

RECORDING REQUESTED BY AND RETURN TO:

Clerk of the Board of Directors
Sonoma County Agricultural
Preservation and Open Space District
575 Administration Drive, Room 102A
Santa Rosa, CA 95403

Recorded by government agency - Exempt from recording fees per Gov. Code §§ 27383, 27388.1, 27388.2
Interest acquired by government agency - Exempt from documentary transfer tax per Rev. & Tax. Code § 11922

AGRICULTURAL CONSERVATION COVENANT

TIERRA VEGETABLES, INC.

Civil Code Sections 815 *et seq.* and 1471

THIS AGREEMENT is entered into by and between THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT, a public agency formed pursuant to the provisions of Public Resources Code section 5500 *et seq.* ("DISTRICT") and, TIERRA VEGETABLES, INC. A CALIFORNIA S CORPORATION ("OWNER").

RECITALS

A. The DISTRICT was formed to further the state policy on the preservation of open space expressed in Government Code section 65562 and to implement the Agriculture and Open Space Elements of the Sonoma County General Plan, amongst other purposes. The DISTRICT is funded by a voter-approved sales tax, which may be spent only in accordance with the Expenditure Plan approved by the voters in 2006 ("2006 Expenditure Plan").

B. Paragraph 3 of the 2006 Expenditure Plan authorizes expenditures to protect

working farms and ranches and other lands used for the production of food, fiber, and plant materials and the raising and maintaining of livestock and farm animals.

C. The DISTRICT's Board of Directors has found and declared that (1) the agricultural lands of the County of Sonoma contribute substantially to the local, state, national, and world food supply and are a vital part of the local and state economy; (2) the growing population and expanding economy of the County have had a profound impact on the ability of the public and private sectors to conserve land for the production of food and fiber, especially agricultural land around urban areas, (3) the challenge of maintaining agricultural land in agricultural use is compounded by local real estate market trends which see persistent high demand for working farms and ranches to be converted into rural residential homes and estates for non-farmers, (4) agricultural lands near urban areas that are maintained in productive agricultural use are a significant part of California's agricultural heritage. These lands contribute to the economic betterment of local areas and the entire state and are an important source of food, fiber, and other agricultural products; (5) keeping agricultural land in productive use protects the local food supply and the larger agricultural economy for the benefit of future generations.

D. OWNER is the owner in fee simple of that certain real property located in Sonoma County and more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"). The Property is located at 651 Airport Boulevard in unincorporated Sonoma County, California, and is identified as of the Effective Date as Assessor's Parcel Number _____.

E. In a companion transaction of even date, OWNER has conveyed a conservation easement to the DISTRICT generally limiting the use of the Property to agricultural, residential, and low-intensity outdoor recreation and educational uses consistent with identified conservation values (the "Conservation Easement"). The purpose of the DISTRICT's acquisition of the Conservation Easement is to protect and preserve the agricultural, natural resource, and scenic values of the Property. This Agricultural Conservation Covenant is intended to complement the Conservation Easement by assuring the continued and perpetual use of specified portions of the Property for agricultural production consistent with the terms of the Conservation Easement.

AGREEMENT

THEREFORE, in consideration of the foregoing recitations and of the mutual covenants, terms, conditions, and restrictions herein set forth and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, OWNER and DISTRICT agree as follows:

1. **Covenant.** OWNER hereby conveys to the DISTRICT an agricultural conservation covenant within the meaning of Restatement Third, Property (Servitudes) §1.6(1) and pursuant to the authority of Civil Code §§ 815 *et seq.*, and Civil Code § 1471 and the common law of California, (“Covenant”), to assure the continued and perpetual agricultural use of the Property in a manner consistent with the Conservation Easement and the provisions herein. In the event of a conflict between OWNER’s obligations under this Covenant and the restrictions established by the Conservation Easement, the Conservation Easement will take priority, to the extent of the conflict.

2. **Affirmative Rights Conveyed.** To accomplish the purposes of this Covenant, OWNER conveys the following rights and interests to DISTRICT:

a) To ensure Mandatory Agricultural Use (as defined in Paragraph 4 below) of the Property; and

b) To enter upon, inspect, observe, and study the Property from time-to-time, in its sole discretion, to determine if OWNER is in compliance with this Covenant.

3. **Obligation to Provide Agricultural Education and Outreach.** OWNER shall provide no fewer than four (4) public agricultural education events on the Property each year. Such events will include information about the agricultural operation of the Property, the DISTRICT’s role in protecting the Property, and the role of farming in local food systems. OWNER shall be responsible for planning the curriculum itself or through a partner qualified to provide agricultural education, such as an agricultural nonprofit, a resource conservation district, or an educator. OWNER shall be responsible for advertising the dates and times of each event and shall notify DISTRICT of such dates and times at least one (1) week prior to such events. DISTRICT shall have the right but not the obligation to advertise and/or attend such events. OWNER may host such events during regular business hours, such as during farmstand pick up hours, provided that all other requirements are satisfied.

4. **Obligation to Continue Agricultural Use.** OWNER agrees that it will carry out or otherwise ensure continued and ongoing Agricultural Use of the Property (as defined below) in accordance with the requirements set forth in Paragraph 4(a) through (f), inclusive (“Mandatory Agricultural

Use”). OWNER may engage one or more agricultural tenant(s) to carry out its Mandatory Agricultural Use obligations on the Property; however, regardless of whether OWNER engages any agricultural tenant, OWNER shall remain responsible for complying with all obligations of this Covenant, including the Mandatory Agricultural Use provisions of this Paragraph.

- a) Agricultural Use. OWNER agrees that, for purposes of determining compliance with the Mandatory Agricultural Use obligation, “Agricultural Use” of the Property means commercial-scale production of agricultural products as follows: (i) the breeding, raising, pasturing, and grazing of livestock of every nature and description for the production of food and fiber; (ii) the breeding and raising of bees, fish, poultry, and other fowl; and (iii) the planting, raising, harvesting, and production of agricultural, aquacultural, horticultural, and forestry crops and products of every nature and description. This requirement is not intended to preclude distribution of agricultural products free of charge, e.g. to charitable organizations. Other activities and uses that are related to agriculture, such as processing, compost generation, direct-marketing and sales, OWNER’s personal gardens, and pet animals will not count towards satisfaction of the Mandatory Agricultural Use obligations.
- b) Productive Capacity. OWNER shall maintain Agricultural Use of the Property on a scale reasonably commensurate with its capacity for commercial agricultural production, taking into account OWNER’s farming or ranching philosophy (such as Organic, biodynamic, or conventional), selected agricultural use(s), agricultural constraints of the Property (such as water availability, soils, and slope), and normal stocking rates or crop schedules in the surrounding area.
- c) Production Area. The “Production Area” is defined as the entire Property except the Building Envelope contemplated by the Conservation Easement. A map depicting the general location and extent of the Production Area and Building Envelopes is attached as Exhibit B (Agricultural Map), and incorporated herein by this reference. A more precise description of the Production Area is provided in Exhibit C (Description of Production Area), attached and incorporated by this reference.
- d) Minimum Acreage Requirement. OWNER shall maintain in Agricultural Use at least seventy-five percent (75%) of the Production Area, on average, calculated over a consecutive three-year period (“Minimum Acreage Requirement”). All areas actively used for and necessary for agricultural production, including but not limited to pastures and fields, crop beds, and the footprint of infrastructure such as tractor turn arounds, irrigation, feeding station, corrals, and water troughs, will be included in the agricultural footprint calculation. Any

portion of the Production Area not in Agricultural Use at any given time shall be managed in such a way as to maintain or enhance the agricultural and other Conservation Values of the Property (as defined by the Conservation Easement), for example by implementing soil health practices such as weed management, cover cropping, or strategic grazing.

