

Attachment D

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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 the last date opposite the respective signatures below, by Scheid Vineyards California, Inc., Owner, having an address at 305 Hilltown Road, Salinas, CA, 93908 ("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 approximately 230 acres of land and is commonly known as the "Viento Vineyard Ranch 21," together with buildings and other improvements, is located in Monterey County, California, and is identified by assessor's parcel number 221-061-002. The existing buildings and improvements on the Property are shown within the Building Envelope as depicted in Exhibit C ("Building Envelope and Existing Improvements"), also attached to and made a part of this Easement. Except as shown in Exhibit C, the Property is open farmland, whose soils have been classified as prime farmland by the California Department of Conservation's Farmland Mapping and Monitoring Program, because this land has the soil quality, growing season, and water supply needed for sustained agricultural production.

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

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

C. The establishment of this Deed of Agricultural Conservation Easement further verifies the Landowners 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,

Resolution No. 17-155, approved by the Board of Supervisors of Monterey County on May 23, 2017 as revised on October 25, 2017 on file with the Clerk of the Board and incorporated by this reference, 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.2018-01 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.

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

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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.*

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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, or
138 construction, or utility installations that would diminish or impair the agricultural
139 productive capacity and open space character or scenic values of the Property, or that
140 would cause significant soil degradation or erosion, restrict agricultural husbandry
141 practices, or that is otherwise inconsistent with the Conservation Purpose is prohibited
142 ("Prohibited Use"). "Husbandry practices" means agricultural activities, such as those
143 specified in Section 3482.5(e) of the California Civil Code, conducted or maintained for
144 commercial purposes in a manner consistent with proper and accepted customs and
145 standards, as established and followed by similar agricultural operations in the same
146 locality. This Easement authorizes the Grantee to enforce these covenants in the manner
147 described herein. However, unless otherwise specified, nothing in this Easement shall
148 require the Landowner to take any action to restore the condition of the Property after any
149 Act of God or other event over which it had no control. The Landowner understands that
150 nothing in this Easement relieves it of any obligation or restriction on the use of the
151 Property imposed by law.

152
153 4. *Permission of the Grantee.*

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

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

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

172
173 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 – One single family dwelling may be built on the Property, but not to exceed three thousand square feet (3,000 sq. ft.) of living area and to be constructed within the building envelope. No other residential structures may be constructed or placed on the Property except for agricultural employee housing per Section 5(d).

(d) Agricultural Employee Housing – Agricultural employee housing may be constructed or placed on the Property with permission of the Grantee. Grantee may only grant permission pursuant to Section 4 and only if the Landowner can demonstrate to the Grantee's satisfaction that such additional agricultural employee housing is reasonable and necessary for the agricultural operation of the Property. The aggregate living area of agricultural housing shall not exceed two thousand five hundred square feet (2,500 sq. ft.). All agricultural employee housing must be located entirely within the Building Envelope shown in Exhibit C.

(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.

265 8. *Mining.*

266
267 The commercial mining or extraction of soil, sand, gravel, rock, oil, natural gas, fuel, or
268 any other mineral substance, using any method that disturbs the surface of the land, is
269 prohibited.

270
271 9. *Paving and Road Construction.*

272
273 Other than roads and parking areas or driveways to the Building Envelope as identified in
274 the Baseline Report, no portion of the Property presently unpaved shall be paved or
275 otherwise covered with concrete, asphalt, or any other impervious paving material, unless
276 such measures are required by air quality laws or regulations applicable to the Property.
277 Except as otherwise permitted herein, no road for access or other purposes shall be
278 constructed without the permission of the Grantee pursuant to Section 4.
279 Notwithstanding the foregoing, construction of unpaved farm roads, as necessary or
280 desirable by agricultural operations, is permitted without permission from the Grantee.
281 The Landowner shall notify the Grantee of any significant net relocation or addition of
282 unpaved farm roads.

