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Monterey County Government Center

Clerk of the Board

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Stephen L. Vagnini
Monterey County Clerk-Recorder

12/18/2018 03:38 PM

Recorded at the request of:
MONTEREY COUNTY

Titles: 1 Pages: 20

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AMT PAID: \$68.00



TITLE OF DOCUMENT

Farmland Security Zone Contract

No. 2019-002

FARMLAND SECURITY ZONE CONTRACT No. 2019-002

THIS CONTRACT is made and entered into as of the last date opposite the respective signatures by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, hereinafter called "County" and **Michael G. Reed & Vicki L. Reed, Co-trustees of the MV Reed Revocable Living Trust dated July 14, 2015; Philip K. Reed; Amelia M. Reed Irrevocable Trust dated December 29, 1997**; **Kenneth Reed; James Reed; Kevin Reed**, hereinafter called "Owner."

WITNESSETH:

WHEREAS, Owner possesses certain real property located within the County of Monterey, State of California, which is presently devoted to the production of food and fiber and is described in Exhibit A (hereafter, "the property") attached hereto and made a part hereof; and

WHEREAS, the legislature of the State of California has found and declared that it is desirable to expand options available to landowners for the preservation of agricultural land, and has enacted legislation for the establishment of farmland security zones; and

WHEREAS, the property is located in an Agricultural Preserve (No. 71-49) heretofore established by County by **Resolution No. 71-14-49**; and

WHEREAS, Owner has expressly requested that County create a farmland security zone, which requires rescission of Agricultural Preserve Land Conservation Contract (No. 71-49), recorded with the Monterey County Recorder on February 26, 1971 as Document No. G 05228, Reel 689, Page 787 and hereby incorporated by this reference, as it applies to the property described in Exhibit A and simultaneous placement of the property under a new Farmland Security Zone and Contract (No. 2019-002) established by County Resolution (No. 2018-405); and

WHEREAS, both Owner and County desire to limit the use of the property to agricultural and compatible uses; and

WHEREAS, the property is designated on the Important Farmland Series Maps pursuant to Government Code Section 65570, or predominantly prime agricultural land as defined in Government Code Section 51201 (c); and

WHEREAS, the property is not enforceably restricted pursuant to the Open-Space Easement Act of 1974 (commencing with Government Code Section 51070); and

WHEREAS, the property is not located within a city's sphere of influence; or, in the alternative, the creation of the farmland security zone within the sphere of influence has been expressly approved by the city with jurisdiction within the sphere; and

NOW, THEREFORE, County and Owner agree as follows:

1. **CONTRACT SUBJECT TO CALIFORNIA LAND CONSERVATION ACT OF 1965, AS AMENDED**

This contract is entered into pursuant to Article 7. "Farmland Security Zones" (commencing with Section 51296) of Chapter 7, of Part 7, of Division 1, Title 5 of the Government

Code, which is known as the California Land Conservation Act of 1965, or as the Williamson Act. This contract is subject to all of the provisions of this act including any amendments thereto which may be enacted from time to time.

2. APPLICABILITY

This contract shall only apply to property that is designated on the Important Farmland Series maps, prepared pursuant to Government Code Section 65570 as predominantly one or more of the following: (1) prime farmland; (2) farmland of statewide significance; (3) unique farmland; or (4) farmland of local importance. If the property is in an area that is not designated on the Important Farmland Series maps, the property shall qualify if it is predominantly prime agricultural land as defined in subdivision (c) of Government Code Section 51201. (Government Code Section 51296.8). To the extent that any portion of the property is zoned or used inconsistently, with the provisions of this Contract, or the legislative purpose or intent for the creation of Farmland Security Zones, that portion of the property shall be excepted from, and shall not receive the benefits of this Contract.

3. RESTRICTION ON USE OF PROPERTY

During the term of this contract, and any and all renewals thereof, the property described in Exhibit A shall not be used by Owner, or Owner's successors in interest, for any purpose other than the production of food and fiber for commercial purposes and uses compatible thereto. A list of all such compatible uses is set forth in Exhibit B, attached hereto and by this reference incorporated herein. County, by uniform rule adopted by the Board of Supervisors of County, may from time to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the farmland security zone in which the property in Exhibit A is located; provided, however, County may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit B. The provisions of this contract and any uniform rule supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of County.

