

Attachment H

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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 TMV Lands, a California General Partnership, having an address at P.O. Box 2028, Salinas, CA, 93902 ("Landowner"), to Ag Land Trust, a California nonprofit public benefit corporation, having an address at 1263 Padre Drive, Salinas, CA 93901 ("Grantee"), for the purpose of 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 317.79 acres of land and is commonly known as the "Redding Ranch," together with buildings and other improvements, is located in Monterey County, California, and is identified by assessor's parcel number 221-011-040. 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 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 No. 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,

81 requiring that the Property's tax valuation be consistent with restriction of its use
82 for purposes of food and fiber production and conservation of natural resources;
83

84 Section 10200 et seq. of the California Public Resources Code, which creates the
85 California Farmland Conservancy Program within the Department;
86

87 Section 51220 of the California Government Code, which declares a public
88 interest in the preservation of agricultural lands, by providing that "agricultural
89 lands have a definitive public value as open space" and "that the discouragement of
90 premature and unnecessary conversion of agricultural land to urban uses is a matter
91 of public interest";
92

93 California Food and Agriculture Code Section 821 states that one of the major
94 principles of the State's agricultural policy is "to sustain the long-term productivity
95 of the State's farms by conserving and protecting the soil, water, and air, which are
96 agriculture's basic resources;"
97

98 The California General Plan law section 65300 et seq. and Section 65400 et seq.
99 of the California Government Code, and the Monterey County 2010 General Plan,
100 as adopted on October 26, 2010, which includes as one of its goals to protect
101 farmlands designated as prime, of statewide importance, unique, or of local
102 importance from conversion to and encroachment of non-agricultural uses; and,
103

104 Resolution No. 17-155, approved by the Board of Supervisors of Monterey
105 County on May 23, 2017 (as revised on October 25, 2017) on file with the Clerk
106 of the Board of Supervisors and incorporated by this reference, expresses support
107 for the recording of this Easement and finds that the acceptance is consistent with
108 the County's General Plan and the Resolution's findings. This Property is being
109 used to mitigate the rescission of 121.4 acres (Parcel 1) which is the subject of the
110 Vanoli Ranch Minor Subdivision and cancellation (rescission) and removal from
111 Williamson Act Agricultural Preserve and Land Conservation Contract No. 73-9
112 and annexation into the City of Greenfield. Placing the Property in this perpetual
113 Easement to be held and managed by Grantee offers more than a 2:1 mitigated
114 land ratio to the County of Monterey and LAFCO Monterey. Through this
115 Easement, 317.79 acres will be held by Grantee in perpetuity to mitigate the loss
116 of 121.4 acres.
117

118 F. The Grantee is a California nonprofit organization within the meaning of
119 California Public Resources Code section 10221 and California Civil Code section 815.3
120 and is a tax exempt and "qualified conservation organization" within the meaning of
121 Sections 501(c)(3) and 170(b)(1)(A)(iv) as defined by the United States Internal Revenue
122 Code. Grantee, as certified by Resolution No. 2005-02 of Grantee's Board of Trustees,
123 accepts the responsibility of enforcing the terms of this Easement and upholding its
124 conservation purposes forever.
125

126 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 agrees 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 – 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.

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.

311
312 11. *Commercial Signs.*
313

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

317
318 12. *Recreational Uses; Motorized Vehicle Use Off Roadways*
319

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

328
329 13. *Water Rights.*
330

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

342
343 14. *Rights Retained by the Landowner.*
344

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

353
354 Nothing in this Easement relieves the Landowner of any obligation or restriction on the
355 use of the Property imposed by law.
356

357 15. *Responsibilities of the Landowner and the Grantee Not Affected.*
358

359 Other than as specified herein, this Easement is not intended to impose any legal or other
360 responsibility on the Grantee, or in any way to affect any existing obligation of the
361 Landowner as owner of the Property. Among other things, this shall apply to:
362

