



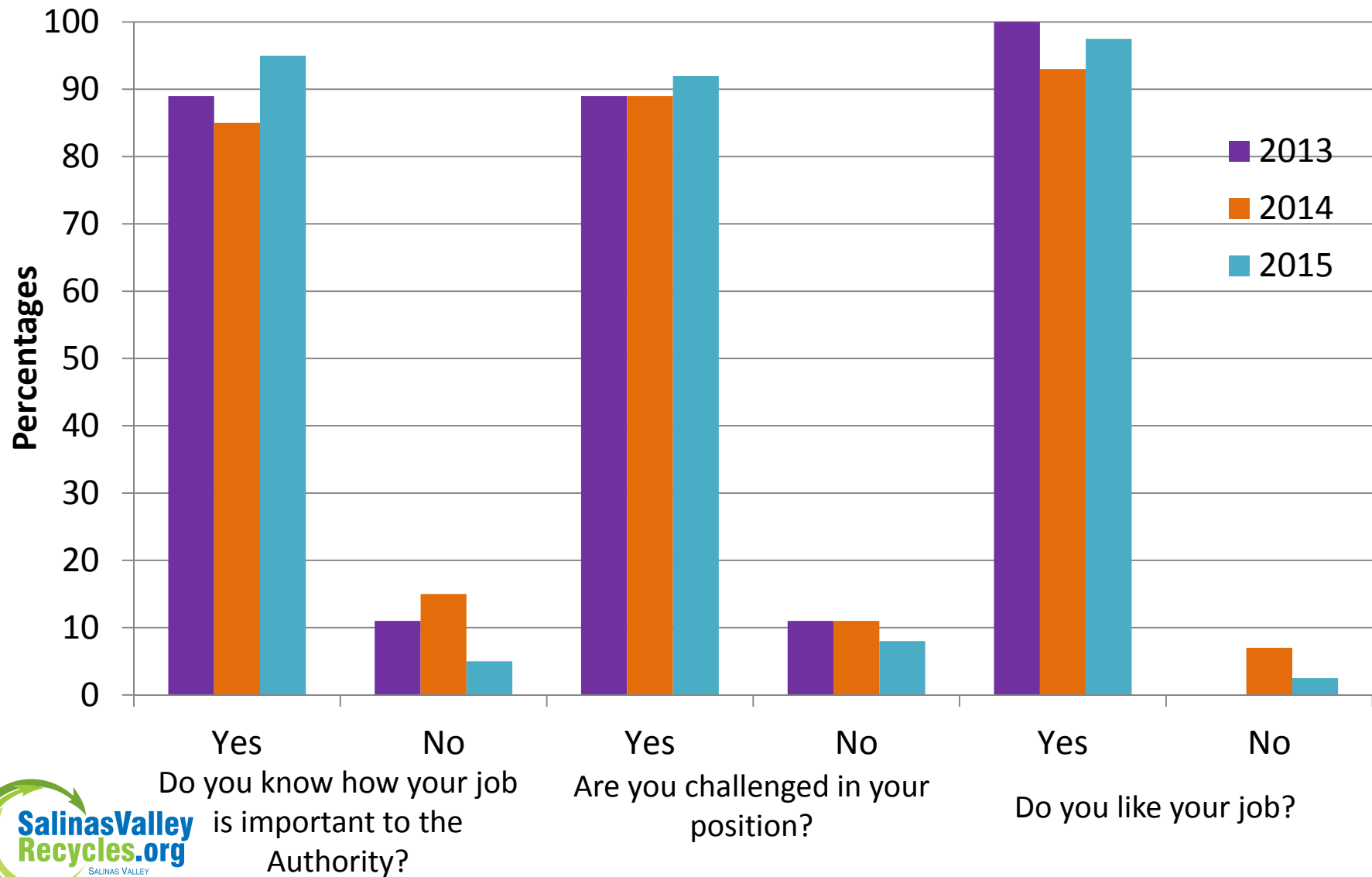
2015 EMPLOYEE SURVEY RESULTS

By: Rose Gill
Human Resources /
Organizational Development Manager

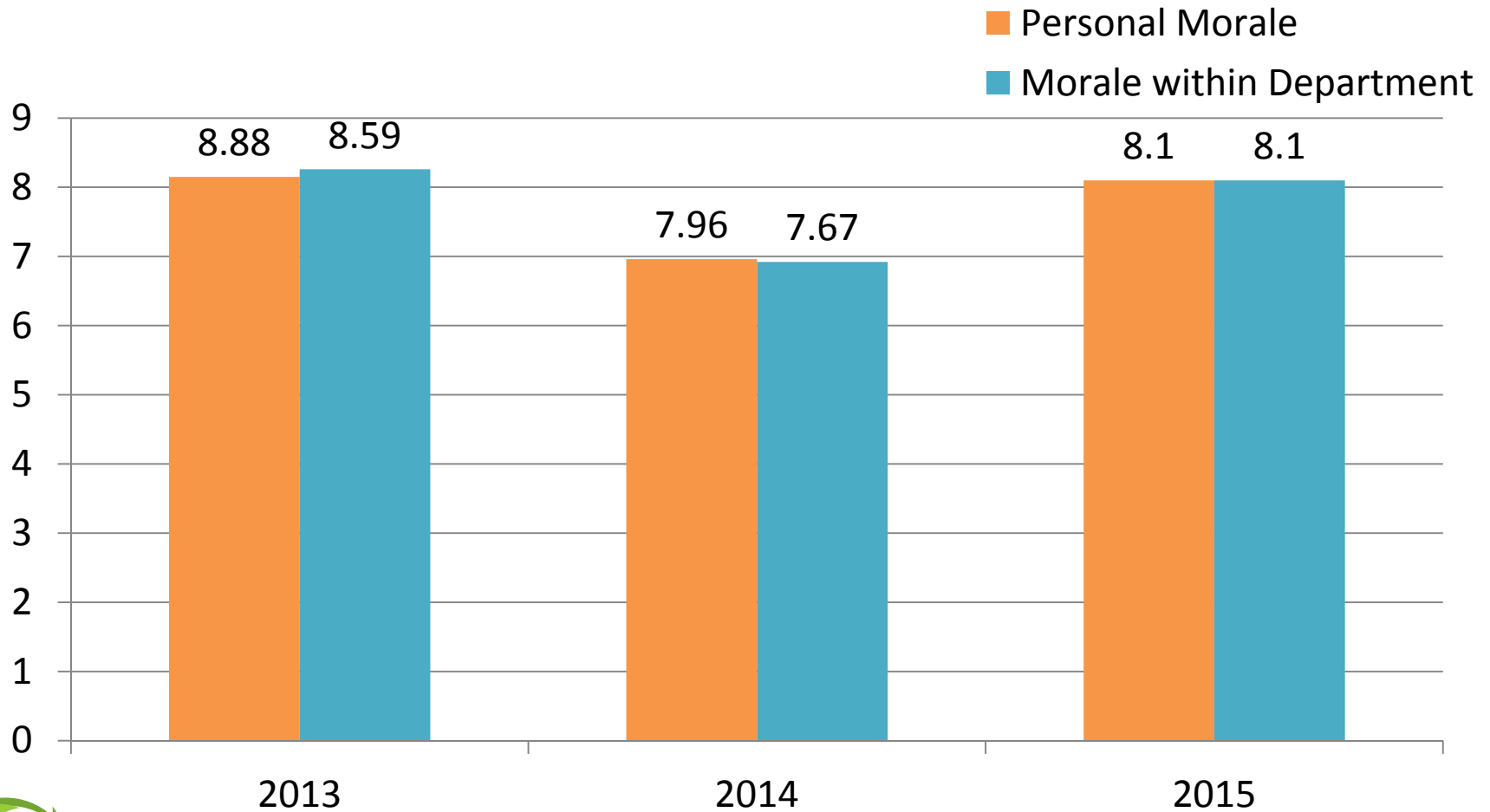
GOAL OF SURVEY

- Measure employees' engagement
- Collect ideas for improvement
- Determine morale and satisfaction levels and any trends