Pursuant to Government Code Section 51296.7, during the term of this Contract, Owner shall not engage in, and County shall not approve any use of the property within the Farmland Security Zone, based on the compatible use provisions contained in Government Code Section 51283.1 (c).

4. PROPERTY TAX VALUATION AND SPECIAL TAXES

During the term of this contract, both of the following shall apply to property within the designated farmland security zone: (1) The land shall be eligible for property tax valuation pursuant to Section 423.4 of the Revenue and Taxation Code. (2) Notwithstanding any other provision of law, any special tax approved by the voters for urban-related services on or after January 1, 1999 on the property or any living improvements shall be levied at a reduced rate unless the tax directly benefits the land or the living improvements. (Government Code Section 51267.2).

5. RESTRICTION OF ANNEXATION AND EXCEPTIONS

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of (1985) (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of the property within the designated farmland security zone to a city.

However, this provision shall not apply under the following circumstances: (1) If the farmland security zone is located within a designated, delineated area that has been approved by the voters as a limit for existing and future urban facilities, utilities, and services. (2) If annexation of a parcel or a portion of a parcel is necessary for the location of a public improvement, as defined in Section 51290.5, except as provided in provision 6. Below. (3) If the landowner consents to the annexation. (Government Code Section 51296.3(c)).

Notwithstanding any provision of the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Government Code Section 56000)), a local agency formation commission shall not approve a change of organization or reorganization that would result in the annexation of land within the designated farmland security zone to a special district that provides sewers, nonagricultural water, or streets and roads, unless the facilities or services provided by the special district benefit land uses that are allowed under this contract and Owner consents to the change of organization or reorganization. (Government Code Section 51296.4).

6. RESTRICTION ON SCHOOL DISTRICT USE OR ACQUISITION

Notwithstanding Article 5 (commencing with Government Code Section 53090) of Chapter 1 of Division 2 of Title 5, a school district shall not render inapplicable a county zoning ordinance to use of the property by the school district. (Government Code Section 51296.5).

Notwithstanding any provision of law, a school district shall not acquire the property, nor any portion of the property, within the designated farmland security zone. (Government Code Section 51296.6)

7. TERM OF CONTRACT

This contract shall become effective on the date opposite the respective signatures and shall be recorded on or before the 31st day of December, in order to meet the January 1 property tax lien date and, shall remain in full force and effect for an initial term of twenty years. The initial term of twenty years shall be measured commencing as of the first day of January next succeeding the date of execution. Each succeeding first day of January shall be deemed to be the annual renewal date of this contract. This contract shall be automatically renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in paragraph 4.

8. NO COMPENSATION

Owner shall not receive any payment from County in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein.

9. SUCCESSORS IN INTEREST

This contract and the restrictions imposed hereunder shall run with the property described in Exhibit A and shall be binding upon the heirs, executors, administrators, trustees, successors, and assigns of Owner. This contract shall also be transferred from County to any succeeding city or county acquiring jurisdiction over the property described in Exhibit A. On the completion of annexation proceedings by a city, that city shall succeed to all rights, duties and powers of the

County under this contract for that portion of the property described in Exhibit A annexed to the city.

Nonetheless, each new Owner who succeeds to ownership of the aforesaid property shall be obliged to execute a new contract identical to or more restrictive than this contract in order to perfect his/her/its rights under the Land Conservation Act.

10. DIVISION OF LAND

The property described in Exhibit A shall not be divided without the written approval of the County first had and obtained. This contract is divisible in the event the property described in Exhibit A is divided. Owner agrees to submit any proposed division to County for its approval and County, if it approves said division, shall, as a condition of its approval of the division, require the execution by Owner of contract identical to this contract on each parcel created by the division. Owner agrees to execute such contract or contracts, as applicable. The division of land under contract within a farmland security zone will not be approved unless it can be reasonably established that there will be no loss in the production of food and fiber within the farmland security zone from said division.