363 (a) Taxes – The Landowner shall be solely responsible for payment of all taxes
364 and assessments levied against the Property. If the Grantee ever pays any taxes or
365 assessments on the Property, or if the Grantee pays levies on the Landowner's
366 interest in order to protect Grantee's interests in the Property, the Landowner will
367 reimburse the Grantee for the same. It is intended that this Easement constitute an
368 enforceable restriction within the meaning of Article XIII, Section 8 of the
369 California Constitution and that this Easement qualify as an enforceable
370 restriction under the provisions of California Revenue and Taxation Code
371 Sections 402.1(a)(8) and 423.
372

373 (b) Upkeep and Maintenance – The Landowner shall be solely responsible for the
374 upkeep and maintenance of the Property, to the extent it may be required by law.
375 The Grantee shall have no obligation for the upkeep or maintenance of the
376 Property. If the Grantee acts to maintain the Property in order to protect the
377 Grantee's interest in the Property, the Landowner will reimburse the Grantee for
378 any such costs.
379

380 (c) Liability and Indemnification – In view of the Grantee's negative rights,
381 limited access to the land, and lack of active involvement in the day-to-day
382 management activities on the Property, the Landowner shall indemnify, protect,
383 defend and holds harmless the Grantee, the Grantee's officers, directors, members,
384 employees, contractors, legal representatives, agents, successors and assigns
385 (collectively, "Agents and Assigns") from and against all liabilities, costs, losses,
386 orders, liens, penalties, claims, demands, damages, expenses, or causes of action
387 or cases, including without limitation reasonable attorneys' fees, arising out of or
388 in any way connected with or relating to the Property or the Easement. The
389 Landowner shall be solely liable for injury or the death of any person, or physical
390 damage to any property, or any other costs or liabilities resulting from any act,
391 omission, condition, or other matter related to or occurring on or about the
392 Property, regardless of cause, unless due to the negligence or willful misconduct
393 of the Grantee, the Grantee's Agents and Assigns. The Grantee shall be named as
394 an additional insured on Landowner's general liability insurance policy.
395

396 Neither the Grantee, nor the Grantee's Agents and Assigns shall have
397 responsibility for the operation of the Property, monitoring of hazardous
398 conditions on it, or the protection of the Landowner, the public or any third parties
399 from risks relating to conditions on the Property. Without limiting the foregoing,
400 neither the Grantee, nor its respective Agents and Assigns shall be liable to the
401 Landowner or other person or entity in connection with consents given or
402 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

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

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

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

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

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

584
585 23. *Interpretation.*
586

(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:

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

To the Grantee:

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

25. *The Landowner's Environmental Warranty.*

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

(b) The Landowner warrants that it has no actual knowledge of a release or threatened release of any Hazardous Materials on, at, beneath or from the Property. Moreover the Landowner hereby promises to defend and indemnify the Grantee against all litigation, claims, demands, penalties and damages, including reasonable attorneys' fees, arising from or connected with the release or

threatened release of any Hazardous Materials on, at, beneath or from the Property, or arising from or connected with a violation of any Environmental Laws. The Landowner's indemnification obligation shall not be affected by any authorizations provided by the Grantee to the Landowner with respect to the Property or any restoration activities carried out by the Grantee at the Property; provided, however, that the Grantee shall be responsible for any Hazardous Materials contributed after this date to the Property by the Grantee.

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

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

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

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

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

The Landowner represents and warrants that it owns the entire fee simple interest in the Property, including the entire mineral estate, and hereby promises to defend this Easement against all claims that may be made against it. Any and all financial liens or

financial encumbrances with priority over this Easement existing as of the date of the recording of this Easement have been subordinated. Exhibit C (Prior Encumbrances) sets forth all prior encumbrances. The Landowner represents and warrants that the Property is not subject to any other conservation easement whatsoever.

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

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

28. Severability.

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

29. Entire Agreement.

This Easement is the final and complete expression of the agreement between the parties with respect to the subject matter contained herein. Any and all prior or contemporaneous agreements with respect to this subject matter, written or oral, are 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.