- e) Obligation to Seek Tenant. If OWNER has determined it cannot, or does not wish to, continue directly carrying out the Mandatory Agricultural Use obligations established by this Covenant, OWNER shall in good faith promptly seek and retain a tenant who is a Qualified Operator (defined below) to fulfill these obligations on behalf of OWNER so that OWNER, either directly or through its tenant(s), is diligently and continuously fulfilling the Mandatory Agricultural Use obligations on the Property in perpetuity. OWNER shall promptly use all available means, including, without limitation, advertising, requests for proposals, and consultation with established local farmers and farm service organizations to obtain a Qualified Operator or Operators to carry out Agricultural Use on the Property.
 - i. *Qualified Operator.* A “Qualified Operator” is a farmer or rancher with sufficient knowledge, experience, and financial resources to carry on commercially viable agricultural production on the Property in accordance with this Covenant. A Qualified Operator does not need to be an individual acting in their personal capacity, and may include a corporation or non-profit demonstrating sufficient organizational knowledge, experience, and financial resources to carry on commercially viable agricultural production on the Property in accordance with this Covenant.
 - ii. *Lease Requirements.*
 - A. Prior to executing any lease, OWNER shall make a copy of the proposed lease available to the DISTRICT for its review and approval, which approval shall not be unreasonably withheld. Agricultural tenant(s), individually or collectively, shall be allowed such use of the Property as is contemplated by the approved lease in order to fulfill the obligations of this Covenant.
 - B. Each lease shall (a) have a duration sufficiently long (a minimum of five (5) years) to enable the agricultural tenant to make the financial commitments and investments needed for successful agricultural production on the Property, and (b) provide for a fair and reasonable rental rate at or below the then-prevailing rate for comparable farms and ranches in Sonoma

County.

- C. Any agriculture production lease entered into by OWNER with its selected agricultural tenant(s) shall be subject to the terms of this Covenant and the Conservation Easement, including but not limited to Section 11(d) thereof.

5. Agricultural Worker Housing. Except as provided by subsections (a) and (c) of this paragraph, residential structures on the Property may be occupied only by individuals employed on a full-time basis to support the agricultural operation on the Property, including owner-operators (“Farmworkers”), and their immediate family members or domestic partner. Residential use by any other party, including an individual with an ownership interest in the Property who is not engaged full-time in the agricultural operation on the Property, is prohibited.

- a) Death of a Farmworker. For the purposes of this Covenant, the Farmworker and their immediate family members or domestic partner may continue to live on the Property for a period of one year from the date of death or permanent disability of the Farmworker.
- b) Unoccupied Farmworker Residence. If a residential structure ceases to be occupied by Farmworkers, OWNER shall submit to DISTRICT a letter certifying the same within thirty (30) days, noting the date on which the housing ceased to be occupied. The certification shall be submitted to the DISTRICT annually following the vacancy of the structure. The certification shall attest under penalty of perjury that the farmworker housing is not occupied by any person.
- c) Farmworkers Employed Off-site. In its sole discretion, DISTRICT may permit OWNER to use residential structures on the Property to house individuals who are farm laborers at other locations in Sonoma County.

6. Exceptions.

a) Soil Health Periods. With prior approval from DISTRICT, OWNER may be temporarily excused from performance of the Minimum Acreage Requirement (see Paragraph 4(d)), by taking more than twenty-five percent (25%) of the Production Area out of production for a reasonable, specified period of time (a “Soil Health Period”) as part of a plan designed to improve the soil health, agricultural productivity, ecosystem services, and/or carbon sequestering capacity of the Property based on best available soil science information (“Soil Health Period Plan”). The Soil Health Period Plan will describe goals and objectives for improvement of the Production Area, the activities and treatments (including fallow periods) to be implemented, locations of treatments, timelines, and a

description of how agricultural production will resume after the period ends. The Soil Health Period Plan shall be submitted to the DISTRICT and receive DISTRICT approval prior to taking such land out of agricultural use.

b) Hardship Deferrals. If, due to age, disability, infirmity, or other similar personal hardship, OWNER cannot carry out the Mandatory Agricultural Use obligations in accordance with Paragraph 4, OWNER may request from DISTRICT a temporary excuse from performance (“Hardship Deferral”). Such request for Hardship Deferral will include the reason the OWNER is unable to continue Agricultural Use of the Property; the acreage to be taken out of production; and plans for property maintenance, including fencing and infrastructure maintenance, soil health maintenance, and appropriate weed management. A Hardship Deferral, if approved by DISTRICT, will last no longer than three (3) years from the date of DISTRICT’s approval and shall not be renewable. No Hardship Deferral will be effective until approved by DISTRICT. Upon or before the expiration of the Hardship Deferral, OWNER shall resume full compliance with Mandatory Agricultural Use requirements and OWNER shall provide written notice to DISTRICT confirming the same.

c) Obligation to Secure a Qualified Agricultural Operator as Tenant. If OWNER and the DISTRICT are unable to develop mutually agreeable terms for a Hardship Deferral within a reasonable time (not to exceed two [2] months), then OWNER shall in good faith promptly seek and enter into a lease with a Qualified Operator pursuant to Paragraph 4(e) to fulfill these obligations on behalf of OWNER.

7. **Reporting**. OWNER shall provide to DISTRICT by December 31 of each year a written description summarizing how it has complied with the Mandatory Agricultural Use obligations of this Covenant. Such communication must be sufficiently detailed to allow DISTRICT to determine whether OWNER’s operation of the Property complies with this Covenant and may include, for example, photos, maps, crop schedules, grazing rotation schedules, and detailed written descriptions.

8. **Record keeping**. OWNER shall keep sufficiently detailed records of agricultural uses and leases to enable DISTRICT to reasonably determine compliance with the terms of this Covenant. OWNER shall maintain these records for no less than five (5) years and make them available to DISTRICT upon request.