11. EMINENT DOMAIN OR OTHER ACQUISITION

(a) All of the provisions of Article 6 (commencing with Government Code Section 51290) shall apply to farmland security zone contracts created pursuant to Article 7 except as specifically provided in Article 7 (commencing with Government Code Section 51296) (Government Code Section 51296.7). When any action in eminent domain for the condemnation of the fee title of any land described in Exhibit A is filed or when such land is acquired in lieu of eminent domain for a public improvement, as defined in Government Code Section 51290.5, by a public agency or person, or whenever there is any such action or acquisition by the federal government, or any person, instrumentality or agency acting under authority or power of the federal government, this contract becomes null and void as to the land actually being condemned or so acquired as of the date the action is filed or so acquired.

(b) Eminent domain or other acquisition proceedings shall be governed by the provisions of Article 6 (commencing with Government Code Section 51290 et seq.). Notice of intent to consider land in farmland security zone pursuant to this contract for condemnation or acquisition, shall be provided by the public agency, or person, or authorized agent, to the Director of Conservation and to the local governing body responsible for the administration of the preserve in accordance with Government Code Sections 51291 and 51291.5. The Director of Conservation shall provide a copy of any material received from the public agency, or person, or authorized agent, relating to the proposed acquisition, to the Secretary of Food and Agriculture in accordance with Section 51291(b). When land in a farmland security zone pursuant to this contract is acquired by a public agency, the public agency shall notify the Director of Conservation within ten (10) working days in accordance with Government Code Section 51291(c).

(c) If after giving notice required under Government Code Sections 51291(b) and 51291 (c) and before the project is completed within the preserve, the public agency, person or agent proposes any significant change in the public improvement, it shall give notice of the changes to the Director and the local governing body responsible for administration of the preserve. Within 30 days thereafter, the Director or local governing body may forward to the public agency, person or agent their comments with respect to the effect of the change to the public improvement and the compliance of the changed public improvement with Article 6. Any action or proceeding regarding

notices or findings required by Article 6 filed by the Director of Conservation or local governing body administering the farmland security zone shall be governed by Government Code Section 51294 (Government Code Section 51291(e)).

12. NOTICE OF NONRENEWAL

(a) Nonrenewal of a farmland security zone contract shall be pursuant to Article 3, (commencing with Government Code Section 51240), except as otherwise provided in Article 7, (commencing with Government Code Section 51296) pursuant to Government Code Section 51296.9.

(b) If either party desires in any year not to review this contract, that party shall serve written notice of nonrenewal pursuant to Government Code Section 51245 upon the other party in advance of the annual renewal date of this contract. Unless such written notice of NONRENEWAL is served by Owner at least 90 days prior to the renewal date, or by County at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in paragraph 7 above.

(c) If either party serves written notice of nonrenewal in any year within the time limits of (b) above, this contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

13. LIABILITY UPON NOTICE OF NONRENEWAL

Pursuant to Revenue and Taxation Code Section 426, as may be amended from time to time, notwithstanding any provision of Revenue and Taxation Code Section 423 to the contrary, if either the County, or the Owner of the property subject to this Contract, has served Notice of Nonrenewal as provided in Section 51091, 51245, and 51296.9 of the Government Code, the County Assessor shall, unless the parties shall have subsequently rescinded the Contract pursuant to Government Code Section 51245 or 51255, value the property as provided herein.

(a) If Owner serves Notice of Nonrenewal, or the County serves Notice of Nonrenewal and the Owner fails to protest as provided in Section 51091, 51245, and/or 51296.9 of the Government Code, subdivision (b) below, shall apply immediately. If the County serves Notice of Nonrenewal and the Owner does protest as provided in Section 51091, 51245, and/or 51296.6 of the Government Code, subdivision (b) shall apply when less than six years remain until the termination of the period for which the property is enforceably restricted.

(b) Where any of the conditions in subdivision (a) apply, the Board or Assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the value of the property pursuant to Section 110.1 of the Revenue and Taxation Code. If the property is not subject to Section 110.1 of the Revenue and Taxation Code when the restriction expires, the value shall be determined pursuant to Section 110 of the Revenue and Taxation Code as if it were free of contractual restriction. If the property will be subject to a use for which the Revenue and Taxation Code provides a special restricted assessment, the value shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by capitalization of income as provided in Revenue and Taxation Code Section 423 and without regard to the existence of any of the conditions in subdivision (a).