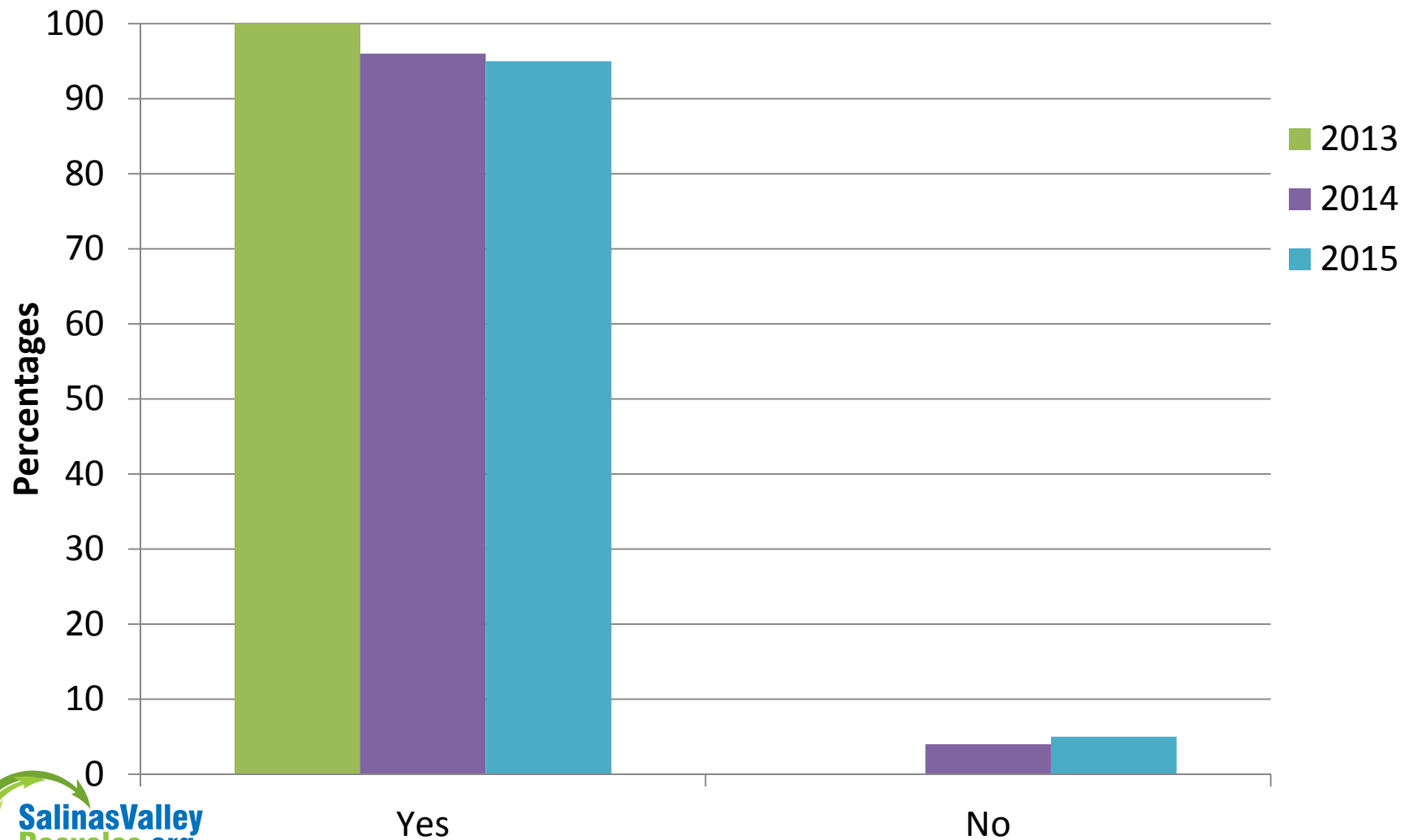
JOB ATTITUDE



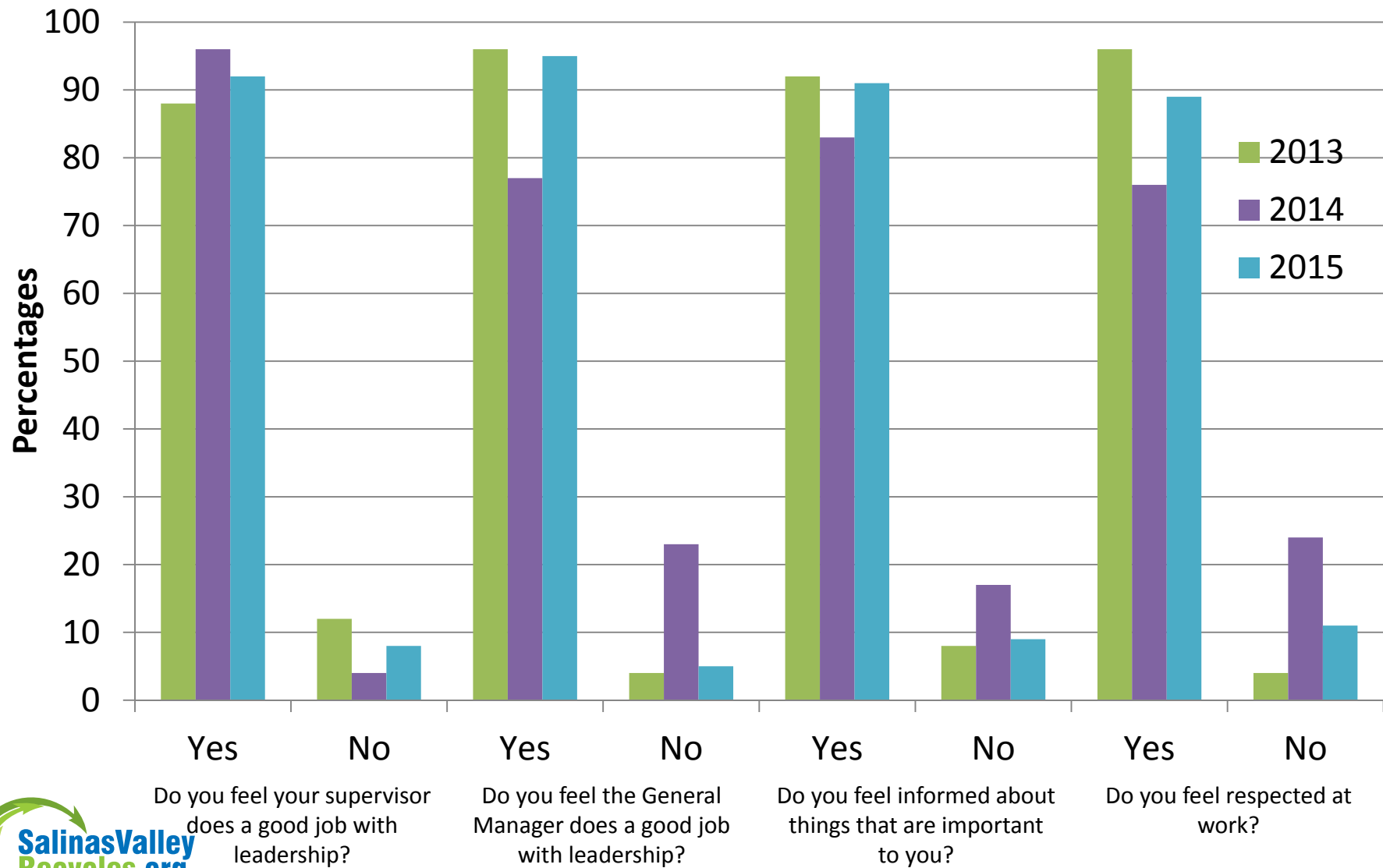
MORALE



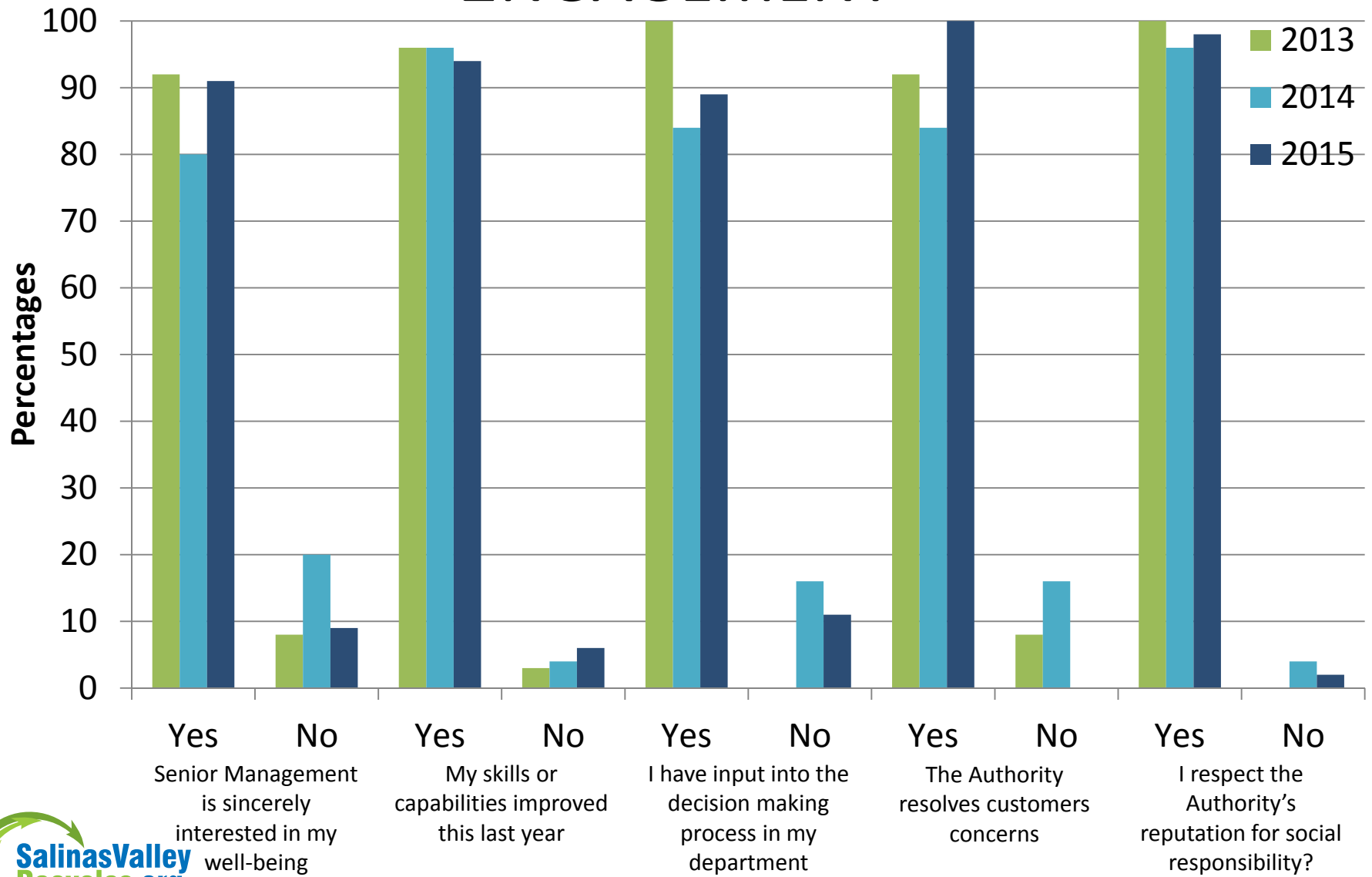
DO YOU KNOW THE MISSION, VISION AND GOALS OF THE AUTHORITY



GENERAL ATTITUDE



ENGAGEMENT



KEY RESPONSES

- Morale is up this year.
- Employees reported positive comments about their jobs.
- Other items

