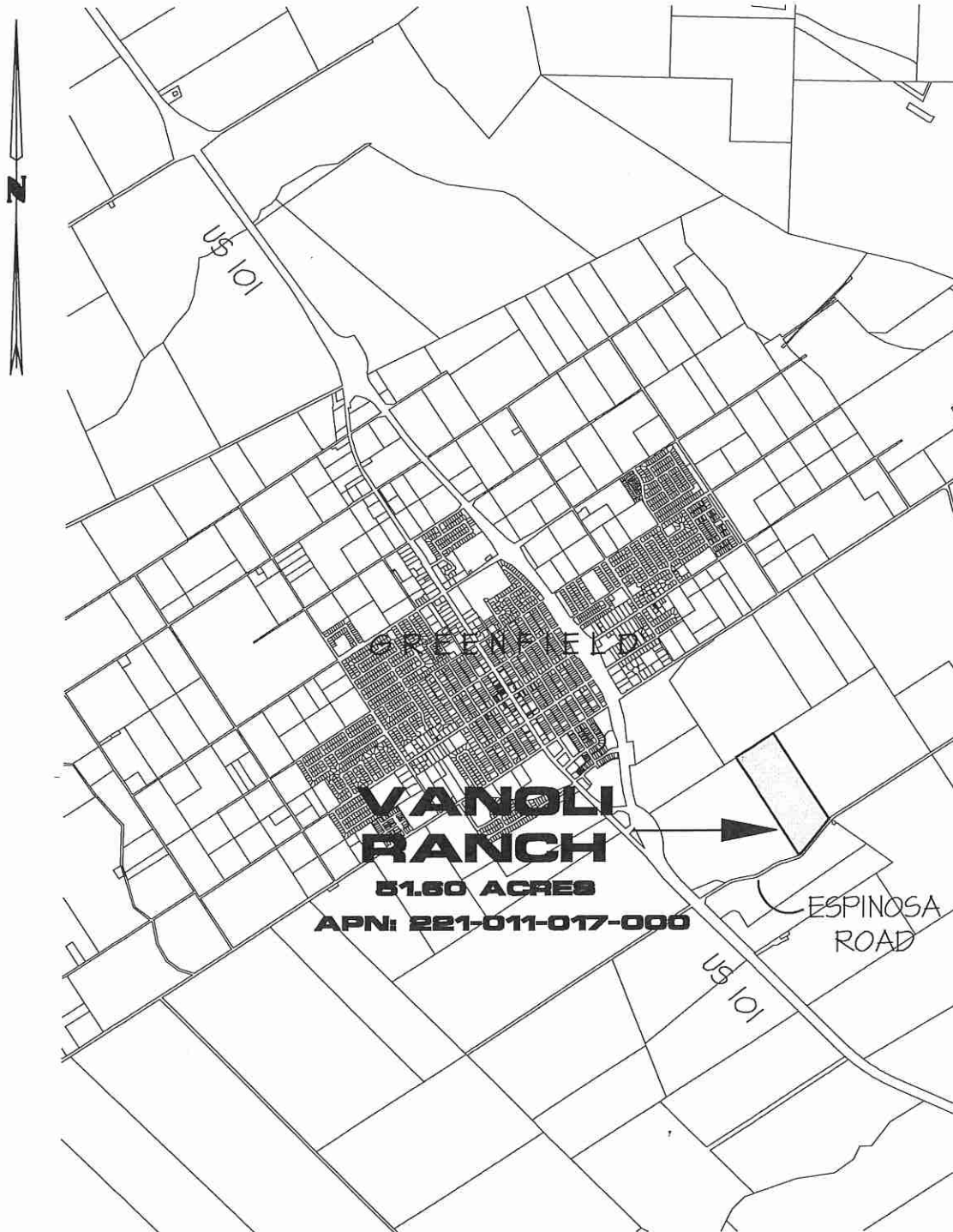
S48°38'04"E (R)

N52°44'39"W (R)

ESPINOSA ROAD

A COUNTY ROAD
RIGHT OF WAY "B" (40' WIDE) PER
VOLUME 2 "SURVEYS" PAGE 29

EXHIBIT "B"