(3) Subtract the value determined in paragraph (2) of subdivision (b) by capitalization of income from the full cash value determined in paragraph (1) of subdivision (b).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Revenue and Taxation Code Section 423, discount the amount obtained in paragraph (3) of subdivision (b) for the number of years remaining until the termination of the Contract.

(5) Determine the value of the property by adding the value determined by capitalization of income as provided in paragraph (2) of subdivision (b) and the value obtained in paragraph (4) of subdivision (b).

(6) Apply the ratio prescribed in Revenue and Taxation Code Section 401 to the value of the land determined in paragraph (5) of subdivision (b) to obtain its assessed value.

14. TERMINATION OF FARMLAND SECURITY ZONE DESIGNATION

Upon termination of the farmland security zone contract, the farmland security zone designation for the property shall simultaneously be terminated (Government Code Section 51296.1(e)).

15. CANCELLATION

A petition for cancellation of this contract may only be filed by the property owner/s. The Board may grant a petition only in accordance with the procedures provided in Article 5 (commencing with Section 51280) if both of the findings of Government Code Section 51282(a)(1&2) are made and only if all of the requirements of Government Code Section 51297 are met. It is understood by the parties hereto that the existence of an opportunity for another use of the property may be considered only if there is no proximate non-contracted land suitable for the use to which it is proposed that this property be put. The parties further understand that the uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation of this contract, but may be considered only if there is no other reasonable or comparable agricultural use to which the land may be put.

(a) Upon the written request of Owner to cancel this contract, the Board of Supervisors of the County of Monterey may by resolution, grant a petition in accordance with the procedures provided in Article 5 (commencing with Government Code Section 51280), only if all of the requirements pursuant to Government Code Section 51282 and 51297 are met. Prior to the adoption of a resolution consenting to the request of the landowner to cancel this contract, the Board of Supervisors of County shall hold a public hearing on the matter. Notice of the hearing shall be mailed to each and every owner of property under contract within the farmland security zone in which the property described in Exhibit A is located, and shall be published pursuant to Government Code Section 6061. In addition, at least ten (10) working days prior to the hearing, a notice of hearing and a copy of the landowner's petition shall be mailed to the Director of Conservation pursuant to Government Code Section 51284. At the hearing, or prior thereto, the owner of any property in which this farmland security zone is situated may protest such cancellation to the Board of Supervisors.

(b) The Board of Supervisors may by resolution, grant a petition by the Owner/s to cancel this contract only if the Board makes both of the findings specified in Government Code Sections 51282(a)(1) and 51282(a)(2) and finds based on substantial evidence in the record that (1) The cancellation is consistent with the purposes of the California Land Conservation Act of 1965 as amended (Government Code Section 51282(a)(1)) and, (2) the cancellation is in the public interest

(Government Code Section 51282(a)(2)) and, only if all of the following requirements are met pursuant to Government Code Section 51297:

- (i) That no beneficial public purpose would be served by the continuation of the contract.
- (ii) That the uneconomic nature of the agricultural use is primarily attributable to circumstances beyond the control of the landowner and the local government.
- (iii) That the landowner has paid a cancellation fee equal to 25 percent of the cancellation valuation calculated in accordance with subdivision (b) of Section 51283.
- (iv) The Director of Conservation approves the cancellation. The director may approve the cancellation after reviewing the record of tentative cancellation provided by the city or county, only if he or she finds both of the following:
 - (A) That there is substantial evidence in the record supporting the decision.
 - (B) That no beneficial public purpose would be served by the continuation of the contract.
- (v) A finding that no authorized use may be made of a remnant contract parcel of five acres or less left by public acquisition pursuant to Government Code Section 51295, may be substituted for the finding in Government Code Section 51282 (a).