NEXT STEPS

- Each department will meet with their respective managers to gather initiatives for improvement
- Managers and staff to continue with recommending improvements
- Use the survey as benchmark for improving next years responses



Jolon Road and Crazy Horse Transfer Station Operations

*Board of Directors
January 21, 2016*

2006 Jolon Road Agreement

- **Transfer station operations**
- **Scale house operations**
- **Expires September 1, 2016**
- **Annual cost \$722,798**
- **Corp yard lease for \$1 a year**
- **Property Purchased by SVR for \$1**



Waste Management Services

- **70 tons per day average (Monday – Saturday)**
- **80% of the waste is from Franchise - City of King + southern Unincorporated County**
- **20% Self haul and commercial**
- **Transportation costs already included in franchise agreements - paid by customers**



Jolon Road Operations

	5-1 / 2 Days Per Week	3 Days Per Week
WM Current Annual Cost	\$722,798	\$TBD
SVR Estimated Annual Cost	\$674,012	\$504,397
Franchise Transport Fee @ \$17/ton	(\$244,800)	\$0
Corp Yard Lease	(\$52,440)	(\$52,440)
SVR Cost to Operate	\$376,772	\$451,957
Estimated SVR Operations Savings	\$346,026	\$270,841



Crazy Horse Option

Jolon Road Transfer Station

3 days per week and

Crazy Horse Convenience Station

2 days per week (20 tons per day)



Jolon Road and Crazy Horse Option

	Estimated Annual Cost	Estimated Corp Yard Revenue	Net Savings
Jolon Road 3 Days/Week	\$451,957		
Crazy Horse 2 Days/Week	\$308,401		
Total	\$760,358		
WM Current	\$722,798		
Annual Savings	(\$37,560)	\$52,440	\$14,880



Jolon Road and Crazy Horse Option Consideration

- **Jolon Road franchise and self haul direct-hauled to Johnson Canyon**
- **Additional traffic to Johnson Canyon**
- **Additional public traffic on Crazy Horse Road**
- **Transportation costs in King City and County franchise agreements**
- **Waste Management would lease corp yard**



Options

- 1) Negotiate with WM for continued operations**
- 2) SVR assumes 5-1/2 day per week operations**
- 3) Operate 3 days per week at Jolon Road**
- 4) Operate 2 days per week at Crazy Horse**
- 5) Lease corp. yard to Waste Management**





Working for A FUTURE without landfills!

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www.SalinasValleyRecycles.org





* Revised 1/21/16

ITEM NO. 12

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: January 21, 2016

From: Patrick Mathews, General Manager/CAO

Title: A Resolution Approving an Option and Purchase Agreement between the Salinas Valley Solid Waste Authority and Keith Anderson and Johnny Schot Martins, as Co-Trustees of the Marvin Martins 1996 Revocable Trust; Dennis Martins, as Successor Trustee of the Nolan Martins Trust B under Agreement dated June 19, 1962; Dennis Martins, an Individual; Noelyn Correa, an Individual; Antonette Martins, an Individual; and Darrin Martins, an Individual for a 17.5 Acre Parcel at the Intersection of U.S. Highway 101 with Sala and Harrison Roads, Assessor's Parcel No. 113-091-017 in the Initial Amount of \$80,000; \$75,000 for Fiscal Years 2016-17 and 2017-18; and \$100,000 for
* Fiscal Year 2018-19, if Needed

RECOMMENDATION

Staff recommends the Board adopt the Resolution to execute the option agreement.

STRATEGIC PLAN RELATIONSHIP

The recommended action advances the progress on the Goal to Complete the Fact Finding Process for the Salinas Area Materials Recovery Center and GOE's Clean Fiber Organics Recovery System by securing a potential site to be included in the final project description for future Board consideration.

FISCAL IMPACT

Funding for the \$5,000 payment to the escrow account and the \$75,000 option payment are not included in the current budget. Funding will be provided by a transfer from the Supplemental Capacity Reserve Fund 180. The estimated ending Fund balance will be reduced by \$80,000 to \$7.42 million. Funding for the next option payment of \$75,000 would be included in the Fiscal Year 2016-2017 and 2017-2018 budget and \$100,000 for
* Fiscal Year 2018-19 (if needed), also from the Supplemental Capacity Reserve Fund.

DISCUSSION & ANALYSIS

The Harrison Road property is a 17.5 acre parcel located on the south side of Highway 101 near the Sala Road interchange past the northern city limits of Salinas. It has previously been used for irrigated row crops and is currently vacant and fallow. The parcel is now on the market and is currently zoned as Highway Commercial. Through the realtor representing the property, discussions were initiated with the owners, who are amenable

to terms of the agreement which gives the Authority at its sole discretion the right to acquire or not acquire the Property under the stated terms and conditions.

BACKGROUND

During the study of potential locations for Authority facilities, the Harrison Road property was introduced to the Citizen's Advisory Group, the Executive Committee and the Board of Directors. It was approved at the November 19, 2015 meeting, as one of four sites to be studied in the Long Range Facilities Environmental Impact Report as a potential location for a transfer station and/or materials recovery facility including the Clean Fiber Recovery System.

The Board approved similar actions when it exercised an option agreement with Waste Management for the Madison Lane Transfer Station in November of 2002 and the Sun Street properties in December of 2002.

ATTACHMENT(S)

1. Resolution authorizing an Option Agreement
Exhibit A – Agreement is being finalized; it will be distributed by or before the meeting.

RESOLUTION NO. 2016 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING AN OPTION AND PURCHASE AGREEMENT
BETWEEN THE SALINAS VALLEY SOLID WASTE AUTHORITY AND
KEITH ANDERSON AND JOHNNY SCHOT MARTINS, AS CO-TRUSTEES OF THE
MARVIN MARTINS 1996 REVOCABLE TRUST; DENNIS MARTINS, AS SUCCESSOR TRUSTEE
OF THE NOLAN MARTINS TRUST B UNDER AGREEMENT DATED JUNE 19, 1962;
DENNIS MARTINS, AN INDIVIDUAL; NOELYN CORREA, AN INDIVIDUAL;
ANTONETTE MARTINS, AN INDIVIDUAL; AND DARRIN MARTINS, AN INDIVIDUAL
FOR A 17.5 ACRE PARCEL AT THE INTERSECTION OF U.S. HIGHWAY 101 WITH SALA AND
HARRISON ROADS, ASSESSOR'S PARCEL NO. 113-091-017 IN THE INITIAL AMOUNT OF
* \$80,000; \$75,000 FOR FISCAL YEARS 2016-17 AND 2017-18; AND \$100,000 FOR FISCAL YEAR
2018-19, IF NEEDED

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE
AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on
behalf of, the Salinas Valley Solid Waste Authority to execute an Option to Purchase
Agreement with the Marvin Martins 1996 Revocable Trust, the Nolan Martins Trust B Dated
June 19, 1962, Individuals: Dennis Martins, Noelyn Correa, Antonette Martins, and Darrin
Martins, as attached hereto and marked "Exhibit A," in an amount not to exceed \$80,000
during Fiscal Year 2015-2016; \$75,000 for Fiscal Years 2016-17 and 2017-2018; and \$100,000
* for Fiscal Year 2018-19, if needed.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste
Authority at its regular meeting duly held on the 21st day of January 2016, by the following
vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

President

ATTEST:

Elia Zavala, Clerk of the Board

EXHIBIT A**OPTION AND
PURCHASE AGREEMENT**

This Option and Purchase Agreement (this “**Agreement**”) is made by and between KEITH ANDERSON and JOHNNY SCHOT MARTINS, as Co-Trustees of the MARVIN MARTINS 1996 REVOCABLE TRUST; DENNIS MARTINS, as Successor Trustee of the NOLAN MARTINS TRUST B UNDER AGREEMENT DATED JUNE 19, 1962; DENNIS MARTINS, an individual; NOELYN CORREA, an individual; ANTONETTE MARTINS, an individual; and DARRIN MARTINS, an individual (collectively referred to herein as “**Seller**”) and the SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority and governmental entity organized under the laws of the State of California (“**Buyer**”). The “**Effective Date**” of this Agreement and the “**Execution Date**” are each the last date on which this Agreement is signed on behalf of Buyer or Seller, as set forth opposite each signature line at the conclusion of this Agreement.

RECITALS

A. Seller collectively owns that certain real property in the unincorporated portion of Monterey County, California, consisting of approximately 17.5 acres, more or less, situated near the intersection of U.S. Highway 101 with Sala and Harrison Roads commonly known as Assessor’s Parcel No. 113-091-017 and more particularly described in Exhibit “A” attached hereto (the “**Property**”).

B. The Property includes all rights, privileges, easements, and appurtenances thereunto belonging or appertaining thereto, and Seller’s rights, easements or other interests, if any, in and to adjacent streets and rights-of-way, or other property abutting such real property (collectively, the “**Appurtenances**”).

C. The Property includes all improvements and structures, if any, located thereon.

D. Buyer and Seller wish to enter into this Agreement for the purpose of allowing Buyer the opportunity to investigate the Property, its environmental and physical conditions, and the permits and entitlements necessary to develop the Property for the Buyer’s purposes, in order to enable Buyer to perform environmental review as required under the California Environmental Quality Act (“**CEQA**”) so that Buyer may make an informed decision whether to proceed with the purchase and ultimate development of the Property (the “**Development**”) and to give Buyer the right at its sole discretion to acquire or not acquire the Property under the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for good and valuable consideration as herein set forth, Buyer and Seller agree as follows.