9. **Approvals**.

a) Approval Procedures. This Covenant may require the prior approval of DISTRICT for

certain uses of the Property or for a forbearance; e.g. Soil Health Periods or Hardship Deferrals. Failure by OWNER to secure such approvals shall not operate to relieve OWNER of the obligations of this Covenant, and DISTRICT's failure to enforce this approval process from time to time shall not operate as a waiver or release of DISTRICT's rights to demand strict compliance, both procedurally and substantively, with this Covenant's prior approval requirements. OWNER shall use the procedures set forth below to obtain DISTRICT's approvals, where required. All requests for approval shall be in writing and shall include all information necessary to permit DISTRICT to make an informed judgment as to the consistency of OWNER's request with the terms of this Covenant and the Conservation Easement. DISTRICT may request and OWNER shall provide such additional or supplemental information as DISTRICT deems necessary to evaluate any request for approval.

b) Uses/Activities Requiring Prior Approval from DISTRICT. For any activity, use, or excuse from performance that requires prior approval from DISTRICT, OWNER shall file a written request for such approval ("OWNER's Request") at least forty-five (45) days prior to the intended commencement of such activity, use, or suspension thereof, or in the case of leases, prior to the intended effective date of such lease. DISTRICT shall have forty-five (45) days from the receipt of a complete request for approval to review the request and to approve, conditionally approve, disapprove, or notify OWNER of any objection thereto. Disapproval or objection, if any, shall be based on DISTRICT's determination that OWNER's Request is inconsistent with this Covenant or the terms, conditions, or Conservation Purpose of the Conservation Easement, or that OWNER's Request is incomplete or contains material inaccuracies. If, in DISTRICT's judgment, the OWNER's Request would not be consistent with this Covenant or the Conservation Easement, or the request is incomplete or contains material inaccuracies, DISTRICT's notice to OWNER shall inform OWNER of the reasons for DISTRICT's disapproval or objection. Only upon DISTRICT's written approval may OWNER's requested plan, activity, or use be commenced, or lease executed, and then only in accordance with the terms and conditions of DISTRICT's approval.

10. Notices.

a) Method of Delivery. Except as otherwise expressly provided herein, all notices, (including requests, demands, approvals, or communications) under this Covenant shall be in writing and either served personally or sent by first class mail, postage prepaid, private courier or delivery service or telecopy addressed as follows:

To OWNER: Tierra Vegetables, Inc.
220 Pleasant Avenue
Santa Rosa, CA 95403

To DISTRICT: General Manager
Sonoma County Agricultural Preservation and Open
Space District
747 Mendocino Avenue, Suite 100
Santa Rosa, CA 95401

Or to such other address as such party from time-to-time may designate by written notice pursuant to this Paragraph 10.

b) Effective Date of Notice. Notice shall be deemed given for all purposes as follows:

- i. When mailed first class postage prepaid to the last address designated by the recipient pursuant to Paragraph 10 (a), notice is effective one business day following the date shown on the postmark of the envelope in which such notice is mailed or, in the event the postmark is not shown or available, then one business day following the date of mailing.
- ii. When sent by fax to the last fax number of the recipient known to the party giving notice, notice is effective on receipt as long as (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery or (ii) the receiving party delivers a written confirmation of receipt. Subject to the foregoing requirements, any notice given by fax shall be considered to have been received on the next business day if it is received after 5 p.m. (recipient's time) or on a non-business day.
- iii. In all other instances, notice shall be deemed given at the time of actual delivery.

c) Refused or Undeliverable Notices. Any correctly addressed notice that is refused or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused or considered undeliverable by the postal authorities, messenger, or overnight delivery service.

11. Enforcement.

a) Notice of Violation. If DISTRICT determines through audit, on-site monitoring, remote observation, or other reasonable investigative measures that OWNER has not met the Mandatory Agricultural Use requirements of Paragraph 4 or the public educational events requirements of Paragraph 3, (a “Violation”), DISTRICT shall provide OWNER a written notice identifying the Violation (“Notice of Violation”), and DISTRICT may record such Notice of Violation in the Office of the Sonoma County Recorder. DISTRICT’s Notice of Violation shall specify a reasonable cure period. If OWNER fails to diligently pursue correction of the Violation during the cure period or the Violation remains uncured at the end of the applicable cure period, DISTRICT may exercise all available legal remedies to enforce the violation of this Covenant.

b) Mediation. If a dispute arises out of or relates to this Covenant, or an alleged breach thereof, and if the dispute cannot be settled through negotiation, before resorting to litigation, the DISTRICT, OWNER and, if applicable, any tenant on the Property with an interest in the dispute, shall first try in good faith to settle the dispute by mediation. If the parties cannot agree on a mediator or mediation rules to use, the parties shall use the American Arbitration Rules & Procedures most applicable to the subject matter of the dispute, or such similar rules as may be adopted by a successor organization to the American Arbitration Association, with the following stipulations:

- i. The mediation shall be conducted in Santa Rosa, California.
- ii. Unless otherwise agreed to in writing by the parties participating in the mediation, the mediation shall be concluded no later than sixty (60) days after the first mediation session. If the dispute has not been resolved at that time, any party may elect at that time to pursue litigation.
- iii. The parties agree to exchange all relevant non-privileged documents at least ten (10) days before the first scheduled mediation session.

c) DISTRICT’s Rights to Lease the Property. If OWNER has failed to cure the Violation then, following the expiration of the cure period specified in DISTRICT’s Notice of Violation or at such earlier time if OWNER has failed to diligently pursue correction of the Violation, , DISTRICT has the right, but not the obligation, to do any or all of the following upon written notice to OWNER:

- i. Enter on the Property and restore, prepare and/or maintain the Property for future Agricultural Uses. DISTRICT shall have the right to obtain reimbursement

from OWNER for the costs associated with the implementation of such restoration, preparation, and maintenance.

- ii. Unilaterally invoke the lease attached hereto as Exhibit DC and incorporated herein by this reference (“District Lease”) for a term of not less than five (5) years to restore, prepare and/or maintain the Property for future Agricultural Uses, to conduct Agricultural Uses itself, and/or to assign the Lease or sublease the Property to a Qualified Operator pursuant to the terms of the District Lease. DISTRICT’s activities on the Property shall be consistent with the District Lease and the Conservation Easement. DISTRICT shall have the right to deduct from the rent owed under the District Lease any costs associated with the implementation of any restoration, preparation, and maintenance of the Property for future Agricultural Uses and/or any costs incurred by a lessee related to any assignment or sublease of the District Lease to a Qualified Operator.
- iii. No Lease with an agricultural tenant, whether entered into by OWNER or by DISTRICT, shall relieve OWNER from the obligations of this Covenant and OWNER shall remain jointly and severally liable with any agricultural tenant for any failure to continuously and diligently satisfy the Mandatory Agricultural Use requirements herein specified.

d) Equitable Remedies. The parties agree that DISTRICT’s remedies at law for any violation of OWNER’s commitment to conduct Agricultural Uses on the Property as required by this Covenant are inadequate, and DISTRICT shall be entitled to specific performance of the commitment to conduct such use as required by this Covenant without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. This right is in addition to the right to injunctive relief, both prohibitive and mandatory, and such other relief to which DISTRICT may be entitled. DISTRICT’s remedies described in this Paragraph shall be cumulative and shall be in addition to any other remedies provided in this Covenant as well as in addition to all remedies now or hereafter existing at law or in equity.