725 LANDOWNER

726

727 TMV Lands,

728 a California General Partnership

729

730

731 By: 

732 Name: Tom Frascioni

733 Title: Partner

734

735 Date: April 2, 2018

736

737 By: 

738 Name: Rob Frascioni

739 Title: Partner

740

741 Date: April 2, 2018

742

743

744 GRANTEE

745

746 Ag Land Trust,

747 a California nonprofit public benefit corporation

748

749 By: 

750

751 Name: Sherwood Darington

752 Title: Managing Director

753

754 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 Tom Franscioni and Rob Franscioni,
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.

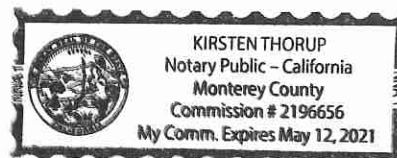
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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

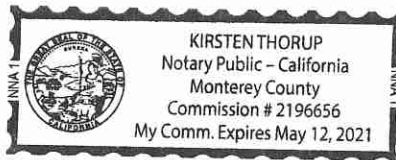
On the April 2, 2018 before me, Kirsten Thorup a Notary Public,
personally appeared Sherwood Darrington,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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)

EXHIBIT A LEGAL DESCRIPTION

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

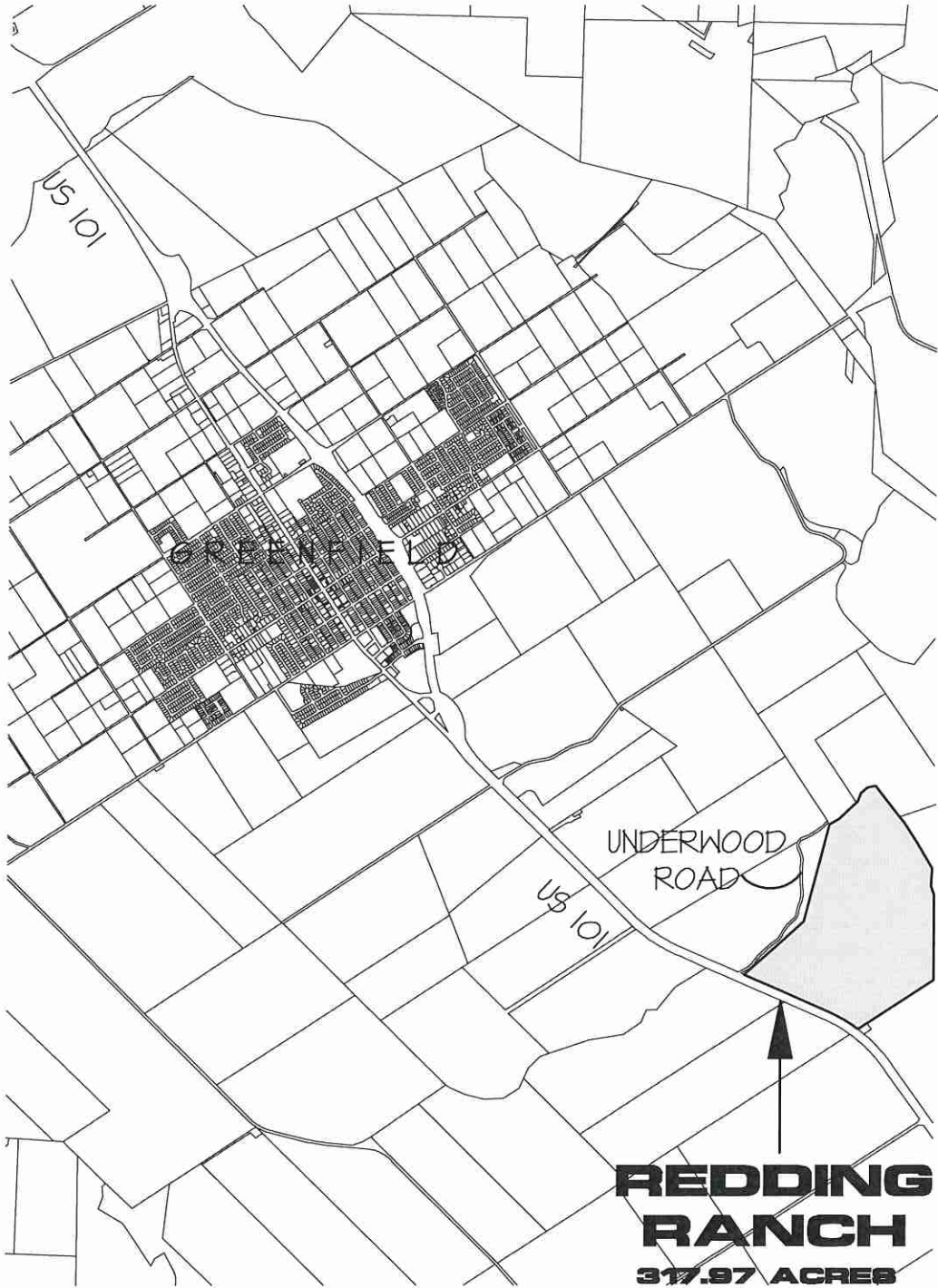
Beginning at a 1" diameter iron pipe in the Southeasterly boundary of Lot 1 as said Lot is shown on Map of "Espinosa Portion of the Rancho Poso De Los Ositos", filed in Volume 2 of Surveys, Page 29 ad 30, Official Records of Monterey County, and running thence from said point of beginning.