ARTICLE I DEFINITIONS

As used in this Agreement, the following terms and phrases shall have the following meanings:

1.1 “Environmental Laws” means and includes all federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 [42 U.S.C.A. §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 [42 U.S.C.A. §§ 6901 et seq.]; the Clean Water Act (also known as the Federal Water Pollution Control Act) [33 U.S.C.A. §§ 1251 et seq.]; the Toxic Substances Control Act [15 U.S.C.A. §§ 2601 et seq.]; the Hazardous Materials Transportation Authorization Act [49 U.S.C.A. §§ 5101 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 U.S.C.A. §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 U.S.C.A. §§ 9601 et seq.]; the Clean Air Act [42 U.S.C.A. §§ 7401 et seq.]; the Safe Drinking Water Act [42 U.S.C.A. §§ 300f et seq.]; the Solid Waste Disposal Act [42 U.S.C.A. §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 U.S.C.A. §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 U.S.C.A. §§ 11001 et seq.]; the Occupational Safety and Health Act [29 U.S.C.A. §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [Health & Saf. Code, §§ 25280 et seq.]; the California Hazardous Substances Account Act [Health & Saf. Code, §§ 25300 et seq.]; the California Hazardous Waste Control Act [Health & Saf. Code, §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [Health & Saf. Code, §§ 25249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat. Code, §§ 13000 et seq.], together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted which pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

1.2 “Hazardous Substances” means and includes without limitation: (a) those substances included within the definitions of “hazardous substance,” “hazardous waste,” “hazardous material,” “toxic substance,” “solid waste,” or “pollutant or contaminant” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 [42 U.S.C.A. §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 [42 U.S.C.A. §§ 6901 et seq.]; the Clean Water Act (also known as the Federal Water Pollution Control Act) [33

U.S.C.A. §§ 1251 et seq.]; the Toxic Substances Control Act [15 U.S.C.A. §§ 2601 et seq.]; the Hazardous Materials Transportation Authorization Act [49 U.S.C.A. §§ 5101 et seq.] or under any other Environmental Law; (b) Those substances listed in the United States Department of Transportation Table [49 C.F.R. 172.101], or by the Environmental Protection Agency, or any successor agency, as hazardous substances [40 C.F.R. Part 302]; (c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and (d) Any material, waste, or substance that is: (i) a petroleum or refined petroleum product, (ii) asbestos, (iii) polychlorinated biphenyl, (iv) designated as a hazardous substance pursuant to 33 U.S.C.A. § 1321 or listed pursuant to 33 U.S.C.A. § 1317, (v) a flammable explosive, or (vi) radioactive material.

1.3 “Real Property Taxes” means and includes all real property taxes and assessments, general, special, ordinary, or extraordinary, and improvement bond or bonds on the Property. Buyer has received a copy of a current tax bill for the Property.

1.4 “Title Company” means the Salinas office of Old Republic Title Company.

ARTICLE II OPTION TO PURCHASE

2.1 Grant of Option. Seller hereby grants to Buyer the exclusive option to purchase the Property in accordance with the terms and conditions set forth in this Agreement (the “**Option**”). Within three (3) business days after opening the Escrow, as defined in Section 11.1, Buyer shall deliver to the Title Company, as escrow holder, the sum of Five Thousand Dollars (\$5,000) as a deposit (the “Initial Deposit”) against the Purchase Price, as defined in Section 3.2.

2.2 Term of Option. The term of the Option (the “**Option Term**”) is for the periods described below, and shall expire or terminate on the earliest of the following dates, unless otherwise terminated earlier in accordance with a provision of this Agreement or by agreement between Buyer and Seller

(a) Within ten (10) business days following the Effective Date, Buyer shall pay directly to Seller the sum of Seventy-Five Thousand Dollars (\$75,000) (the “**Initial Term Payment**”). The Initial Term Payment and the additional payments referenced in this Section 2.2 are collectively referred to as the “Option Consideration.”

(b) The Option Term shall begin as of the Effective Date, and shall continue until the first anniversary of the Effective Date (the “**Initial Option Period**”). If Buyer does not make the Initial Term Payment within the time required by this Agreement, this Agreement shall be void and the Option shall be of no effect.

(c) No later than five (5) business days before the end of the Initial Option Period, Buyer may pay directly to Seller the sum of Seventy-Five Thousand Dollars (\$75,000) (the “**First Extension Payment**”). The Option Term shall thereupon continue until the second anniversary of the Effective Date (the “**First Extension Period**”). If Buyer does not make the

First Extension Payment within the time required by this Agreement, the Option Term shall end on the first anniversary of the Effective Date and Buyer shall have no further rights in the Option or the Property.

(d) No later than five (5) business days before the end of the First Extension Period, Buyer may pay directly to Seller the sum of Seventy-Five Thousand Dollars (\$75,000) (the “**Second Extension Payment**”). The Option Term shall thereupon continue until the third anniversary of the Effective Date (the “**Second Extension Period**”). If Buyer does not make the Second Extension Payment within the time required by this Agreement, the Option Term shall end on the second anniversary of the Effective Date and Buyer shall have no further rights in the Option or the Property.

(e) No later than five (5) business days before the end of the Second Extension Period, Buyer may pay directly to Seller the sum of One Hundred Thousand Dollars (\$100,000) (the “**Third Extension Payment**”). The Option Term shall thereupon continue until the fourth anniversary of the Effective Date (the “**Third Extension Period**”). If Buyer does not make the Third Extension Payment within the time required by this Agreement, the Option Term shall end on the third anniversary of the Effective Date and Buyer shall have no further rights in the Option or the Property.

(f) Notwithstanding the foregoing provisions of this Section 2.2, the Option Term shall end on the date on which a breach or default by Buyer remains uncured following notice of the breach or default to which Buyer is entitled in accordance with Section 12.6, and the expiration of any grace period contained in that Section; or

(g) The Option Term shall end on the date on which Buyer acquires the title to the Property.

2.3 Option Consideration. The Initial Term Payment, and the First, Second, Third and Fourth Extension Payments are each referred to herein as “**Option Consideration.**” Each payment of Option Consideration is payment solely in consideration for the granting of the Option. Option Consideration does not apply to the Purchase Price. It is earned, in full, upon payment and extension of the Option Term as set forth above. Each payment of Option Consideration shall be paid by Buyer directly to Seller, and not through Escrow, in cash or immediately available funds.

1.4 Exercise of Option. At any time during the Option Term, and provided Buyer is not then in default of this Agreement, Buyer may exercise the Option to purchase the Property in accordance with the terms of this Agreement, by giving written notice (the “**Option Exercise Notice**”) to Seller and to Title Company. The Option Exercise Notice shall specify the date which Buyer desires as the “**Closing Date,**” which shall be a business day which is not less than ten (10) nor more than ninety (90) days after the giving of the Option Exercise Notice, unless otherwise agreed by Seller.

ARTICLE III PURCHASE AND SALE OF THE PROPERTY

3.1 Sale. Upon exercise of the Option by Buyer in accordance with Article II, Seller shall sell the Property to Buyer and Buyer shall purchase the Property from Seller, subject to the terms, covenants and conditions relating to the purchase and sale which are set forth in this Agreement.

3.2 Purchase Price.

(a) The purchase price of the Property (the “**Purchase Price**”) is Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000).

(b) The Purchase Price shall be paid to Seller in cash or other immediately available funds, at the Closing.

3.3 Compliance With CEQA. Seller acknowledges that Buyer is a California public agency, which is subject to the requirements of CEQA before making any discretionary decision whether to exercise the Option described in this Agreement. Buyer shall retain the absolute and sole discretion whether to exercise the Option and purchase the Property. Buyer’s ultimate decision whether to exercise the Option and purchase the Property will be based on a number of considerations, including but not limited to: (a) the analysis of any environmental impacts associated with the Property and Buyer’s proposed project for the Property; (b) selecting among feasible alternatives to avoid any potential significant environmental impacts; (c) imposing mitigation measures on the Buyer’s project to reduce or avoid any significant environmental impacts that may be associated with the project, and (d) balancing the benefits of the project against any significant environmental impacts prior to taking final action to exercise the Option if such significant impacts cannot otherwise be avoided.

**ARTICLE IV
INSPECTIONS AND APPROVALS**

4.1 Inspections.

(a) Seller’s Warranties and Representations. To the actual knowledge of Keith Anderson, Johnny Schot Martins and/or Dennis Martins (“**Seller’s Designated Representatives**”), after diligent inquiry, Seller represents and warrants that: (a) there are no threatened, impending or pending enforcement, administrative actions or environmental claims relating to the Property or Hazardous Substances on the Property; (b) Seller knows of no notices of violations cease and desist orders, remediation orders or cleanup requirements, or other communications from any government agency relating to whether the Property or any adjacent properties have been in violation of any Environmental Laws; and (c) the Property is not subject to any Williamson Act contracts.

(b) Seller’s Delivery of Specified Documents. Within fifteen (15) business days after the Execution Date, Seller shall provide to Buyer copies of the following documents to the extent they were generated within five years prior to the execution date of this Agreement and to the extent in Seller’s possession or control to the actual knowledge Seller’s Designated

Representatives: (i) all appraisals, engineering and environmental reports pertaining to the Property, if any; (ii) all executory contracts entered into by Seller with respect to the maintenance and management of the Property in its current condition, if any, together with all unrecorded easement agreements entered into by Seller or any other party with respect to the Property, if any; (iii) all architectural, civil or construction plans previously contemplated for the Property, if any; (iv) all environmental studies of the Property, if any; (v) all executory rental agreements pertaining to the Property, if any; (vi) all material correspondence from any governmental authority regarding zoning, permits, environmental, use or code compliance issues affecting the Property, if any; and (vii) all ALTA Surveys and topographical maps pertaining to the Property, if any. Seller shall provide to Buyer any documents described above. Further, any document described above coming into Seller's possession or control after the disclosure date set forth above but before the Closing shall be produced by Seller to Buyer promptly and before the Closing. Seller shall also notify Buyer of any documents meeting any of the above descriptions, which to Seller's actual knowledge exist but which are not in Seller's possession or control.