12. Miscellaneous.

a) Acts Beyond OWNER’s Control. Nothing contained in this Covenant shall be construed to entitle DISTRICT to bring any action against OWNER for any failure to conduct Mandatory Agricultural Use arising out of conditions beyond OWNER’s control, including, but not limited to, wildfire, flood, storm, earth movement, extreme drought, a well running dry, or tortious

or criminal acts of third parties which OWNER could not have reasonably prevented, nor shall this Covenant be deemed violated by OWNER where prudent action is taken by OWNER under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes, so long as such action, to the extent that OWNER has control, is designed and carried out in such a way as to minimize conflict with this Covenant and the Conservation Easement. Notwithstanding the foregoing, OWNER shall be liable to DISTRICT for failure to conduct Mandatory Agricultural Use when such lack of performance is the result of acts or omissions of third parties whose use of or presence on the Property is authorized or requested by OWNER. In the event that OWNER's ability to conduct Mandatory Agricultural Use on the Property is impaired as a result of the acts or omissions of third parties, OWNER shall diligently pursue all available legal remedies against such parties to ensure it can recommence Agricultural Use in conformity with this Agreement. Nothing contained herein shall limit or preclude OWNER's or DISTRICT's rights to pursue any third party for damages to the Property's Conservation Values. The parties expressly agree that OWNER's age, illness, or economic hardship shall not constitute a condition beyond the OWNER's control for purposes of this Paragraph.

b) Termination. OWNER and all successor OWNER(S), whether by purchase of the Property or any interest in the Property or otherwise, recognize that the affirmative obligations of this Covenant were bargained and paid for and are entirely consistent with the public interest. If OWNER asserts that some or all of the affirmative obligations of this Covenant are illegal or unenforceable under applicable law, then the rights and duties of the DISTRICT and OWNER shall be as follows: the assertion of illegality or unenforceability shall be of no effect, and the provisions requiring Mandatory Agricultural Use shall continue in full force and effect, unless and until a court of competent jurisdiction enters a final non-appealable judgment determining that that assertion is correct and therefore enters a judgment determining that some or all of the provisions requiring Mandatory Agricultural Use set forth in this Covenant are illegal or unenforceable under applicable law. In any such proceeding, the provisions of this Covenant as to severability set forth below in Paragraph 12(c) shall apply. If, even after application of such severability provisions, the requirement for Mandatory Agricultural Use of the Property is materially impaired by the court's determination, then upon entry of that final judgment, OWNER shall be obligated to repay to the DISTRICT the full value of this Covenant at the Effective Date of this Covenant (the "Repayment Principal") together with interest at the same rate as that specified in California Code of Civil Procedure section 685.010 from the Effective Date of this Covenant to the date of repayment of the Repayment Principal. OWNER and the DISTRICT agree that the value of the Covenant at its effective date, as established by an appraisal conducted by Wayne Harding and dated March 10, 2025 was Two Hundred Sixty Thousand Dollars (\$260,000.00).

c) Severability. If any provision of this Covenant, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Covenant, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

d) Sales; Leasing; Approval of District; Assignment of Possessory Interests. OWNER may sell or lease the Property subject to the limitations in this Section 12 and Section 4(e). OWNER shall give notice to DISTRICT of the conveyance of any interest in the Property at least forty-five (45) days prior to the date of such conveyance. Prior to the completion of any transfer of the Property, OWNER shall disclose the existence of this Covenant and the Conservation Easement to the prospective buyer. No lease or other transfer of a possessory interest in the Property shall constitute an assignment of rights or duties created by this Covenant nor shall it constitute a novation. Any lease or transfer of any possessory interest in the Property will be in writing, shall acknowledge this Covenant and the Conservation Easement, and be subject to all terms of this Covenant and the Conservation Easement. A failure to comply with these requirements is a material breach of this Covenant subject to remedies set forth in Section 11.

e) Third Party Beneficiaries. DISTRICT and OWNER do not intend and this Covenant shall not be construed to create any rights in third parties.

f) Integration. This Covenant is the final and complete expression of the agreement between the parties with respect to the subject matter herein, and any and all prior or contemporaneous agreements written or oral are merged into this written instrument, except for the Conservation Easement, which shall remain in full force and effect.

g) Covenant to Bind Successors. This Covenant shall be a burden upon and shall continue as a covenant and equitable servitude running in perpetuity with the Property and shall bind OWNER and its successors in interest, including but not limited to purchasers at tax sales, assigns, and all persons claiming under them forever. The parties intend that this Covenant shall benefit and burden, as the case may be, their respective successors, assigns, heirs, executors, administrators, agents, officers, employees, and all other persons claiming by or through them pursuant to the common and statutory law of the State of California. Further, the parties agree and intend that this Covenant creates an easement encompassed within the meaning of the phrase "easements constituting servitudes upon or burdens to the property," such that a purchaser at a tax sale will take title to the Property subject to this Covenant.

h) Counterparts. This Covenant may be signed in multiple counterparts, each of which

constitutes an original, and all of which, collectively, constitute only one agreement.

i) Effective Date. This Covenant shall be effective as of the date of its recordation in the Office of the Sonoma County Recorder ("Effective Date").

(Signatures on next page)

IN WITNESS WHEREOF, OWNER and DISTRICT have executed this Covenant this _____ day
of _____, 20__.

OWNER:

TIERRA VEGETABLES, INC.

By: _____

Wayne James, [Corporate or partnership representation of authority to sign]

DISTRICT:

SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT

By: _____

NAME, President of the Board of Directors

ATTEST:

Noelle Francis, Deputy Clerk of the Board of Directors

Exhibits

Exhibit A: Legal Description

Exhibit B: Agricultural Map

Exhibit C: Description of Agricultural Area

Exhibit D: District Lease

[ACKNOWLEDGEMENTS]

EXHIBIT A

Legal Description

For APN/Parcel ID(s): 059-230-040-000 (Old) 059-230-089-000 (New) and 059-230-074-000 (Old)
059-230-088-000 (New)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF SONOMA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Being situated in the Northwest 1/4 of Section 29, Township 8 North, Range 8 West, Mount Diablo Meridian:

Commencing at a found 1/2" iron pipe as shown on that certain Record of Survey Map, entitled, "Record of Survey in Section 29, etc.", recorded in [Book 60 of Maps, Page 6](#), Sonoma County Records, said pipe lies on the East line of that certain 1.47 acre parcel, being the lands of Frank and Anna Johnson, and is North 300.0 feet from the Southeast corner thereof; thence from said point of commencement East 19.8 feet to a found 1/2" iron pipe on the South line of mark West Station Road; thence South 300.00 feet to set 1/2" iron pipe and tag, being the true point of beginning for the parcel to be herein described and also the most Southwesterly corner of the lands conveyed to the mark West Neighborhood Church, as said conveyance is [recorded in Book 1510 of Official Records, Page 365](#), Sonoma County Records; thence from said true point of beginning, South 515.46 feet to a found 1/2" iron pipe as referred to in that certain Grant Deed from John A. Esposti, et ux., and Michael J. Debonis, et ux., to the State of California and [recorded in Book 1642 of Official Records, Page 323](#), Sonoma County Records; thence North 89° 57' 30" East, 185.90 feet (State Deed 186.02) to a found 1/2" iron pipe, also referred to in said Deed; thence South 57.05 feet to a 1/2" iron pipe and tag set for the most Northwesterly corner of that certain 1.357 acre tract as described in Deed from Sonoma County Land Title Company to the State of California and [recorded in Book 1722 of Official Records, Page 459](#), Sonoma County Records; thence along the Northeasterly line of said 1.357 acre Parcel, from a tangent that bears South 75° 25' 17" East (all State Deed bearings shown hereafter rotated 39° 57') along a curve to the right with a radius of 450.00 feet, through an angle of 29° 36' 33" an arc length of 232.55 feet; thence South 45° 48' 44" East, 198.08 feet; thence along a curve to the left with a radius of 350.00 feet, through an angle of 23° 49' 38" an arc length of 145.55 feet; thence South 69° 38' 22" East, 75.85 feet; thence South 0° 22' 30" East, 12.00 feet to the Northerly line of Lone Redwood Road (60 feet wide); thence along said Northerly line of Lone Redwood Road (60 feet wide); thence along said Northerly line, North 89° 37' 30" East, 797.36 feet to a point in the center of Fulton Road; thence along the center of Fulton Road North 0° 00' 51" West, 1012.56 feet to a point (from which a set 1/2" iron pipe and tag bears North 89° 57' 39" West, 24.06 feet); thence leaving said Road, North 89° 57' 39" West, 1023.80 feet to a set 1/2" iron pipe and tag; thence North 20.00 feet to a set 1/2" iron pipe and tag; thence North 89° 57' 39" West, 220.00 feet to a found 1/2" iron pipe and tag (L.S. 2756); thence North 175.00 feet to a found 1/2" iron pipe and tag (L.S. 2756); thence on a curve to the right with a radius of 25.00 feet for a distance of 39.27 feet to a found 1/2" iron pipe and tag (L.S. 1286) said found iron pipe being a point on the South line of Mark West Station Road, as described in Deed to the County of Sonoma and [recorded in Book 1571 of Official Records, Page 589](#), Sonoma County Records; thence along the Southerly edge of said road, North 89° 57' 39" West, 100.00 feet to a set 1/2" iron pipe and tag; thence on a curve to the right with a radius of 25.00 feet, from a tangent which bears South 89° 57' 39" East, for a distance of 39.27 feet to a set 1/2" iron pipe and tag; thence South 275.00 feet to a set 1/2" iron pipe and tag; thence North 89° 57' 39" West, 225.00 feet to the point of beginning, basis of bearings; centerline Lone-Redwood Road by found monuments course North 89° 37' 30" East, all tags mentioned herein and not otherwise identified bear the inscription "R.S. Hogan, L.S. 2798".

Excepting therefrom, the following described property:

Being a portion of the lands of utilities and Industries Corporation, as [recorded in Book 1891 of Official Records, Page 597](#), and being more particularly described as follows:

Beginning at a 1/2" iron pipe monument found on the dividing line of the said lands of utilities and Industries Corporation and the lands of Kenneth G. and Joan Lucille Lawson, as [recorded in Book 2512 of Official Records, Page 608](#), from which Engineer's Station 30+07.31 P.O.T. as shown on a Map entitled "Fulton Road", dated January 1977, and on File in the Office of the Sonoma County Department of public works, bears South 89° 19' 39" East, 22.49 feet; thence from said point of beginning and along said dividing line, North 89° 19' 39" West,

EXHIBIT "A"
Legal Description
(continued)

12.51 feet to a point from which a 1/2" iron pipe monument found in the North line of the said lands of utilities and Industries Corporation, bears North 89° 19' 39" West, 987.46 feet; thence leaving said dividing line, South 0° 36' 56" West, 7.03 feet to a point from which Engineer's Station 30+00 28 E.C. bears South 89° 23' 04" East, 35.00 feet; thence curving to the right with a radius of 4965 feet, through an angle of 2° 47' 34" for a distance of 242.01 feet to a point from which Engineer's Station 27+56.55 P.R.C. bears South 86° 35' 30" West 35.00 feet; thence curving to the left from a tangent which bears South 3° 24' 30" West, with a radius of 5035 feet through an angle of 2° 33' 46" for a distance of 225.21 feet to a point from which Engineer's Station 25+32.91 B.C. Bears South 39° 09' 16" East, 35.00 feet; thence South 0° 50' 44" West, 513 feet, more or less; thence curving to the right with a radius of 25 feet to a point on the South line of the said lands of utilities and Industries Corporation; thence along said South line in an Easterly direction to the Southeast corner of the said lands of utilities and Industries Corporation; thence along the East line of the said lands of utilities and Industries Corporation in a Northerly direction to the Northeast corner of the said lands of utilities and Industries Corporation; thence along the said North line of the said lands of utilities and Industries Corporation, North 89° 19' 39" West, to the point of beginning.

Basis of bearing: Bearing between monuments S-111 and S-112, as shown on a Map entitled, "California State Highway Monument Map", Page S-141.8 and on File in the Sonoma County Department of Public Works.

Further Excepting Therefrom, All the lands as shown on that certain Map entitled, Larkfield Meadows Subdivision, filed for record August 8, 1985, in [Book 375 of Maps, at Pages 6](#) through 9, inclusive, Sonoma County Records.

Further Excepting Therefrom, The lands conveyed to the County of Sonoma in the Deed recorded August 20, 1985, under Recorder's Serial #85-54642, Sonoma County Records.

Further Excepting Therefrom, That portion conveyed to the County of Sonoma in the Deed recorded September 12, 2014, [Instrument No. 2014-64155](#), Sonoma County Records.

Further Excepting Therefrom, That portion conveyed to the State of California in the Deed recorded September 17, 2014, [Instrument No. 2014-65284, of Official Records](#).