283
284 10. *Trash and Storage.*

285
286 The dumping or accumulation on the Property of any kind of trash, refuse, vehicle bodies
287 or parts, or "Hazardous Materials," as defined in Section 25 is prohibited. Farm-related
288 trash and refuse produced on the Property may be temporarily stored on the Property
289 subject to all applicable laws. The storage of agricultural products and byproducts
290 produced on the Property and materials reasonably required for agricultural production
291 on the Property, including Hazardous Materials, is permitted as long as it is done in
292 accordance with all applicable government laws and regulations.

293
294 11. *Commercial Signs.*

295
296 Commercial signs (including billboards) unrelated to permitted activities conducted on
297 the Property or otherwise allowed under the Agricultural and Winery Corridor Plan are
298 prohibited.

299
300 12. *Recreational Uses; Motorized Vehicle Use Off Roadways*

301
302 Resort structures, athletic fields, golf courses, non-residential swimming pools, public or
303 commercial airstrips, commercial equestrian facilities, public or commercial helicopter
304 pads, and any other non-agricultural recreational structures or facilities are prohibited on
305 the Property. Recreational structures or improvements for the personal use of the
306 Landowner and its guests (e.g. swimming pool, tennis court) are permitted only within
307 the Building Envelope. The use of motorized vehicles off roadways and outside of the
308 Building Envelope is prohibited except where used for agricultural production, property
309 maintenance and security, or for the purpose of monitoring this Easement.

311 13. *Water Rights.*

312
313 The Landowner shall retain and reserve all ground water, and all appropriate,
314 prescriptive, contractual or other water rights appurtenant to the Property at the time this
315 Easement becomes effective. The Landowner shall not permanently transfer, encumber,
316 lease, sell, or otherwise separate such quantity of water or water rights from title to the
317 Property itself. Permanent separation of water or water rights is prohibited. All water
318 shall be retained in Monterey County for agricultural production and used in conjunction
319 with the improvements permitted by Section 5 of this Easement only. Water may be
320 distributed to a contiguous property or other property owned or leased by the Landowner
321 on an annual basis for agricultural production only. Any temporary distribution of water
322 shall not impair the long-term agricultural productive capacity or open space character of
323 the Property.

324
325 14. *Rights Retained by the Landowner.*

326
327 Subject to Section 7 and to interpretation under Section 22, as owner of the Property, the
328 Landowner reserves all interests in the Property not transferred, conveyed, restricted,
329 prohibited or extinguished by this Easement. These ownership rights include, but are not
330 limited to, the right to sell, lease, or otherwise transfer the Property to anyone the
331 Landowner chooses, as well as the right to privacy, the right to exclude any member of
332 the public from trespassing on the Property, and any other rights consistent with the
333 Purpose of this Easement. Nothing contained herein shall be construed as a grant to the
334 general public of any right to enter upon any part of the Property.

335
336 Nothing in this Easement relieves the Landowner of any obligation or restriction on the
337 use of the Property imposed by law.

338
339 15. *Responsibilities of the Landowner and the Grantee Not Affected.*

340
341 Other than as specified herein, this Easement is not intended to impose any legal or other
342 responsibility on the Grantee, or in any way to affect any existing obligation of the
343 Landowner as owner of the Property. Among other things, this shall apply to:

344
345 (a) Taxes – The Landowner shall be solely responsible for payment of all taxes
346 and assessments levied against the Property. If the Grantee ever pays any taxes or
347 assessments on the Property, or if the Grantee pays levies on the Landowner's
348 interest in order to protect Grantee's interests in the Property, the Landowner will
349 reimburse the Grantee for the same. It is intended that this Easement constitute an
350 enforceable restriction within the meaning of Article XIII, Section 8 of the
351 California Constitution and that this Easement qualify as an enforceable
352 restriction under the provisions of California Revenue and Taxation Code
353 Sections 402.1(a)(8) and 423.

354
355 (b) Upkeep and Maintenance – The Landowner shall be solely responsible for the
356 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, 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.