(c) Seller agrees to allow Buyer or Buyer's agents or representatives reasonable access to the Property during business hours (or other times if reasonably necessary) for purposes of any physical or environmental inspection of the Property, on the following terms and conditions:

(i) Grant of License; Term; Scope of Investigative Work. Seller hereby grants to Buyer, its employees, representatives and contractors, a nonexclusive license to enter onto the Property for the sole purpose of performing Buyer's Work. "**Buyer's Work,**" as used herein, means the measurement and surveying of the Property, the taking of photographs, conducting soil, groundwater and other tests that may include subsurface drilling and/or the placement of probes in the Property, and such other engineering and geotechnical studies as determined by Buyer in its sole discretion to be necessary for Buyer's purposes, including to fulfill the requirements of CEQA to consider all potential environmental impacts of proposed development of the Property and its suitability for Buyer's proposed development of the Property.

(ii) Consistent with the foregoing, Buyer shall exercise all reasonable efforts to minimize disruption of the Property. Prior to any entry to perform any inspections and investigations of the Property including, without limitation, visual inspections and land title surveys, Buyer shall orally notify each of Seller's Designated Representatives of such planned inspections, which notification shall include the nature and scope of its investigation, and shall coordinate such entry with Seller's Designated Representatives. If Buyer desires to perform any invasive testing of the Property including, without limitation, any sampling in connection with any Phase II environmental assessments and other soils and engineering inspections for the Property, then Buyer shall provide to Seller's Designated Representatives a written request for approval therefor, which request shall include the proposed nature and scope thereof and the identity of the company or persons by whom it would be performed; and, Buyer shall not cause such inspection to occur until Seller has given to Buyer the written approval for the inspection, which approval shall not be unreasonably withheld. If Buyer or its agents, employees or contractors take any sample from the Property in connection with Buyer's Work, upon request by Seller which shall be made prior to dates samples are to be taken, Buyer shall provide to

Seller a portion of such sample being tested to allow Seller, if Seller so chooses, to perform its own testing thereof. Buyer shall promptly deliver to Seller copies of any and all reports relating to Buyer's environmental and soils investigation. Upon completion of any Buyer's Work, Buyer shall, at its cost, restore the Property to as near to its original condition as possible, including filling and resurfacing to match existing surfaces, replacing or restoring any vegetation that is damaged and generally putting the Property and all points of entry by the inspectors in the same condition as before the inspection or entry.

(iii) Compliance with Laws. Buyer shall comply with all laws and regulations, including, without limitation, obtaining any necessary permits for any of Buyer's Work.

(iv) Responsibility for Expenses. Buyer shall be solely responsible for the cost and expense of all Buyer's Work including, without limitation, the cost of restoring or repairing the Property as required above. The provisions of this Section shall survive termination of this Agreement.

(v) Liens and Claims. Buyer shall not permit any mechanic's, materialmen's, or other similar liens or claims to stand against the Property for labor or materials furnished in connection with any Buyer's Work performed by Buyer under this Agreement, and Buyer shall promptly cause any such lien to be released at Buyer's sole expense. At Seller's request, Buyer shall execute, and Seller may record and post at the Property, one or more notices of nonresponsibility for the benefit of Seller in accordance with applicable law. The provisions of this Section shall survive termination of this Agreement.

(vi) Cooperation. Seller may have its representatives present to observe any Buyer's Work.

(vii) Insurance and Indemnity. Prior to performing any Buyer's Work hereunder, Buyer shall provide Seller with evidence of Buyer's public liability insurance in an amount not less than One Million Dollars (\$1,000,000). Buyer shall indemnify, defend with counsel of Seller's choice and hold Seller harmless from all expense, loss, damages and claims, including Seller's attorneys' fees, arising out of acts or activities of Buyer or Buyer's agents or consultants on or about the Property pursuant to this Agreement, excluding the mere discovery by Buyer of any existing toxic or hazardous substance in, on or under the Property. The limits on insurance in this Section shall in no way limit or restrict the scope of the indemnity set forth in this Section.

(viii) Confidentiality. Seller acknowledges that Buyer is a California public agency and thus is required to disclose to members of the public requesting them, any "public records" in the possession of Buyer and its agents pursuant to the California Public Records Act, Government Code section 6252 et seq. ("**PRA**"), unless such records are protected from disclosure under the PRA. Any documents or other information provided by Seller to Buyer pursuant to this Agreement shall be deemed to be disclosable public records unless they are labeled as "Confidential" by Seller and are also protected from disclosure under the PRA. In the event Buyer receives a request from a member of the public for any document or information

labeled as “Confidential” by Seller, Buyer shall deliver written notice to Seller of the request and ask Seller if Seller will agree to such disclosure. Seller shall deliver its written response to this notice to Buyer within ten calendar days. Buyer will disclose such documents and information if Seller consents to the disclosure or does not respond to the Buyer’s notice with ten calendar days. In the event Buyer does not disclose the documents and information because Seller objects to its disclosure, Seller shall defend, hold harmless and indemnify the Buyer (including any legal and expert fees and costs incurred by Buyer) in any litigation filed against Buyer aimed at compelling the disclosure of such documents or information.

(ix) Delivery of Materials to Seller. If this Agreement expires or is terminated without Buyer having acquired the Property, Buyer shall, within ten (10) days after the termination, deliver to Seller, free and clear of all liens and encumbrances, copies of any reports prepared by Buyer’s consultants or contractors relating to the physical or environmental condition of the Property which do not restrict such delivery to a third party, provided that Buyer shall not be deemed to make any representation to Seller regarding the accuracy, completeness, methodology or current status of such reports, nor shall Buyer assume any liability with respect to any matter or information referred to or contained in such reports, nor shall Seller have any claim against Buyer or any consultant or contractor of Buyer arising out of such reports. This obligation shall survive termination of this Agreement.

(d) Other than as expressly set forth in Sections 5.1 and 6.1, Seller makes no representations or warranties concerning the Property. It is the parties’ express understanding and agreement that Buyer shall rely exclusively on its own independent investigation and evaluation of every aspect of the Property.

4.2 Title. No later than fifteen (15) business days after the Effective Date or as soon thereafter as reasonably practicable, Buyer shall obtain a preliminary title report on the Property (the “**Title Report**”), together with copies of all items shown as exceptions to title therein. . Seller agrees to remove any exceptions or encumbrances to title which are created by, under or through Seller after the Effective Date and any liens of an ascertainable amount created by, under or through Seller, which liens Seller shall cause to be released at the Closing. Except as provided above, Seller shall have no obligation whatsoever to expend or agree to expend any funds, to undertake or agree to undertake any obligations or otherwise to cure or agree to cure any title objections, and Seller shall not be deemed to have any obligation to cure unless Seller expressly undertakes such an obligation by a written notice to or written agreement with Buyer.

ARTICLE V REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

(a) Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller’s creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller’s assets, (iv) suffered the attachment or other judicial seizure of all, or

substantially all, of Seller's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

(b) Seller has the power and authority to enter into this Agreement and to perform its obligations hereunder. All required consents and approvals, if any, have been obtained to permit Seller to execute and deliver this Agreement. This Agreement has been duly authorized by all requisite action on behalf of Seller, and executed and delivered by Seller. This Agreement is the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with the terms hereof.

(c) This Agreement and all documents executed by Seller which are to be delivered to Buyer at Closing do not, and at the time of Closing will not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(d) To the best of Seller's actual knowledge, there are no material pending or threatened legal actions, suits, arbitrations, claims or proceedings, at law or in equity, against the Property or to which Seller is or will be a party by reason of Seller's ownership of the Property.

(e) To the best of Seller's actual knowledge, the documents delivered by Seller pursuant to Section 3.1(a) hereof represent all of the material documents in the nature of those described therein. All documents delivered, furnished and made available by Seller to Buyer pursuant to this Agreement are true and complete copies of such documents; provided that Seller makes no representation or warranty as to the accuracy of documents prepared by third parties other than that Seller has no actual knowledge of any such lack of accuracy or completeness.

(f) The term "Seller's actual knowledge," when used in this Agreement, shall mean only such information as has actually been communicated to, or learned by, Keith Anderson, Johnny Schot Martins, and/or Dennis Martins, who Seller represents are the persons most knowledgeable with respect to the matters herein represented and warranted.

(g) Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Internal Revenue Code").

5.2 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

(a) Buyer has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Buyer's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Buyer's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Buyer's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

(b) Buyer is acting as principal in this transaction with authority to close the transaction. Buyer is duly formed, validly existing and in good standing as a joint powers authority under the laws of the State of California. Buyer has the power and authority to enter into this Agreement and to perform its obligations hereunder. All required consents and approvals, if any, have been obtained to permit Buyer to execute and deliver this Agreement. This Agreement has been duly authorized by all requisite action on behalf of Buyer, and executed and delivered by Buyer. This Agreement is the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with the terms hereof.

(c) This Agreement and all documents executed by Buyer which are to be delivered to Seller at Closing do not, and at the time of Closing will not, violate any provision of any agreement or judicial order to which Buyer is a party or to which Buyer is subject.

(d) Before giving the Option Exercise Notice, Buyer will have inspected the Property fully and completely at its expense and will have ascertained to its satisfaction the applicable zoning, building, environmental, health and safety and all other laws, codes and regulations affecting the Property.