- (1) North 33° 13' 52" West, 40.0 feet; thence
- (2) South 57° 56' 46" West, 254.52 feet; thence
- (3) North 45° 15' 01" West, 150.55 feet; thence
- (4) North 65° 40' 59" West, 368.35 feet; thence
- (5) North 66° 16' 20" West, 2069.03 feet (record 2,067.69 feet) to a 6" x 6" concrete Highway monument; thence
- (6) North 55° 45' 05" West, 213.59 feet to the stub of a 6" x 6" concrete Highway monument; thence
- (7) North 5° 51' 09" West, 64.79 feet to a 1" diameter iron pipe; thence
- (8) North 46° 14' 20" East (record 44° 52'), 1746.53 feet to a old 4" x 4" post marked "11-L-11A"; thence
- (9) North 14° 26' 20" East, 2290.86 feet (record 13° 04' 2290.8 feet) to a 6" x 6" granite monument in the Northwesterly boundary of Lot 11 as shown on the aforesaid Map, at the Easterly end of Underwood Road (a 40 foot County Road), formerly known and show as Right of Way "A" on said Map; thence continuing along the boundary of said Lot 11,
- (10) North 60° 40' 54" East, 273.44 feet (record 59° 23' 273.3 feet) to a 4" x 4" redwood post; thence
- (11) North 48° 20' 52" East, 570.78 feet (record 47° 01' 571.0 feet) to a 4" x 4" redwood post; thence
- (12) North 21° 39' 58" East, 213.66 feet (record 20° 16' 30", 213.6 feet) to a 4" x 4" redwood post; thence
- (13) North 50° 03' 54" East, 190.19 feet (record 48° 46' 30", 190.1 feet) to a 4" x 4" redwood post; thence
- (14) North 79° 40' 08" East, 203.80 feet (record 78° 17' 30", 203.9 feet) to a 4" x 4" redwood post; thence
- (15) South 36° 12' 28" East, 1030.44 feet (record 37° 29' 30", 1030.6 feet); thence
- (16) South 32° 00' 28" East, 537.12 feet (record 33° 17' 30", 537.2 feet); thence
- (17) South 29° 41' 01" East, 700.82 feet (record 31° 01', 700.9 feet); thence
- (18) South 5° 33' 44" West, 405.25 feet (record 4° 13' 45", 405.3 feet; thence leave the boundary of said Lot 11,
- (19) South 13° 43' 46" East, 443.25 feet (record South 15° 03' 45" East, 443.30 feet); thence
- (20) South 0° 39' 46" East, 395.55 feet (record South 1° 59' 45" East, 395.60 feet); thence