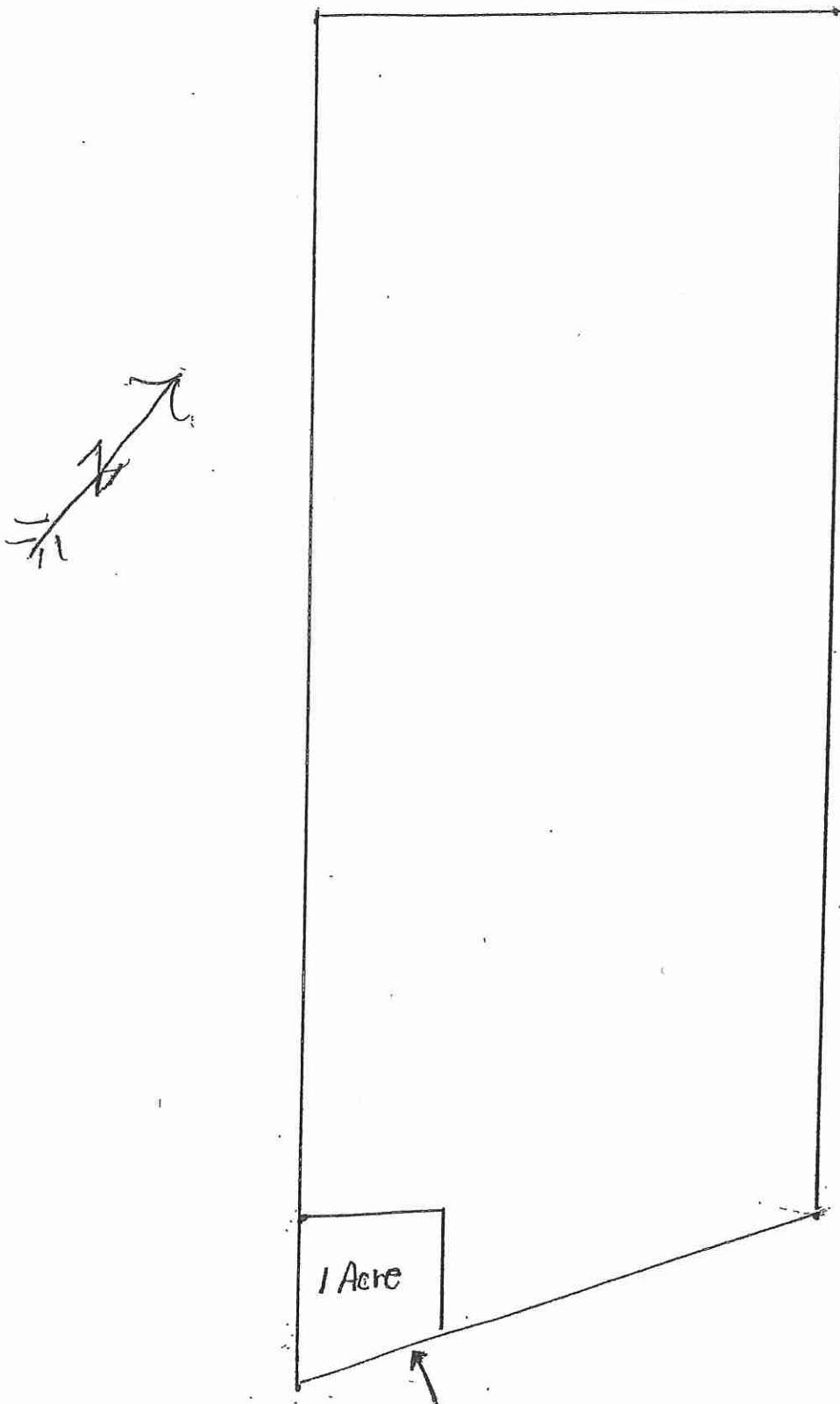


VICINITY MAP

EXHIBIT C

Building Envelope and Existing Improvements

No existing improvements on property.



BUILDING ENVELOPE