(e) Before giving the Option Exercise Notice, Buyer will have reviewed the expenses and other matters relating to the Property and, based upon its own investigations, inspections, tests and studies, will have determined whether to purchase the Property.

5.3 Survival. Each of the representations and warranties of Seller and of Buyer contained in Sections 5.1 and 5.2 were made as of the Effective Date, shall be deemed remade as of the Closing, and shall survive the Closing.

ARTICLE VI GOVERNMENTAL PERMITS AND ENTITLEMENTS

6.1 Development Approvals. Buyer may during the Option Term apply for and attempt to obtain all necessary governmental approvals for Buyer's intended development of the Property (the "**Development Approvals**"). Seller agrees to cooperate fully with Buyer, without expense to Seller, to enable Buyer to apply for and obtain all Development Approvals; provided that Seller is not required to enter into any agreement or obligation in connection with application for or obtaining Development Approvals which agreement or obligation is binding upon Seller following the end of the Option Term. If this Agreement expires or is terminated without Buyer having acquired the Property, Buyer shall, promptly initiate and process to completion in good faith and with due diligence, solely at Buyer's expense, applications to remove all Development Approvals and to return the Property to the state and condition of governmental zoning and other land use regulation which governs the Property on the Effective Date. Buyer shall file its "Notice of Preparation/Initial Study" commencing the CEQA process for the development of the Property with the California State Clearinghouse no later than June 30, 2016.

6.2 Documents and Information. Buyer shall deliver copies of any applications described in or made pursuant to Section 6.1, together with any supporting documentation, to Seller no less than five (5) business days before submitting such applications or other documents

to any governmental agency or entity or public utility with jurisdiction over the Property. Buyer shall deliver to Seller copies of materials and correspondence received by Buyer or its agents or representatives from any such agency, entity or public utility or any agent or representative of any of them, promptly following receipt by Buyer. Such deliveries by Buyer to Seller shall include copies of all plans, surveys, reports, studies, engineering plans, architectural drawings and construction drawings, provided that such delivery is for Seller's information only and without representation or warranty as to transferability or content.

6.3 No Adverse Change. Buyer shall not cause or allow any construction, installation or alteration on the Property without the prior written consent of Seller, other than for inspection purposes as expressly permitted by Section 4.1.

6.4 Assignability. All applications and governmental permits submitted or issued in the name of Buyer shall, to the maximum extent permitted by law, be assignable to Seller, subject to the obligation of Buyer to return the Property to its regulatory state prior to the Effective Date, as that obligation is set forth in Section 6.1. If Buyer does not exercise the Option or complete the Closing in accordance with this Agreement, Buyer shall assign to Seller, on request, and to the extent legally possible, all agreements between Buyer and its consultants and all reports procured by Buyer with regard to the Property, excluding architectural and construction documents.

6.5 No Liability to Seller. Seller shall not bear or become obligated to pay any permit application fees or processing and approval expenses incurred by Buyer and required in connection with any governmental permit or entitlement activity, and Buyer shall indemnify, defend and hold harmless Seller from such costs and expenses (including, without limitation, Seller's attorneys' fees and defense costs) arising from or in connection with any such governmental permit or entitlement activity. If Seller pays any of the costs and expenses incurred by Buyer prior to the termination of this Agreement, Buyer shall reimburse Seller for the amount so paid by Seller, on demand.

6.6 Buyer Termination. If Buyer determines that its continued efforts to develop the Property at any time are unlikely to result in approvals and authorizations which are necessary or desirable for Buyer in its planned development of the Property, on conditions which are acceptable to Buyer, Buyer shall have the right at any time to notify Seller and Title Company, in writing, that Buyer elects to terminate this Agreement (the "**Termination Notice**"). Upon delivery of the Termination Notice, this Agreement shall terminate, Buyer shall no longer be entitled to exercise any Option to purchase the Property, and the parties shall be relieved of any further obligation to each other except obligations which are expressly provided in this Agreement as surviving the termination of this Agreement. If the Termination Notice is given, Seller shall retain all Option Consideration which has been paid prior to the date of the Termination Notice, and is entitled to receive payment of all Option Consideration due prior to the Termination Notice but unpaid.

ARTICLE VII

PRE-CLOSING OPERATION; NEW CONTRACTS

7.1 Operation of Property. The Property is currently vacant and unused. During the pendency of this Agreement, Seller will continue to maintain and insure the Property consistent with Seller's past practices.

7.2 New Contracts. During the pendency of this Agreement, Seller will not enter into any contract that will be an obligation affecting the Property after the Closing without Buyer's prior written consent, which shall not be unreasonably withheld, delayed or conditioned.

ARTICLE VIII "AS-IS" PURCHASE

8.1 Buyer's Independent Determination.

(a) Buyer acknowledges and agrees that it has been given, or will be given prior to giving of the Option Exercise Notice, a full opportunity to inspect and investigate each and every aspect of the Property, either independently or through agents of Buyer's choosing including, without limitation, all matters relating to record title to the Property, together with all governmental and other legal requirements such as taxes, assessments, zoning, utilities, water, use permit requirements and building codes; and, the physical condition and aspects of the Property, including an examination for the presence or absence of hazardous materials.

(b) Buyer specifically acknowledges and agrees that Seller is selling and Buyer is purchasing the Property on an "AS-IS, WITH ALL FAULTS" basis as of the Effective Date and as of the Closing. Buyer is not relying on any representations or warranties of any kind whatsoever, express or implied, made by Seller, its agents or brokers as to any matter concerning the Property except as expressly set forth in Sections 4.1 and 5.1 above, including, without limitation: (i) the quality, nature and adequacy of the physical condition of the Property, (ii) the quality, nature, adequacy, and physical condition of the soils, geology and any groundwater on or in the vicinity of the Property, (iii) the development potential of the Property and the Property's use, habitability, merchantability, or the fitness, suitability, value or adequacy of the Property for any particular purpose, (iv) the zoning or other legal status of the Property or any other public or private restrictions affecting the Property, (v) compliance of the Property with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and/or restrictions of any governmental or quasi-governmental entity or of any other person or entity, (vi) the presence of hazardous materials in, on, under or about the Property or the adjoining or neighboring properties, (vii) the condition of title to the Property, (viii) any agreements affecting the Property, and (ix) the economics of ownership and/or operation of the Property.

(c) The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Agreement, which alone fully and completely express their agreement, and that this Agreement has been entered into after full investigation, or with the parties satisfied with the opportunity afforded for full investigation. Buyer is not relying upon any statement or representation by Seller unless such statement or representation is specifically embodied in this Agreement. Except as set forth in in Section 4.1(a), and without limiting the foregoing, Seller makes no representations or warranties as to whether the Property contains asbestos or harmful or toxic substances or pertaining to the extent, location or nature of same. Buyer acknowledges that Seller has requested Buyer to

inspect fully the Property and investigate all matters relevant thereto and to rely solely upon the results of Buyer's own inspections or other information obtained or otherwise available to Buyer, rather than any information that may have been provided by Seller to Buyer.

ARTICLE IX RISK OF LOSS AND INSURANCE PROCEEDS

9.1 Casualty. Upon an exercise of the Option, Buyer is bound to purchase the Property for the full Purchase Price and in accordance with the terms hereof, without regard to the occurrence or effect of any damage to the Property or the destruction of any improvements thereon, or condemnation or any portion of the Property, provided that at Closing there shall be a credit to Buyer against the Purchase Price equal to the amount of any insurance proceeds or condemnation awards actually received by Seller as a result of any such damage or destruction or condemnation, plus the amount of any insurance deductible, less any sums expended by Seller to restore or repair the Property. If the proceeds or awards have not been received by Seller as of the Closing, then such proceeds or awards shall be assigned to Buyer, except to the extent required to reimburse Seller for sums expended to repair or restore the Property, for which Seller shall retain the rights to such proceeds and awards.

9.2 Condemnation. If before the Closing any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding ("**Condemnation**") and if such Condemnation would materially and adversely affect the use of the Property, have the effect of decreasing the square footage of the improvements, or reduce or eliminate access to the Property, then Buyer may either (a) terminate this Agreement or (b) proceed with the Closing without modifying the terms of this Agreement and by reducing the square footage of the property to be purchased and Seller will be entitled to keep, all awards for the Condemnation that accrue to Seller. Seller must notify Buyer of any notice of Condemnation of all or any portion of the Property within ten (10) days after the receipt of notice.

ARTICLE X BROKERS

10.1 Agreement for Commission Payment. Seller is represented in connection with this Agreement and the transaction described herein by Cushman & Wakefield (the "**Broker**"). Seller agrees to pay the Broker pursuant to a separate agreement entered into between Seller and the Broker.

10.2 Indemnity Against Other Claims. The parties represent and warrant to each other that, other than the Broker identified in Section 10.1, no broker or finder was instrumental in arranging or bringing about this transaction. If any person or entity other than the Broker brings a claim for a commission or finder's fee based upon any contact, dealings or communication with Buyer or Seller, then the party through whom such person or entity makes such claim shall protect and defend the other party (the "**Indemnified Party**") from such claim, and shall indemnify, defend, and hold the Indemnified Party harmless from and against any and all costs,

damages, claims, liabilities or expenses (including without limitation, reasonable attorneys' fees and disbursements) incurred by the Indemnified Party in defending against such claim. The provisions of this Section shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

ARTICLE XI ESCROW AND TITLE POLICY

11.1 Opening of Escrow. Buyer and Seller shall, within five (5) business days after the Execution Date, deposit an executed copy of this Agreement with the Title Company in order to open an escrow ("**Escrow**") through which to complete the transaction contemplated by this Agreement.