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.

449 18. *Transfer of Easement.*

450
451 This Easement may only be assigned or transferred to a private nonprofit organization
452 that, at the time of transfer, is a "qualified organization" under Section 170(h) of the
453 United States Internal Revenue Code and meets the requirements of Section 815.3(a) of
454 the California Civil Code and has similar purposes to preserve agricultural lands and
455 open space. If no such private nonprofit organization exists or is willing to assume the
456 responsibilities imposed by this Easement, then this Easement may be transferred to any
457 public agency authorized to hold interests in real property as provided in Section 815.3(b)
458 of the California Civil Code. Such an assignment or transfer may proceed only if the
459 organization or agency expressly agrees to assume the responsibility imposed on the
460 Grantee by the terms of this Easement and is expressly willing and able to hold this
461 Easement for the Purpose for which it was created. All assignment and assumption
462 agreements transferring the Easement shall be duly recorded in Monterey County.

463
464 If the Grantee should desire to assign or transfer this Easement, the Grantee must obtain
465 written permission from the Landowner and the Board of Supervisors of Monterey
466 County, which permission shall not be unreasonably withheld.

467
468 If the Grantee or its successors ever ceases to exist or no longer qualifies under Section
469 170(h) of the U.S. Internal Revenue Code, or applicable state law, the Department of
470 Conservation, in consultation with the Landowner, shall identify and select an
471 appropriate private or public entity to whom this Easement shall be transferred.

472
473 19. *Perpetual Duration and No Merger of Title.*

474
475 Pursuant to California Civil Code at Part 2, Chapter 4, (commencing with section 815),
476 which defines and authorizes perpetual conservation easements; this Easement shall run
477 with the land in perpetuity. Every provision of this Easement that applies to the
478 Landowner or the Grantee shall also apply to their respective agents, heirs, executors,
479 administrators, assigns, and all other successors as their interests may appear.

480
481 No merger of title, estate or interest shall be deemed effected by any previous,
482 contemporaneous, or subsequent deed, grant, or assignment of an interest or estate in the
483 Property, or any portion thereof, to the Grantee, or its successors or assigns. It is the
484 express intent of the parties that this Easement not be extinguished by, merged into,
485 modified, or otherwise deemed affected by any other interest or estate in the Property
486 now or hereafter held by the Grantee or its successors or assigns.

487
488 20. *Transfer of Property Interest.*

489
490 Any time the Property itself, or any interest in it, is transferred by the Landowner to any
491 third party, the Landowner shall notify the Grantee in writing at least thirty (30) days
492 prior to the transfer of the Property or interest, and the document of conveyance shall
493 expressly incorporate by reference this Easement. Any document conveying a lease of
494 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 opportunity to accompany the appraiser for the condemning agency when the appraiser goes on the Property with Landowner. Should this Easement be condemned or otherwise terminated on any portion of the Property, the balance of the Property shall remain subject to this Easement. In this event, all relevant related documents shall be updated and re-recorded by the Grantee to reflect the modified easement area. Encumbrances junior to this Easement shall remain subordinate to the Easement as amended.

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

(c) The grant of this Easement gives rise to a property right immediately vested in

the Grantee. For the purpose of determining the amount to be paid by the Landowner in a repurchase of the Easement pursuant to judicial proceedings, and for the purpose of allocating proceeds from a sale or other disposition of the Property at the time of termination, the Easement and the Grantee's property right therein shall have a value equal to the difference between the current fair market value of the Property as if unencumbered by this Easement and the current fair market value of the Property encumbered by this Easement, each as determined on or about the date of termination. The values shall be determined by an appraisal performed by an appraiser jointly selected by the Landowner and the Grantee. The Landowner shall pay the cost of the appraisal, and it is subject to approval by the Grantee. Nothing herein shall prevent the Landowner or the Grantee from having an appraisal prepared at its own expense.

(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.