16. LIABILITY OF OWNER UPON CANCELLATION

- (a) Prior to any action by the Board of Supervisors giving tentative approval to the cancellation of this contract, the County Assessor shall, pursuant to Revenue and Taxation Code Section 401, determine the full cash value of the land as though it were free of the contractual restrictions imposed by this contract. The Assessor shall certify to the Board of Supervisors the cancellation valuation of the land for the purpose of determining the cancellation fee.
- (b) The Board of Supervisors shall thereafter and prior to giving tentative approval to the cancellation of this contract determine and certify to the County Auditor the amount of the cancellation fee which the Owner must pay the County Treasurer as deferred taxes upon cancellation. That fee shall be an amount equal to 25% percent of the cancellation valuation of the property, calculated in accordance with Government Code 51283(b) (Government Code Section 51297).
- (c) If the Board of Supervisors recommends that it is in the public interest to do so, and the Secretary of the Resources Agency so finds, the Board may waive any such payment or any portion thereof, or may make such payment or portion thereof, or may extend the time for making the payment or a portion of the payment contingent upon the future use made of the property and its economic return to Owner for a period of time not to exceed the unexpired term of the contract had it not been canceled, provided: (1) the cancellation is caused by an involuntary transfer or change in the use which may be made of the property and the property is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to Owner; and (2) the Board of Supervisors has determined it is in the best interests of the program to conserve agricultural land use that such payment be either deferred or is not required; and (3) the waiver or extension of time is approved by the Secretary of the Resources Agency pursuant to Government Code Section 51283.

(d) Owner shall make payment of the cancellation fee in full prior to the cancellation becoming effective.

17. NOTICES

All notices required or permitted by this contract shall be given in writing and may be mailed or delivered in person. If mailed, the address of Owner shall be the last known address on the assessment records of County, and County's address shall be In Care of Clerk of the Board of Supervisors, Government Center, 168 W. Alisal Street, First Floor, Salinas, California 93901, and deposit in the mail, postage prepaid, shall be deemed receipt thereof.

18. COSTS OF LITIGATION

In case County shall, without any fault on its part, be made a party to any litigation commenced by or against Owner, then Owner shall and will pay all costs and reasonable attorneys fees incurred by or imposed upon County by or in connection with such litigation, and Owner shall and will pay all costs and reasonable attorneys fees which may be incurred or paid by County in enforcing the covenants and agreements of this contract.

19. ENFORCEMENT

In the event of breach of this contract, including but not limited to: (1) incompatible use, or (2) failure of successors in interest to sign a contract similar to this one, or (3) failure to obtain the approval of the Board of Supervisors for a division of the land under contract, all the affected property under contract shall be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1.

However, such reassessment for the period encompassed by the breach shall not terminate the contract. Reassessment shall be in addition to the other remedies available to the County including, but not limited to, an action to enforce the contract by specific enforcement or injunction under Government Code Section 51251.

If incompatible uses during the period of breach have diminished the ability of the property to contribute to the production of food and fiber on the lien date, the property shall be reassessed at full cash value, and the Farmland Security Zone designation shall be terminated.

The period of breach is the period commencing upon breach as set forth above, and ending upon cure of the breach. If the lien or assessment date falls within the period of the breach, all the property under this contract will be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1, or as otherwise provided in provisions 13 or 16 above, as applicable as determined by the County Assessor, consistent with the provisions of the Revenue and Taxation Code, as may be amended from time to time.

20. INCORPORATION OF RECITALS

The parties understand and agree that the Recitals to this Farmland Security Zone Contract are hereby incorporated into this Farmland Security Zone Contract.

IN WITNESS WHEREOF the parties have caused this contract to be executed by Owner on the date affixed next to the signature of each, and by County on the date affixed next to the signature of the Chair of the Board of Supervisors.

Dated: _____

12/5/18

COUNTY OF MONTEREY

By: _____

LUIS A. ALEJO

Chair, Board of Supervisors

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.

ACKNOWLEDGMENT

State of California)

County of Monterey)

On December 5, 2018, before me, Valerie Ralph

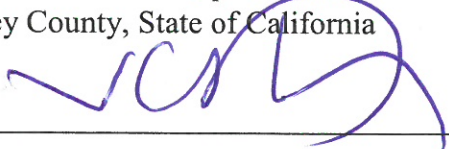
Clerk of the Board of Supervisors, personally appeared Luis A. Alejo, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), 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.