11.2 Escrow Instructions. This Agreement constitutes joint escrow instructions to the Title Company, instructing it to consummate the purchase and sale of the Property by Buyer and Seller pursuant to the terms and conditions contained in this Agreement. Buyer and Seller shall execute such additional escrow instructions as may be reasonably requested by Title Company, but in the event of inconsistency between the terms of such escrow instructions and the terms of this Agreement, the terms of this Agreement shall prevail unless the Parties expressly agree otherwise in a writing signed by both Parties.

11.3 Closing Conditions. The following are each an express condition precedent to Buyer's obligation to purchase the Property, and to close Escrow in accordance with the terms of this Agreement.

(a) At the Closing, Seller shall deliver marketable title to Buyer on the Closing Date subject only to (i) the then current Real Property Taxes and assessments constituting liens not then due or payable; and (ii) those exceptions, other than nos. 9-13, as shown on that certain preliminary title report issued by Old Republic Title Company, dated December 2, 2015, attached hereto as Exhibit C and delivered to Buyer together with this Agreement, and (iii) any other exceptions expressly approved by Buyer in writing prior to the Closing (collectively, the "**Permitted Exceptions**"). Further, at the Closing the Title Company issue to Buyer a California Land Title Association standard owner's policy of title insurance, in the form then currently issued by Title Company, providing coverage in the amount of the Purchase Price, insuring fee simple title to the Property subject only to the Permitted Exceptions (the "**Title Policy**"). Buyer may obtain extended coverage, ALTA title insurance coverage, or additional endorsements to the Title Policy, as Buyer may elect and as the title insurer is willing to issue, at Buyer's expense.

(b) As of the Closing Date, Seller shall have performed its obligations hereunder and all deliveries to be made at Closing have been tendered.

ARTICLE XII CLOSE OF ESCROW

12.1 Closing. The consummation of the purchase and sale contemplated by this Agreement, the close of Escrow, the delivery of the Purchase Price to Seller, the recording of the

deed transferring title to the Property from Seller to Buyer, and the delivery of possession of the Property to Buyer (the “**Closing**”) shall occur on the Closing Date. The closing date is the date determined in accordance with Section 2.4. The execution of all documents and deposit of all funds necessary for the Closing shall take place no less than two (2) business days before the Closing Date or earlier if required by the Title Company in order to satisfy the “good funds rule.” The Title Company shall record documents and disburse funds on the Closing Date.

12.2 Deposit of Documents.

(a) Seller shall deposit into Escrow a duly executed and acknowledged grant deed in the Title Company’s standard form, conveying title to the Property to Buyer and an affidavit pursuant to Section 1445(b)(2) of the Internal Revenue Code, and on which Buyer is entitled to rely, that Seller is not a “foreign person” within the meaning of Section 1445(f)(3) of the Internal Revenue Code, and a California Form 597-W.

(b) Buyer shall deposit into Escrow funds necessary to close this transaction.

(c) Buyer and Seller shall each deposit such other instruments as are reasonably required by Title Company or otherwise required to close the Escrow and consummate the purchase and sale of the Property in accordance with the terms hereof including, without limitation, an agreement designating Title Company as the “Reporting Person” for the transaction pursuant to Section 6045(e) of the Internal Revenue Code and executed by Seller, Buyer and Title Company.

12.3 Prorations; Costs.

(a) Real property taxes and assessments and utility charges, if any, shall be prorated as of 12:01 A.M. on the Closing Date, on the basis of a three hundred sixty-five (365) day year. Buyer shall cause any utilities to be transferred into Buyer’s name and account at the time of Closing. If any of the aforesaid prorations and credits cannot be calculated accurately on the Closing Date, then the same shall be calculated as soon as reasonably practicable after the Closing Date and either party owing the other party a sum of money based on such subsequent proration or credit shall promptly pay such sum to the other party.

(b) Seller shall pay the cost of the Title Policy, and Buyer shall pay the cost of any extended coverage, ALTA policy, or added endorsements. Buyer shall pay the cost of any survey. Seller shall pay documentary transfer taxes applicable to the sale of the Property. Seller and Buyer shall each pay one-half (1/2) of the escrow fees of Title Company. Any other expenses of escrow or otherwise respecting the sale of the Property shall be paid in accordance with the custom in Monterey County.

(c) Except as expressly provided herein, the purpose and intent as to the provisions of this Agreement relating to prorations and apportionments is that Seller shall bear expenses of ownership and operation of the Property, and receive all income therefrom, accruing through midnight at the end of the day preceding the Closing Date, and Buyer shall bear all such expenses and receive all such income accruing thereafter.

- (d) The provisions in this Section shall survive the Closing.

ARTICLE XIII MISCELLANEOUS

13.1 Entire Agreement. This Agreement is the entire agreement between the parties with respect to the subject matter hereof, and no alteration, modification or interpretation hereof shall be binding unless in writing and signed by both parties.

13.2 Severability. If any provision of this Agreement or application to any party or circumstance shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstance, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

13.3 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

13.4 Assignability. Seller is entering into this Agreement in reliance upon the identity and stature of Buyer. Buyer may not assign this Agreement or any right or interest in it. This Agreement is wholly personal to Buyer and the identity of Buyer is a material term of this Agreement for Seller.

13.5 Successors Bound. Subject to Section 13.4, this Agreement is binding upon and shall inure to the benefit of Buyer and Seller and their respective successors and permitted assigns.

13.6 Breach. Should either party be in breach under, or otherwise fail to comply with, any of the terms of this Agreement, the complying party shall have the option to cancel this Agreement upon ten (10) days' written notice to the other party of the alleged breach and failure by such other party to cure such breach within such ten (10) day period, or such longer period as reasonably necessary to cure such breach; provided, however, that Buyer shall not be entitled to such notice or cure period for any failure to pay any Option Consideration or the Purchase Price as provided herein. The non-breaching party shall promptly notify the breaching party in writing of any alleged breach upon obtaining knowledge thereof. The Closing Date shall be extended to the extent necessary to afford the breaching party the full ten (10) day period within which to cure such breach; provided, however, that the failure or refusal by a party to perform on the scheduled Closing Date (or later in the case of a Pending Default) shall be deemed to be an immediate default without the necessity of notice; and provided further, that if the Closing Date shall have been once extended as a result of breach by a party, such party shall be not entitled to any further notice or cure rights with respect to that or any other breach. For purposes of this Section, a "**Pending Default**" shall be a breach for which (i) written notice was given by the non-breaching party, and (ii) the cure period extends beyond the scheduled Closing Date.

13.7 Captions. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions.

13.8 Attorneys' Fees. If either party fails to perform any of its obligations under this Agreement or if any dispute arises between the parties concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees, expert fees and disbursements. Any such attorneys' fees and other expenses incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such attorneys' fees obligation is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment.

13.9 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest.

13.10 Time of Essence. Time is of the essence for all purposes of this Agreement.

13.11 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. Signatures transmitted by facsimile or email shall be binding; provided, however, that any person transmitting his or her signature by facsimile, or scanned and sent by email, shall promptly send an original signature to the other Parties.

13.12 Recordation/Memorandum of Option. Upon request of Buyer, the parties shall execute and acknowledge (i) a memorandum of this option in the form of Exhibit "B" attached (the "Memorandum of Option"); and (ii) a quitclaim deed in recordable form with respect to the executed Memorandum of Option releasing and reconveying to Seller all right, title and interest of Buyer in the Property. The Memorandum of Option shall be recorded in the Official Records of Monterey County ("**Official Records**"). The executed quitclaim deed shall be delivered to and held by the Title Company. Buyer hereby irrevocably instructs Title Company to record the quitclaim deed in the Official Records at any time that the Option has not been exercised within the time provided in this Agreement for such exercise. Buyer, additionally, covenants to Seller to execute, acknowledge as necessary, and deliver any document which is necessary or advisable to remove the Memorandum of Option of record as an encumbrance against the Property and fully negate the effect of the Memorandum of Option for all purposes upon termination of this Agreement and of Buyer's rights hereunder. This covenant shall survive termination of this Agreement and shall remain in effect until fulfilled. Except as otherwise specifically provided in this Section 13.12, Buyer and Seller agree not to record this Agreement or any memorandum hereof.

13.13 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

13.14 Proper Execution. The submission by Seller to Buyer of this Agreement in unsigned form shall be deemed to be a submission solely for Buyer's consideration and not for acceptance and execution. Such submission shall have no binding force and effect, shall not constitute an option, and shall not confer any rights upon Buyer or impose any obligations upon Seller irrespective of any reliance thereon, change of position or partial performance. The submission by Seller of this Agreement for execution by Buyer and the actual execution by Buyer and delivery thereof to Seller shall similarly have no binding force and effect on Seller unless and until Seller has executed this Agreement, and a counterpart thereof has been delivered to Buyer.