Exhibit B Agricultural Map

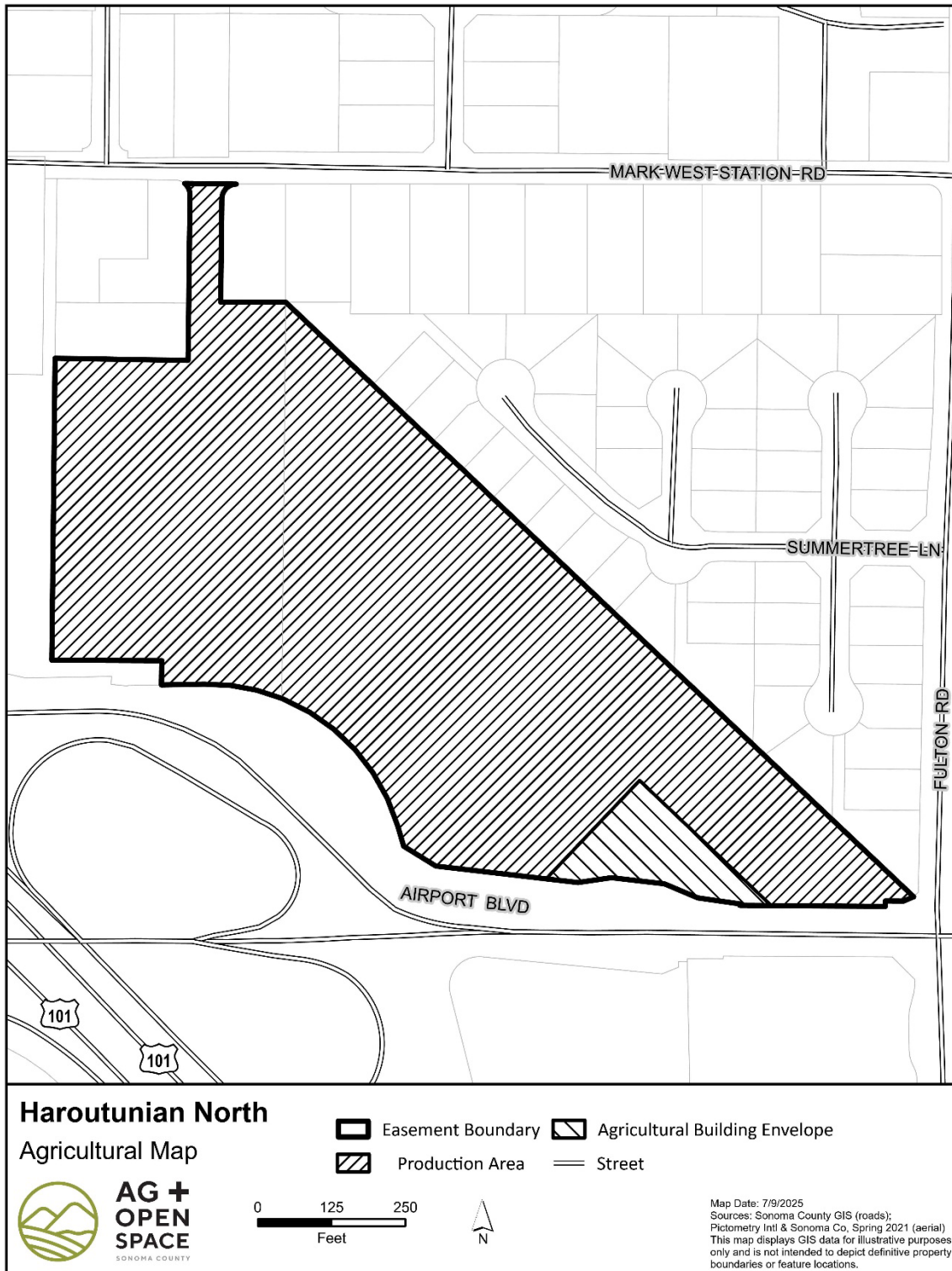


Exhibit C

Description of Production Area

Lying within the State of California, County of Sonoma, Unincorporated Area, and being a portion of the lands of Sonoma County Agricultural Preservation and Open Space District, a Special District formed pursuant to the California Public Resources Code, as described in that Grant Deed recorded February 27, 1998 under Document Number 1998-0019034, Official Records of Sonoma County, said portion is more particularly described as follows:

Being situated in the Northwest 1/4 of Section 29, Township 8 North, Range 8 West, Mount Diablo Meridian:

Beginning at a 1/2" iron pipe as shown on that certain Record of Survey Map, recorded in Book 381 of Maps, Page 4, Sonoma County Records, said point being in the most southeasterly corner of that certain 17.83 acre parcel and being the found 1/2" pipe, tagged R.C.E. 23082, from which a 2" brass disk in monument well stamped C.S.S.C. as shown on said map bears South 34°07'06" East 75.00 feet; thence from said POINT OF BEGINNING, South 45°35'51" West 31.36 feet to a 1/2" iron pipe as shown as a 1/2" set iron pipe, tagged R.C.E. 23082 on previously said map; thence North 89°45'20" West (bearing shown on Record of Survey Monumentation Map, recorded in Book 822 of Maps, Page 49-57, Sonoma County Records) 205.40 feet; thence leaving said North line, parallel with the Northeast line of said lands, North 46°25'20" West 333.82 feet; thence South 43°34'40" West 241.41 feet to the West line of said lands, as shown on Record Of Survey Monumentation Map, recorded in Book 822 of Maps, Page 55, Sonoma County Records (said line is marked South 83°33'55" East 241.83 feet); thence along the West line of said lands, North 83°33'35" West 177.67 feet; thence North 58°30'42" West 63.90 feet; thence North 16°33'53" West 36.00 feet; thence along a curve to the left with a radius of 334.00 feet with a delta of 74°38'01" and a length of 435.07 feet; thence North 88°48'07" East 66.23 feet to the West line of said lands; thence along the West line of said lands, North 0°44'19" East 42.21 feet; thence North 89°45'41" West 186.01 feet; thence North 0°36'43" East 515.27 feet; thence South 89°20'25" East 225.05 feet; thence North 0°44'40" East 97.08 feet; thence North 0°37'40" East 178.15 feet; thence along a curve to the left with a radius of 25.00 feet, with a delta of 89°56'51", and a length of 39.25 feet, to the South line of Mark West Station Road; thence along said South line, South 89°19'11" East 100.00 feet to a point of cusp; thence leaving said South line and along the easterly line of said lands, along a non-tangent curve with a radial bearing of South 0°40'48" West, a radius of 25.00 feet, delta angle 90°03'08" and a length of 39.29 feet; thence South 0°37'40" West 174.95 feet; thence South 89°18'12" East 110.06 feet; thence South 46°25'20" East 1470.01 feet to the POINT OF BEGINNING.

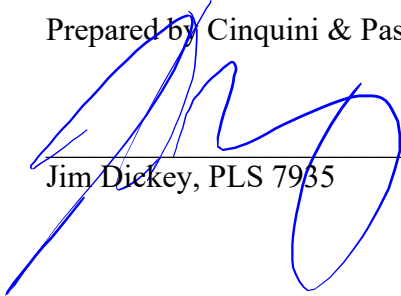
Containing 15.51 Acres more or less

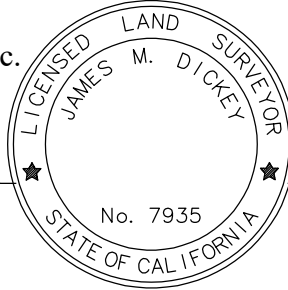
END OF DESCRIPTION

Exhibit C
Description of Production Area

Being a portion of APNs 059-230-088 & 059-230-089

Prepared by Cinquini & Passarino, Inc.