VALERIE RALPH

Clerk of the Board of Supervisors of
Monterey County, State of California

By: 

Legal Reference for Acknowledgment by County Official:
Civil Code Sections 1181, 1184, 1185, 1188, 1189
Code of Civil Procedure Section 2012

[COUNTY SEAL]:

OWNER: Michael G. Reed & Vicki L. Reed, Co-trustees of the MV Reed Revocable Living Trust dated July 14, 2015; Philip K. Reed; Amelia M. Reed Irrevocable Trust dated December 29, 1997; Kenneth Reed; James Reed; Kevin Reed

Dated: 11/28/18

Michael G. Reed by Vicki Reed POA

Michael G. Reed, Co-Trustee of the MV Reed Revocable Living Trust dated July 14, 2015

Vicki Reed

Dated: 11/28/18

Vicki L. Reed, Co-Trustee of the MV Reed Revocable Living Trust dated July 14, 2015

Philip K. Reed

Dated: November 26, 2018

Philip K. Reed

Dated: November 26, 2018

Amelia M. Reed Irrevocable Trust

Dated December 29, 1997

Dated:

Signed in counterparts

Kenneth Reed

Dated: 11/28/18

James Reed

Dated:

Kevin Reed

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 Arizona
COUNTY OF Maricopa

On November 28, 2018, 2018, before me, Samantha Jourden,
Notary Public, personally appeared Vicki Reed (Michael G. Reed) PPA, 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 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.

Samantha Jourden
Notary Public

[SEAL]



SAMANTHA JOURDEN
Notary Public - Arizona
Maricopa County
Expires 04/30/2019

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 Arizona
COUNTY OF Maricopa

On November 28, 2018, before me, Samantha Jourden,
Notary Public, personally appeared Vicki L. Reed, 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 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/ 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.

Samantha Jourden
Notary Public

[SEAL]



SAMANTHA JOURDEN
Notary Public - Arizona
Maricopa County
Expires 04/30/2019

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12-4-18

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 Arizona
COUNTY OF Maricopa

On November 28, 2018, before me, Samantha Jourden,
Notary Public, personally appeared James Reed, 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 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.

Samantha Jourden
Notary Public

[SEAL]



SAMANTHA JOURDEN
Notary Public - Arizona
Maricopa County
Expires 04/30/2019

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 _____
COUNTY OF _____

On _____, 2018, before me, _____,
Notary Public, personally appeared _____, 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 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/ 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.

Notary Public

[SEAL]

OWNER: Michael G. Reed & Vicki L. Reed, Co-trustees of the MV Reed Revocable Living Trust dated July 14, 2015; Philip K. Reed; Amelia M. Reed Irrevocable Trust dated December 29, 1997; Kenneth Reed; James Reed; Kevin Reed

Dated: _____

Signed in counterparts

Michael G. Reed, Co-Trustee of the MV Reed Revocable Living Trust dated July 14, 2015

Dated: _____

Signed in counterparts

Vicki L. Reed, Co-Trustee of the MV Reed Revocable Living Trust dated July 14, 2015

Dated: November 26, 2018

Philip K. Reed

Dated: November 26, 2018

Amelia M. Reed Irrevocable Trust, Phillip K. Reed, Trustee
Dated December 29, 1997

mgp 12/4/18

Dated: 11/28/2018

Kenneth Reed

Dated: _____

Signed in counterparts

James Reed

Dated: Nov 28, 2018

Kevin Reed

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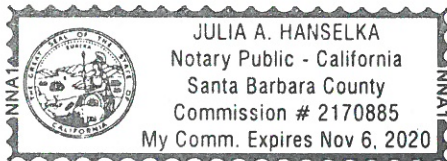
STATE OF CALIFORNIA
COUNTY OF SANTA BARBARA

On November 26, 2018, before me, Julia A. Hanselka,
Notary Public, personally appeared Phillip K. Reed, 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 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.

[SEAL]



Julia A. Hanselka
Notary Public

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 _____
COUNTY OF _____

On _____, 2018, before me, _____,
Notary Public, personally appeared _____, 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 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/~~ 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.

[SEAL]

Notary Public

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.