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

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.

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:

Scheid Vineyards California, Inc., a California Corporation
305 Hilltown Road
Salinas, CA 93908

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

678 28. *Severability.*

679
680 If any term, provision, covenant, condition, or restriction of this Easement is held by a
681 court of competent jurisdiction to be unlawful, invalid, void, unenforceable, or not
682 effective the remainder of this Easement shall remain in full force and effect and shall in
683 no way be affected, impaired, or invalidated.

684
685 29. *Entire Agreement.*

686
687 This Easement is the final and complete expression of the agreement between the parties
688 with respect to the subject matter contained herein. Any and all prior or
689 contemporaneous agreements with respect to this subject matter, written or oral, are
690 merged into and superseded by this written instrument.

691
692 30. *Acceptance.*

693
694 As attested by the signature of its Managing Director affixed hereto, as authorized by
695 Grantee's Board of Directors/Trustees, in exchange for consideration, the Grantee hereby
696 accepts without reservation the rights and responsibilities conveyed by this Deed of
697 Agricultural Conservation Easement.

698
699 To Have and To Hold, this Deed of Agricultural Conservation Easement unto the
700 Grantee, its successors and assigns, forever.

701
702 In Witness Whereof, the Landowner and the Grantee, intending to legally bind
703 themselves, have set their hands on the last date opposite the respective signatures below.

704
705
706 LANDOWNER

707
708 Scheid Vineyards California, Inc.,
709 a California Corporation

710
711 By: Scott D. Scheid

712
713 Name: Scott D. Scheid

714
715 Title: President
716 (Chair, President or Vice President)

717
718 Date: 4/2/18

Scheid Vineyards California, Inc.,
a California Corporation

By: 

Name: Michael Thomsen

Title: CFO

(Sect'y, Asst. Sect'y, Treasurer, Asst. Treas, or CFO)

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 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.

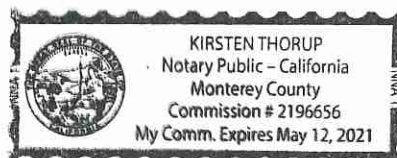
WITNESS my hand and official seal.

Signature:

Kirsten Thorup

Name:

Kirsten Thorup
(Typed or Printed)



(Seal)

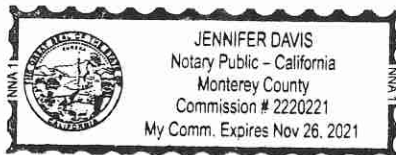
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 04.02.18 before me, JENNIFER DAVIS, Notary Public,
 Date Here Insert Name and Title of the Officer
 personally appeared SCOTT Scheid And.
 Name(s) of Signer(s)
Michael Thomsen.

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 [Handwritten Signature]
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: DEED OF AGRICULTURAL CONSERVATION EASEMENT Document Date: 04.02.18
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

EXHIBIT A

(Legal Description)

The land referred to in this Report is situated in the unincorporated area of the County of Monterey, State of California, and is described as follows:

PARCEL I:

A part of Rancho Poso De Los Ositos in the County of Monterey, State of California, being a part of that certain 442.621 acre tract of land conveyed by Spreckels Sugar Company to Edward Doud and Annie Doud, his wife, by Deed dated December 12, 1928 and recorded in the County Recorder's Office of the County of Monterey, State of California, in Volume 175 of Official Records, at Page 287, particularly described as follows, to-wit:

Beginning at a 12 inch diameter concrete monument marked 23A, with a 2 inch diameter iron pipe, 48 inches long, for center, standing in the Patent Survey Course No. 23 of said Rancho Poso De Los Ositos and at the most Southerly corner of said 442.621 acre tract; thence along said Patent course following Southwesterly boundary of said 442.621 acre tract, N. 47° 30' 55" W., at 115.7 feet a 4" x 4" post marked CC, S19, S18, standing in the section line between Sections 18 and 19 in T. 19 S., R 7 E., M.D.M., at 921.0 feet a 1 inch diameter bar, set in the ground, at 2130.3 feet a 4" x 4" post marked AK, ED, line at 3689.9 feet a 4" x 4" post marked AK, ED, line, at 4803.6 feet a 2" x 2" post, 4818.5 feet to a 4" x 4" post marked ED, AK4, standing on top of Easterly bank of a draw; thence leave said rancho boundary and boundary of said 442.621 acre tract and running N. 5° 31' 30" E., 1273.80 feet to a 4" x 4" post marked ED, AK3, standing in the Northwesterly boundary of said 442.621 acre tract; thence along last named boundary N. 55° 23' 45" E., 874.0 feet to a 4" x 4" post marked AK2; thence leave boundary of said 442.621 acre tract and running along a fence S. 46° 23' 36" E., 5792.14 feet to a 4" x 4" post marked AK1, standing in the Southeasterly boundary of said 442.621 acre tract; thence along last mentioned boundary S. 55° 26' 45" W., 1799.55 feet to the place of beginning.

Excepting therefrom all oil, gas, and minerals (etc.) as reserved in the Deed between Edward Doud and Annie Doud, his wife, and Al J. Kaiser, dated November 10, 1936 and recorded November 13, 1936 in Volume 502 of Official Records of Monterey County, at Page 126.

Also excepting therefrom all oil, gas, and minerals as reserved to Spreckels Sugar Company by Deed recorded January 4, 1929 in Volume 175, Page 287, of Monterey County Records.

Assessor's Parcel Number: 221-061-002

PARCEL II:

A part of the above mentioned 442.621 acre tract of land, particularly described as follows, to-wit:

Beginning at a point in the Northeasterly boundary of said 442.621 acre tract, from which a 6" x 6" post marked B3, D4, standing at the most Easterly corner of said 442.621 acre tract bears S. 46° 23' 45" E., 30.64 feet distant; thence along Northeasterly boundary of said 442.621 acre tract, N. 46° 23' 45" W., 127.36 feet to a 2" x 3" post; thence leave boundary of said 442.621 acre tract and running S. 55° 26' 45" W., 133.0 feet to a 2" x 3" post; thence S. 46° 23' 45" E., 127.36 feet; thence N. 55° 26' 45" E., 133.0 feet to the place of beginning.

Excepting therefrom all oil, gas, and minerals (etc.) as reserved in the Deed between Edward Doud and Annie Doud, his wife, and Al J. Kaiser, dated November 10, 1936 and recorded November 13, 1936 in Volume 502 of Official Records of Monterey County, at Page 126.

Also excepting therefrom all oil, gas, and minerals as reserved to Spreckels Sugar Company by Deed recorded January 4, 1929 in Volume 175, Page 287, of Monterey County Records.

Assessor's Parcel Number: 221-051-004

PARCEL III:

A right of way for road and utilities over, upon and across the following described parcel of land, the said parcel of land is particularly described as follows, to-wit:

Beginning at a 6" x 6" post marked B3, D4, standing at the most Easterly corner of the above mentioned 442.621 acre tract of land; thence along Southeasterly boundary of said 442.621 acre tract, S. 55° 26' 45" W., 1543.95 feet to a 4" x 4" post marked AK1, thence leave last named boundary and running N. 46° 23' 36" W., 40.87 feet; thence N. 55° 26' 45" E., 8.25 feet; thence S. 46° 23' 45" E., 10.24 feet to a point that is 30.0 feet distant measured perpendicularly in a Northwesterly direction from the Southeasterly boundary of said 442.621 acre tract; thence parallel to and 30.0 feet distant from said boundary N. 55° 26' 45" E., 1535.7 feet

to a point in the Northeasterly boundary of said 442.621 acre tract; thence along last mentioned S. 46° 23' 45" E., 30.64 feet to the place of beginning.