Jim Dickey, PLS 7935



8/20/2025

Date

EXHIBIT D
District Lease

AGRICULTURAL LEASE

**OFFERED TO THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT
PURSUANT TO PARAGRAPH 11 OF THE FOREGOING AGRICULTURAL COVENANT**

WHEREAS, this Lease is attached to and made a part of the Affirmative Agricultural Covenant (“Covenant”) first entered into by and between Tierra Vegetables, Inc. a California S Corporation and the Sonoma County Agricultural Preservation and Open Space District, a special District formed pursuant to the California Public Resources Code (“Lessee”); and

WHEREAS, Lessor is the Owner of the Property subject to the Covenant, which ownership may change from time to time. This Lease, like the Covenant of which it is a part, shall run with the land; and

WHEREAS, Lessee is the Sonoma County Agricultural Preservation and Open Space District, which holds a conservation easement (“Conservation Easement”) on the Property. This Conservation Easement was recorded on the same date as the Covenant in the official records of Sonoma County; and

WHEREAS, in the Covenant, Lessor, as owner of the Property on behalf of itself and all successors in interest to the Property, covenanted and agreed that, if Lessor failed, for any reason, to keep the Property in active agricultural production, and Lessor did not timely secure forbearance from Lessee or enter into an agricultural lease with a Qualified Operator to the terms of the Covenant, Lessee had the right to unilaterally invoke this Lease pursuant to the terms hereof as well as to assign this Lease or sublet all or a portion of the Property, at Lessee’s sole discretion, to any Qualified Operator, as determined by Lessee, who agrees to conduct Agricultural Uses (as that terms is defined in Paragraph 4 of the Covenant) on the Property in compliance with the Conservation Easement and all applicable laws and ordinances; and

WHEREAS, Lessor has ceased active agricultural operations on the Property for an unexcused period, and Lessee has notified Lessor that Lessee intends to invoke this Lease pursuant to the terms of the Covenant.

NOW, THEREFORE, for and in consideration of their mutual covenants, agreements, and undertakings hereinafter set forth, Lessor and Lessee agree as follows:

1. Lease. Lessor and Lessee agree that this Lease will be deemed fully effective and valid on the date that Lessor receives Lessee's written notification that the circumstances upon which Lessee is entitled to invoke this Lease have occurred and that Lessee intends to invoke this Lease ("Lessee's Notice of Intent to Lease"); provided that, during the Term (as defined below) of this Lease, Lessee shall not use the Property or any part thereof for any purpose other than the purpose(s) stated in this Lease or in violation of the Conservation Easement or any applicable law or ordinance. In Lessee's Notice of Intent to Lease, Lessee shall provide the Annual Fair Market Value of this Lease (as defined and further described in Section 3 below) and all data and information that Lessee relied upon to calculate same. Lessee shall have the right, but not the obligation, to lease the entire Property, including all structures and improvements. Lessee's Notice of Intent to Lease shall indicate which portions of the Property shall be subject to this leasehold.
2. Term. The term of this Lease shall commence on the date of Lessor's receipt of Lessee's Notice of Intent to Lease ("Effective Date"), regardless of the date of Lessee's actual entry, and shall run for a period of five (5) consecutive years ("Initial Term"). Said Lease shall renew automatically at the end of each five (5)-year term for an additional five (5) years so long as Lessee is in full compliance with all of the covenants and conditions contained in this Lease, unless (i) Lessee notifies Lessor of Lessee's intent to terminate this Lease, which notice must be given in writing not less than ninety (90) days prior to date of termination of any existing term or (ii) Lessor notifies Lessee of Lessor's intent to terminate this Lease, which notice must be given in writing not less than ninety (90) days prior to date of termination of any existing term and provided that Lessor may only so terminate if Lessor intends to conduct, and within three (3) months of said termination actually commences conducting, Agricultural Use on the Property in compliance with the Covenant and all applicable laws and ordinances and the terms and conditions of the Conservation Easement.

The Initial Term and any succeeding five-year term complying with the terms of this section shall be referred to herein as the "Term" of this Lease.

3. Lease Payment. Lessee agrees to pay annually as rent the sum equal to the "Annual Fair Market Value" of this Lease as of the Effective Date. The Annual Fair Market Value of this

Lease shall be determined according to an appraisal or, if possible, the following method: (i) Lessee shall compile annual rental rates of three (3) agricultural leases currently in effect from the nearest comparable agricultural operations to the Property; (ii) those rental rates shall be divided by the respective number of acres subject to such other agricultural leases, which will produce a per-acre rate for each lease; those three per-acre rental rates shall be averaged and rounded to the nearest whole dollar; and (iv) such average shall be multiplied by the number of acres subject to this Lease, thereby producing the Annual Fair Market Value of this Lease. This Annual Fair Market Value may not be disputed by Lessor so long as Lessee has satisfied the terms of this section.

- a. For illustrative purposes only, if the number of acres subject to this Lease is 100, and Lessee compiles the following annual rental rates for the leases on the three nearest comparable farming operations then in effect, the Annual Fair Market Value of this Lease would be \$12,800/year, calculated as follows:

Farm A: \$4,200 (40 acres): \$105/acre

Farm B: \$5,000 (50 acres): \$100/acre

Farm C: \$3,600 (20 acres): \$180/acre

*Average: \$128/acre * 100 acres = \$12,800/year = Annual Fair Market Value*

The Annual Fair Market Value shall be paid by Lessee either (I) on an annual basis on or before the first day of each year of the Term; or (II) on a monthly basis on or before the first day of each month of the Term (with the first month's rent of the Initial Term and last month's rent of any unextended Term to be prorated based on a 30-day month). The Annual Fair Market Value shall be adjusted every five (5) years according to the method provided in this section. Any other payment arrangement shall require the prior written approval of Lessee and Lessor. Upon assignment of this Lease or sublease of the Property as provided in Section 4 below, Lessee shall keep records of all expenses related to such assignment or subleasing and may deduct those expenses from the annual rent payment.

4. Assignment/Sublease. Lessee may freely assign this Lease or sublet all or a portion of the Property to a Qualified Operator at any time during the Term without any prior notice to or consent of Lessor and in Lessee's sole and absolute discretion; provided that Lessee shall provide written notice to Lessor of any such assignment or sublease and the identity of the Qualified Operator sublessee within thirty (30) days of executing such assignment or

sublease. Lessee shall provide a full copy of the Covenant and the Conservation Easement to such sublessee upon the execution of any such assignment or sublease of this Lease by Lessee pursuant to this paragraph.