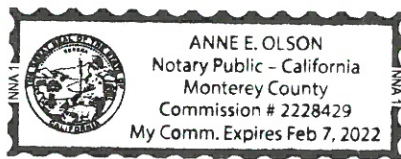
STATE OF CALIFORNIA
COUNTY OF MONTEREY

On Nov. 28, 2018, before me, Anne E Olson, Notary Public,
Notary Public, personally appeared Kenneth Reed, 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 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.

[SEAL]



Anne E. Olson
Notary Public

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.

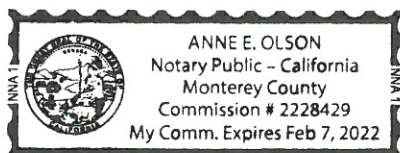
STATE OF CALIFORNIA
COUNTY OF MONTEREY

On Nov. 28, 2018, before me, Anne E Olson, Notary Public,
Notary Public, personally appeared Kevin Reed, 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 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/ 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.

[SEAL]



Anne E. Olson
Notary Public



Legal Description

PARCEL 1:

Being a part of Lot 1, as shown on that certain map entitled, "Partition Map Accompanying Report of Referees Showing Subdivisions of Espinosa Portion of the Rancho Poso de los Ositos, Monterey County, California", designated as "Parcel Three", a certified copy of which map was filed for public record July 10, 1925 in Volume 2 of Surveys, at Page 29 and 30 therein, Monterey County Records, and being also a part of that certain 1893.95 acre tract of land shown on that map entitled "Record of Survey of a Portion of Lot 1 of Parcel 3 of the Espinosa Portion of the Rancho Poso de los Ositos, Monterey County, California", filed for record October 16, 1952 in Volume 4 of Surveys at Page 100, Monterey County Records, particularly described as follows, to-wit:

BEGINNING at Point "B", as said point is shown and so designated on last mentioned filed map and running thence along the southwesterly boundary of said 1893.95 acre tract of land,

- (1) North 34° 35' 05" West, 3367.6 feet, at 1908.0 feet the centerline of Espinosa County Road, as shown on last mentioned filed map 3367.6 feet to Point "C", as shown on last mentioned filed map; thence leave said boundary and running,
- (2) North 56° 02' East, 1399.4 feet to a 3" x 3" redwood post herein designated as "No. 7"; thence
- (3) South 34° 35' East, 1444.48 feet to a point in the centerline of said Espinosa County Road, said point being herein designated as "No. 8"; thence along said road centerline,
- (4) North 55° 25' East, 522.2 feet to point herein and now designated "No. 5"; thence leave said road centerline and running,
- (5) South 33° 58' East, 1917.6 feet to a 3" x 3" redwood post herein designated "No. 4"; thence
- (6) Southh 55° 40' West, 1901.0 feet to the place of beginning.

CONTAINING an area of 130.6 acres of land.
Courses all true.

EXCEPTING AND RESERVING unto the grantor, its successors and assigns, from ALL the above described real property, an undivided sixty-six and two-thirds percent (66-2/3%) interest in and to all oil, gas and other hydrocarbon substances and all other minerals of every kind now or hereafter in, on, or under, or which may hereafter be produced from, said real property, together with the right to drill for, mine, produce, extract and take oil, gas and other hydrocarbon substances and other minerals of every kind, as a tenant in common thereof, from said real property, and to store them upon said real property, with the right of entry thereon, at any and all times for said purposes, and the right to construct, use, maintain, repair and replace upon said real property and remove therefrom pipe lines, telephone and telegraph lines, tanks, machinery, buildings and other structures which may be necessary or desirable in the exercise of the rights reserved hereby, with rights of way for passage over, upon and across, and ingress to and egress from, said real property for any or all such purposes, as recited in the Deed from Spreckles Sugar Company, a corporation, to Salinas Title Guarantee Company, a corporation, dated October 23, 1952 and recorded October 31, 1952 in Volume 1414 Official Records of Monterey County at Page 380, Series No. 42860.