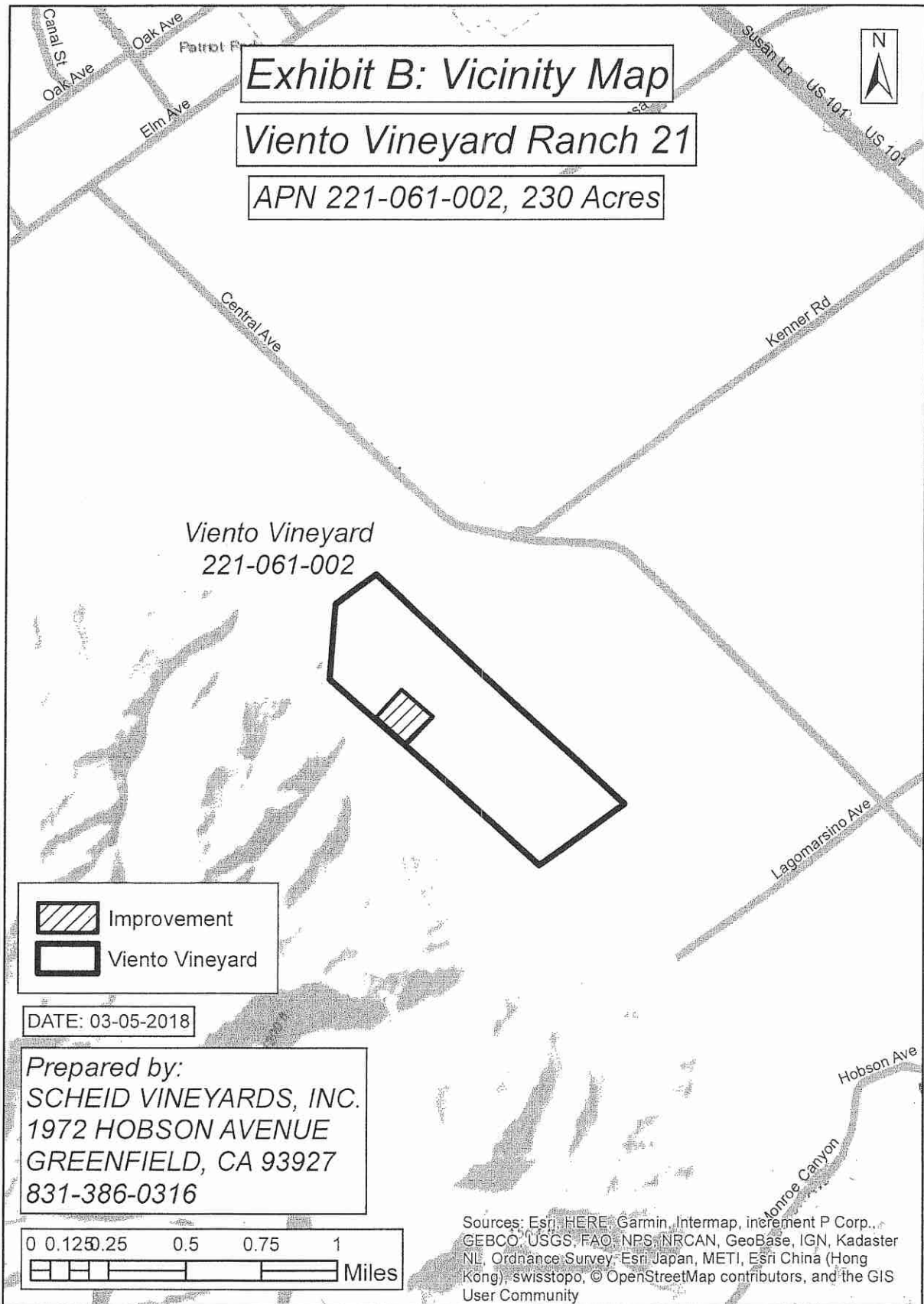
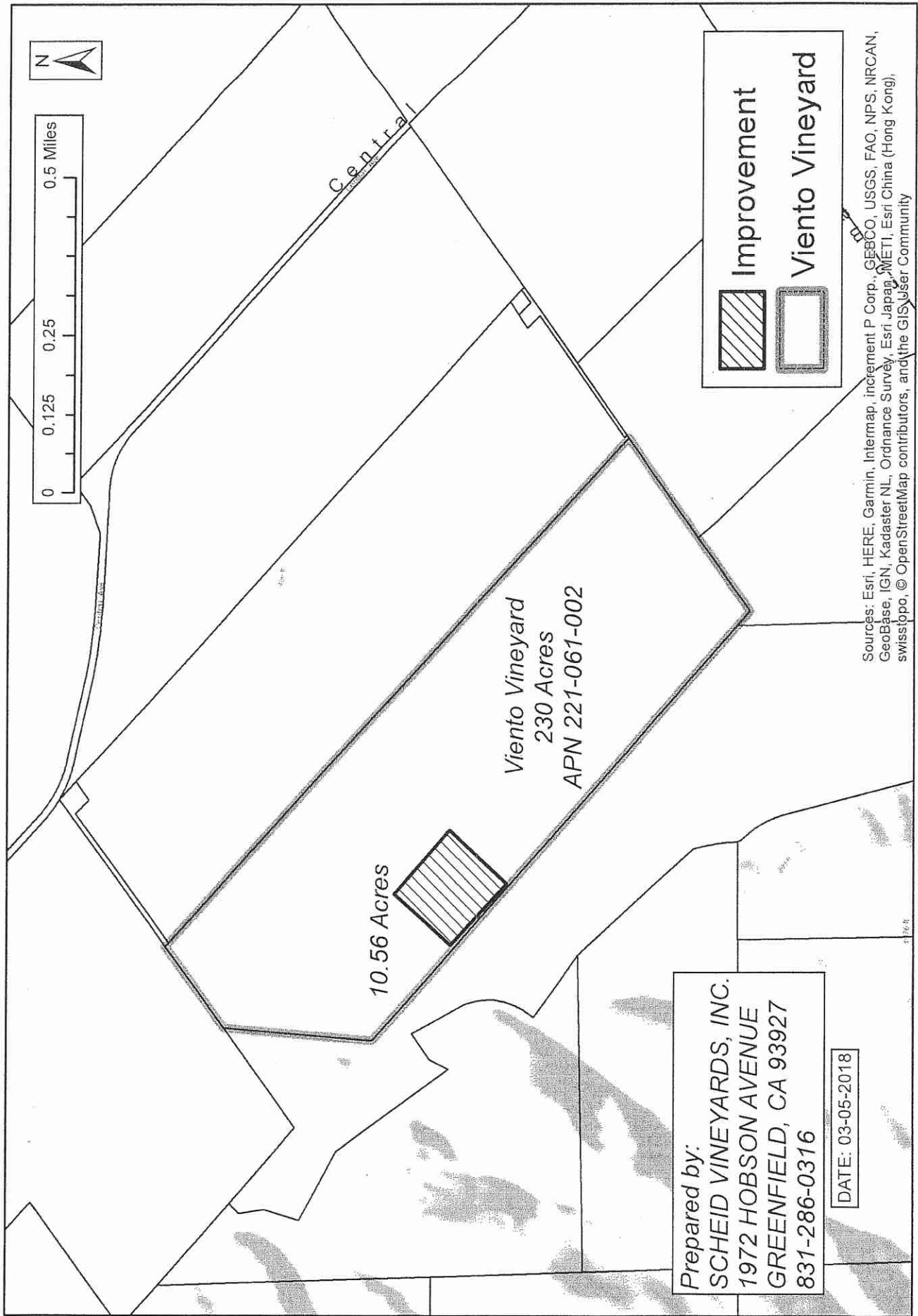


Exhibit C Building Envelope and Existing Improvements



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