- (21) South $13^{\circ} 54' 16''$ East, 262.47 feet, (record South $15^{\circ} 14' 15''$ East, 262.50 feet); thence
- (22) South $3^{\circ} 11' 16''$ East, 130.29 feet (record South $4^{\circ} 31' 15''$ East, 130.30 feet); thence
- (23) South $19^{\circ} 50' 16''$ East, 241.27 feet (record South $21^{\circ} 10' 15''$ East, 241.30 feet); thence
- (24) South $29^{\circ} 01' 16''$ East, 557.44 feet (record South $30^{\circ} 21' 15''$ East, 557.50 feet) to intersection with the Southeasterly boundary of said Lot 1; thence along the boundary thereof,
- (25) South $56^{\circ} 43' 59''$ West (record South $55^{\circ} 26' 45''$ West), 2270.95 feet to the point of beginning.

APN : 221-011-040

EXHIBIT "B"



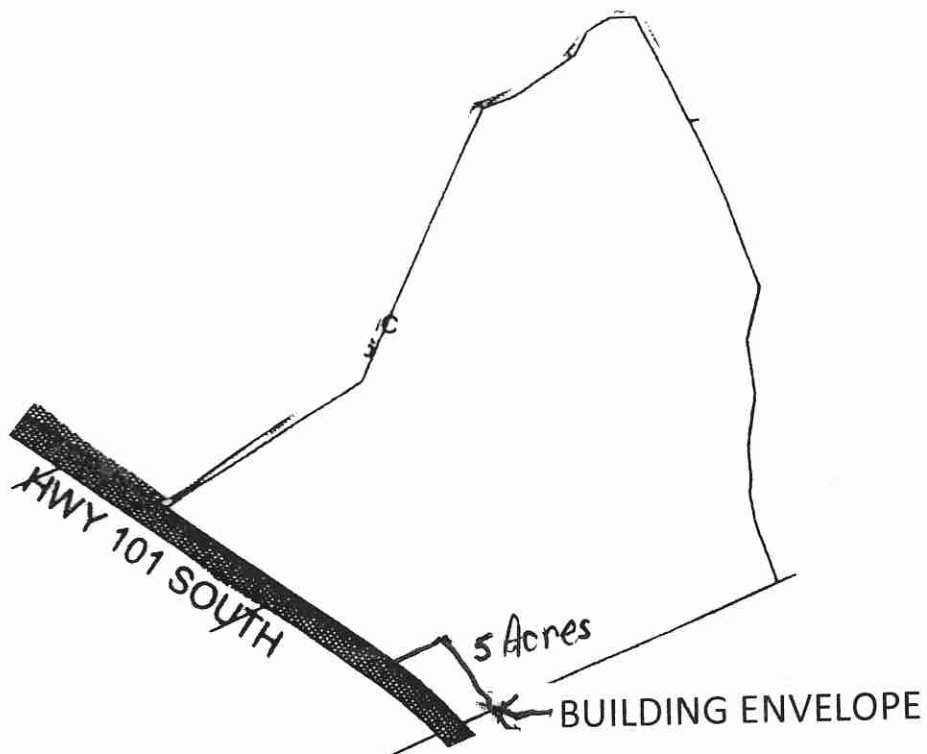
**REDDING
RANCH**

**317.97 ACRES
APN: 221-011-040-000**

VICINITY MAP

Exhibit C
(Building Envelope and Existing Improvements)

ONE UTILITY BUILDING LOCATED NEAR SOUTHEAST CORNER
OF RANCH. MEASURES 50 feet by 60 feet is pre
engineered metal building with a concrete slab and
roll up door. AGE: Approximately 20 years.



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