APNS: 221-021-005; 221-021-006

EXHIBIT A
PAGE 1 OF 2

PARCEL 2:

- (a) Being a part of Lot 1, as shown on that certain map entitled, "Partition Map Accompanying Report of Referees Showing Subdivisions of Espinosa Portion of the Rancho Poso de los Ositos, Monterey County, California", designated as "Parcel Three", a certified copy of which map was filed for public record July 10, 1925 in Volume 2 of Surveys at Pages 29 and 30, therein, Monterey County Records, and being also a part of that certain 1893.95 acre tract of land shown on that map entitled, "Record of Survey of a Portion of Lot 1 of Parcel 3 of the Espinosa Portion of the Rancho Poso del los Ositos, Monterey County, California", filed for record October 16, 1952 in Volume 4 of Surveys at Page 100, Monterey County Records, particularly described as follows:

BEGINNING at Point "G" in the centerline of Espinosa County Road, as said road and Point "G" are shown and so designated on last mentioned filed map; thence along said road centerline,

- (1) Along the arc of a circular curve to the right (the center of which bears North 49° 57' West, 250.0 feet distant) for a distance of 67.05 feet to a point of tangency; thence tangentially,
- (2) South 55° 25' West, 1560.33 feet to a point herein designated as Point "No. 5"; thence leave said road centerline and running,
- (3) South 33° 58' East, 1917.60 feet to a 3" x 3" redwood post herein and now designated as "No. 4"; thence
- (4) North 55° 40' East, 1178.89 feet, at 782.37 feet a 3" x 3" redwood post herein designated as "No. 3", 1178.89 feet to a 3" x 3" redwood post from which last mentioned post, Point "L", standing in the centerline of a right of way (22 feet wide), as shown on last mentioned filed map bears North 55° 40' East, 23.0 feet distant, thence
- (5) North 45° 47' West, 712.42 feet; thence
- (6) North 42° 21' West, 200.0 feet; thence
- (7) North 31° 01' West, 200.0 feet; thence
- (8) North 20° 51' West, 161.80 feet; thence
- (9) North 3° 29' West, 303.89 feet; thence
- (10) North 25° 53' East, 451.62 feet; thence
- (11) North 10° 23' East, 67.65 feet; thence
- (12) North 41° 05' West, 147.90 feet to the place of beginning.

CONTAINING an area of 51.917 acres of land. Courses all true.

- (b) TOGETHER, with a right of way (22 feet wide) for road purposes over, upon and across that certain road right of way shown on last mentioned filed map and beginning at the hereinbefore mentioned Point "L", and running Westerly and Northerly to Point "H", in the centerline of Espinosa County Road as said points and county road are shown and so designated on said filed map, also known as Espinosa Road Ranch."

APN: 221-021-005 and 221-021-006

WARRANT A
2 OF 2

EXHIBIT B

FARMLAND SECURITY ZONE - COMPATIBLE USES

The following is a list of land uses determined to be compatible with the agricultural use of the land subject to this agreement and planning and zoning restrictions:

1. The drying, packing or other processing of an agricultural commodity usually performed on the premises where it is produced.
2. Structures necessary and incidental to the agricultural use of the land.
3. Single family dwellings incidental to the agricultural use of the land for the residence of the owner, and the family of the owner. Single family dwellings incidental to the agricultural use of the land for the residence of the lessee of the land and the family of the lessee.
4. Dwelling for persons employed by owner or lessee and the family of employee or lessee incidental to the agricultural use of the land.
5. An aircraft landing strip incidental to the agricultural use of the land.
6. The erection, construction, alteration or maintenance of gas, electric, water or communication utility facilities.
7. The erection, construction, alteration or maintenance of radio, television or microwave antennas, transmitters and related facilities.
8. Public or private hunting of wildlife or fishing.
9. Public or private hunting clubs and accessory structures.
10. Public or private rifle and pistol practice range, trap or skeet field, archery range or other similar use.
11. Public or private riding or hiking trails.
12. Removal of natural materials.
13. Disposal site for oil field wastes, provided that any such use shall be made only in accordance with the use permit and other permits issued by the County of Monterey and the California Regional Water Quality Board and such other governmental authority as may have jurisdiction over this use. "Wastes received (discharged) at the site have been, and will continue to be, limited to petroleum and oil field wastes, such as muds, oily water, tank bottom wastes, and brine waters."
14. Shall not be based on the compatible use provisions contained in Government Code Section 51238.1(c) (*Government Code Section 51296.7*).