5. Utilities; Taxes. Lessor shall continue to pay all charges for heat, electricity, gas, telephone, water, trash collection, sewer and all other utilities, if any, servicing the Property during the Term of the Lease and shall continue to pay existing real property taxes and customary increases, except for any increases attributable to Lessee's activities on, or improvements to, the Property. Lessee shall be solely responsible for the payment of any personal property taxes levied on the personal property owned by Lessee and used on the Property.
6. Permitted Agricultural Operations. Lessee may use the Property only for Agricultural Use as defined by the Covenant, which includes but is not limited to restoration, preparation and/or maintenance of the Property for future Agricultural Use. Notwithstanding the foregoing, Lessee may conduct, at its discretion, any Agricultural Use on the Property that is in compliance with all applicable laws and ordinances and the terms and conditions of the Conservation Easement. Lessee shall be solely responsible for the cost of all materials, equipment, and labor required to conduct Agricultural Use on the Property, including but not limited to sprays, trellises, and other infrastructure and inputs, but may deduct from the rent paid to Lessor those costs incurred by Lessee associated with the implementation of any restoration, preparation, and maintenance of the Property for future Agricultural Use.
7. Future Improvements. Lessee may make such improvements to the Property as are reasonably necessary for the permitted agricultural operations on the Property, provided that any such improvement shall comply with the terms and conditions of the Conservation Easement as well as any applicable law and regulation, whether municipal, state and/or federal, now in force, or which may hereafter be in force, pertaining to the Property and Lessee's use and occupancy thereof. Any cost and expense incurred as a result of the improvements shall be paid by Lessee.
8. Maintenance; Storage; Dumping. Lessee shall maintain all portions of the Property in a reasonable state of cleanliness and orderly condition, free from trash, waste and debris; provided, however, that the deposition of organic materials used on the Property for, or resulting from, the conduct of Agricultural Use that are conducted in accordance with this Lease and the Conservation Easement is permitted. Lessee may store and/or deposit

material and equipment about the Property on a temporary basis and in accordance with sound agricultural practices.

9. Hazardous Substances. Lessee shall not install, store, treat, use, transport, or otherwise dispose of any hazardous materials on, under, above, or in the Property unless such use, storage, and transportation is in compliance with all applicable laws. As used in this Lease, the term "hazardous substances" means any substance, material, or waste now or hereafter determined by any federal, state, or local governmental authorities to be capable of posing a risk of injury to health, safety, or property, including, but not limited to, any substance, material, or waste: (i) containing asbestos, radioactive materials, petroleum, petroleum fractions, or petroleum distillates; (ii) now or hereafter defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (iii) now or hereafter defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6903; or (iv) now or hereafter defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601 *et seq.*
10. Indemnification; Insurance. Lessee shall indemnify, defend, and hold harmless Lessor from any and all claims, demands, lawsuits or judgments arising out of Lessee's use of the Property during the Term of this Lease. Lessee agrees to carry and maintain at its own cost and expense throughout the entire term of this Lease a policy or policies of insurance, in which Lessor shall be named as an additional insured, insuring against death or injury to persons and damage to property in an amount not less than \$2,000,000.00 combined single limit for both bodily injury and property damage liability type claims. Prior to taking possession of the Property, Lessee shall deliver to Lessor a certificate of the insurance company issuing such insurance, evidencing such coverage.
11. Default. In the event Lessee defaults in performing or observing any of the covenants or conditions of this Lease and does not cure such default within thirty (30) days of Lessee's receipt of written notice thereof by Lessor, or under circumstances where the default cannot reasonably be cured within a thirty (30)-day period, fails to begin curing the violation within the thirty (30)- day period, or does not continue diligently to cure the failure until finally cured, Lessor may, at Lessor's option, terminate and cancel this Lease, re-enter the Property and dispossess Lessee and remove its effects and take possession of the Property and hold the same as if this Lease had not been made. All terms of the

Covenant and Conservation Easement shall, in any event, continue in full force and effect and no portion of this Lease shall be construed to condition, amend or modify the Covenant and Conservation Easement.

12. Quarantine. Lessee shall not be required to pay rent for any portion of the Property during any such time that such portion of the Property is quarantined by the State of California, the County of Sonoma, or similar governmental agency. In such event, the annual rent shall be proportioned based upon the area of the Property quarantined and the number of days the quarantine remains in effect.
13. Notice. Any bill, statement, or notice that either party desires to give or is required to be given by the terms of this Lease shall be made in writing and delivered or mailed to the intended recipient at the parties' respective addresses shown on the first page of this Lease (or to such other address as such party may designate to the other pursuant to the terms of this section). Said notice will be considered delivered on the day it is mailed, if applicable, or if not mailed, when actually delivered to the recipient at the proper address. Any such notice shall be delivered personally; sent by certified U.S. mail, return receipt requested, with sufficient postage prepaid; or sent by a reputable overnight delivery service.
14. Amendment. This Lease may be amended only by an agreement in writing signed by the parties to this Lease.
15. Termination. In addition to other events of termination provided for in this Lease, this Lease may also be terminated at any time upon mutual consent of Lessor and Lessee.
16. Surrender of Property. Upon the expiration or termination of this Lease, Lessee shall quit and surrender the Property to Lessor. On termination or expiration, Lessee shall have the right to remove personal property at its expense, and shall have sixty (60) days after the expiration of the Lease in which to remove any or all of said personal property. If Lessee fails to remove all said personal property within 60 days after expiration of the Lease, then that personal property not removed shall be deemed abandoned by Lessee and title to that property may be retained by Lessor.
17. Eminent Domain. If the whole or any part of the Property is acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the terms of this Lease shall terminate from the date of title vesting in such condemning entity, and Lessee

shall have no claim against Lessor for the value of any unexpired Term of this Lease.

18. Lien. This instrument shall not be a lien against said Property in respect to any mortgages that hereafter may be placed against said Property and that the recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien to this Lease, irrespective of the date of recording, and Lessee agrees to execute any such instrument, without cost, which may be deemed necessary or desirable to further effect the subordination of this Lease to any such mortgage or mortgages.
19. No Broker. Each party represents to the other that no broker brought about the signing of this Lease. In the event any person asserts a claim for a broker's commission or finder's fee, the party on account of whose conduct or actions the claim is asserted will indemnify, defend and hold the other party harmless from said claim.
20. Lease Runs with the Property. This Lease and all its terms shall run with the Property and shall survive a sale of the Property by Lessor.
21. Successors and Assigns. The covenants, conditions, and agreements contained in this Lease shall bind and inure to the benefit of Lessor and Lessee and their respective heirs, successors, and permitted assigns.
22. Entire Agreement. Any prior negotiations, oral representations, or statements made by either Lessor or Lessee are merged into this Lease. All prior claims, counter-claims, defenses, or actions are extinguished upon execution of this Lease. This Lease contains and fully integrates the entire agreement between the parties, and it shall not be modified in any manner except by an instrument in writing executed by the parties. If any term or provision of this Lease or the application of this Lease to any person or circumstances shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Lease, or the application of such Lease's terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each remaining term and provision of this Lease shall be valid and shall be enforced to the fullest extent permitted by law.
23. Construction. This Lease shall be governed by and construed under the laws (statute and common) of the State of California. Paragraph headings and summaries are for convenience only. In no event shall any such title or caption be deemed to be part of this Lease or interpretive of any of its language or intent. No provision of this Lease is to be

interpreted for or against either party because that party or that party's legal representative drafted this Lease or any of its provisions. Words of any gender in this Lease shall be held to include any other gender, and words in the singular number shall be held to include the plural when the sense requires.

24. Time of Essence. Time is of the essence in this Lease and all the provisions relating to timely performance shall be strictly construed.

[End of Exhibit]