13.15 Notices. All notices and other communications given pursuant to this Agreement shall be in writing and shall be given either: (i) by mailing the same by certified or registered mail, return receipt requested, postage prepaid, or by United States Express Mail; (ii) by delivery by a commercially recognized courier service; or (iii) or by electronic transmission (e-mail) provided that a true copy of the electronic transmission is sent on the same day by United States Mail, or by a commercially recognized courier service, for delivery no later than the next business day. Any such notice or other communication shall be deemed to have been given on the earlier of (i) personal delivery, (ii) the date of delivery or refusal to accept delivery as shown on the return receipt, if given by certified or registered mail, or (iii) when received by the party to whom such notice or other communication is addressed, if addressed as follows, or to such other address or addresses as the party may hereafter designate by notice to the other:

If to Seller: Keith Anderson
c/o Anderson Accountancy Corp.
762 Rio Del Mar Boulevard
Post Office Box 460
Aptos, California 95003
e-mail: keitha@andersonaccountancycorp.com

and

Johnny Schot Martins
204 Alhambra Avenue
Santa Cruz, California 95062
e-mail: john.vw@hotmail.com

with copy to

Nolan M. Kennedy

Kennedy, Archer & Giffen
24891 Silver Cloud Court, Suite 200
Monterey, California 93940
e-mail: nkennedy@kaglaw.net

and

Dennis Martins
22314 Capote Drive
Salinas, California 93908
e-mail: den_mar@pacbell.net

with copy to

Vicki Schermer-Kleinkopf
The Biegel Law Firm
2801 Monterey-Salinas Highway, Suite A
Monterey, California 93940
e-mail: vicki@biegellaw.com

If to Buyer:

If to Title Company: Old Republic Title Company
Attn: Kathy Handley
584 S. Main Street
Salinas, California 93901
e-mail: khandley@ortc.com

13.16 Further Assurances. Each of the parties agrees to use reasonable and good faith efforts to take, or cause to be taken, all action, or to do or cause to be done and to assist and cooperate with the other parties hereto in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement, including, without limitation, executing, acknowledging, and delivering any instruments or documents as may be necessary, expedient or proper, to complete a conveyance, transfer, sale or assignment contemplated by this Agreement, and to do any other acts and to execute, acknowledge and deliver any requested document to carry out the intent and purpose of this Agreement.

13.17 Continuation and Survival. All representations and warranties by the respective parties which are contained herein or made in writing pursuant to this Agreement, and all agreements with respect to covenants and conditions of this Agreement which, by their nature,

are not to be satisfied prior to the Closing Date, are intended to and shall remain true and correct as of the time of Closing, shall be deemed to be material, and shall survive the execution and delivery of this Agreement, delivery of the deed, and the transfer of title. All indemnities by the respective parties which are set forth in this Agreement or are made in writing pursuant to this Agreement are intended to and shall survive the execution and delivery of this Agreement, the delivery of the deed, and the transfer of title.

13.18 Interpretation. Whenever used herein, the word “including” shall be deemed to be followed by the words “without limitation”. Words used in the singular number shall include the plural, and vice versa, and any gender shall be deemed to include each other gender. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties.

13.19 Calculation of Time. All references herein to a particular time of day shall be deemed to refer to California time. In the computation of any period of time provided in this Agreement, or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday. All time periods expiring on a specified date or period in this Agreement shall be deemed to expire at 5:00 P.M. on such a specified date or period, unless expressly stated otherwise. The term “business day” shall mean each day which is not a Saturday, a Sunday or a legal holiday on which federally chartered banks are closed.

13.20 Waivers. No waiver or breach of any provision shall be deemed, or constitute, a waiver of any other provision, whether or not similar, nor shall any waiver be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act.

13.21 Authority of Parties. Each person executing this Agreement on behalf of a party to this Agreement warrants that he or she has the full power and authority to execute this Agreement on behalf of such party and that no further approval of any kind is necessary to bind such party to the terms and provisions hereof.

13.22 Exchanges. Either party to this Agreement may elect to exchange rather than to purchase or sell. The parties shall cooperate in that regard, but the nonexchanging party shall not be required to incur any additional cost or expense. If either party is asked to participate in an exchange, the exchanging party will reimburse the nonexchanging party for any reasonable attorney fees which the nonexchanging party may incur in relation to or arising out of the exchange component of this transaction, and shall hold harmless, defend and indemnify the nonexchanging party from and against all claims, costs, damages and liabilities which arise, result from or are in any way related to the exchange. The Closing Date shall not be extended by such an exchange. Neither party shall be required to take title to any property other than the Property.

13.23 Tax Protest. If, as a result of any tax protest or otherwise, there is any refund or reduction of any real property or other tax or assessment relating to the Property during the

period for which, under the terms of this Agreement, Seller is responsible for the payment of such tax or assessment, Seller shall be entitled to receive or retain such refund or the benefit of such reduction, less equitable prorated costs of collection.

[signatures appear on following page(s)]

IN WITNESS WHEREOF, the undersigned do hereby execute this Agreement as of the dates set forth below.

SELLER:

Dated: _____

KEITH ANDERSON, Co-Trustee
of the Marvin Martins 1996 Revocable Trust

Dated: _____

JOHNNY SCHOT MARTINS, Co-Trustee
of the Marvin Martins 1996 Revocable Trust

Dated: _____

DENNIS MARTINS, Successor Trustee
of the Nolan Martins Trust B under Agreement
dated June 19, 1962

Dated: _____

DENNIS MARTINS

Dated: _____

NOELYN CORREA, by Dennis Martins,
attorney in fact

Dated: _____

ANTONETTE MARTINS, by Dennis Martins,
attorney in fact

Dated: _____

DARRIN MARTINS, by Dennis Martins,
attorney in fact

BUYER:

SALINAS VALLEY SOLID WASTE
AUTHORITY, a joint powers authority and
governmental entity organized under the laws of the
State of California

Dated: _____

By: _____
Name: _____
Title: _____

ATTEST:	APPROVED AS TO FORM:
_____	_____
Clerk, Salinas Valley Solid Waste Authority	Thomas M. Bruen General Counsel
_____	_____

An original, fully executed copy of this Agreement, together with the Initial Deposit has been received by the Title Company's agent on the date set forth below, and by execution hereof the Title Company covenants and agrees to be bound by the terms of this Agreement which are applicable to the duties of Title Company hereunder.

Old Republic Title Company

Dated:

By _____
Name: _____
Title: _____

EXHIBIT "A"

Property Description

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

Certain real property situate in the Rancho Bolsa De Las Escarpinas in the County of Monterey, State of California, being a part of Lots 1 and 2 of "Parcel Two" shown on map entitled, "Partition Map Accompanying Report of Referees Showing Subdivisions, Espinosa Portion of the Rancho Bolsa De La Escarpinas", filed July 10, 1925 in Volume 2 of Surveys at Page 28, Records of said County, and being also a part of that certain 35.16 acre tract of land described in Deed from A.D. Martins to Frank D. Martines et al, dated February 10, 1948, and recorded in Volume 1039 of Official Records at Page 201, records of said County, said part being particularly described as follows:

Beginning at a 1-1/2" diameter iron pipe standing in the Westerly boundary of said 35.16 acre tract of land from which the most Northerly corner thereof bears along said boundary N. 10° 51' 56" E., 589.87 feet distant and running thence from said place of beginning parallel with the Northeasterly boundary of said 35.16 acre tract of land

(1) S. 63° 03' 27" E., 1,178.39 feet to a 1-1/2" diameter iron pipe standing in the line common to said 35.16 acre tract of land and Harrison Road (a county road 60 feet wide) from which a 6" x 6" granite monument standing at the corner common to said lots 1 and 2 in said Westerly line of Harrison Road bears along said common line N. 4° 05' 25" W., 157.78 feet distant; thence along said common line

(2) S. 4° 05' 25" E., 706.17 feet to a 6" x 6" granite monument standing at the most Southerly corner of said Lot 2 and said 35.16 acre tract of land; thence leave said common line and running along the Southwesterly boundary of said Lot 2 and said 35.16 acre tract of land

(3) N. 70° 45' 55" W., 1,168.21 feet to a 1-1/2" diameter iron pipe standing at the Southwest corner of said 35.16 acre tract of land in the Easterly line of California State Highway U.S. 101; thence along the line common to said State Highway and said 35.16 acre tract of land

(4) N. 17° 06' 14" W., 122.0 feet to a 1-1/2" diameter iron pipe standing at the Southwest corner of that certain 1.017 acre tract of land designated as "Parcel 2" in deed from Frank Dutra Martins et al., to Adeline Anderson dated January 19, 1951, and recorded in Volume 1275 of Official Records at Page 46, records of said county; thence leave said common line and running along the Southwesterly boundary of said 1.017 acre tract of land

(5) S. 70° 45' 55" E., 149.02 feet to a 1-1/2" diameter iron pipe standing at the most Easterly corner of said 1.017 acre tract of land; thence along the Northeasterly boundary thereof
Page 2 of 2

(6) N. 17° 06' 14" W., 415.87 feet to a 1-1/2" diameter iron pipe standing at the most Northerly corner of said 1.017 acre tract of land at the Southeast corner of that certain 0.9837 acre tract of land designated as "Parcel 1" in said deed recorded in Volume

1275 of Official Records at Page 46, records of said county; thence along the Easterly boundary of said 0.9837 acre tract of land

(7) N. 28° 51' W., 49.15 feet to a 1-1/2" diameter iron pipe; thence

(8) N. 9° 42' W., 64.09 feet to a 1-1/2" diameter iron pipe standing in the boundary common to said 0.9837 acre tract of land and said 35.16 acre tract of land; thence along the Westerly boundary of said 35.16 acre tract of land

(9) N. 10° 51' 56" E., 287.43 feet to the place of beginning.

EXCEPTING THEREFROM, the Lands as set forth in the Final Order of Condemnation recorded April 20, 2011 as Document No. 2011022876 of Official Records.

EXHIBIT B

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF OPTION

This Memorandum of Option is made on _____, by and between KEITH ANDERSON and JOHNNY SCHOT MARTINS, as Co-Trustees of the MARVIN MARTINS 1996 REVOCABLE TRUST; DENNIS MARTINS, as Successor Trustee of the NOLAN MARTINS TRUST B UNDER AGREEMENT DATED JUNE 19, 1962; DENNIS MARTINS, an individual; NOELYN CORREA, an individual; ANTONETTE MARTINS, an individual; and DARRIN MARTINS, an individual (collectively "Seller"), and the SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority and governmental entity organized under the laws of the State of California ("Buyer"), who agree as follows:

1. This Memorandum of Option is recorded in the Official Records of Monterey County, with reference to the terms of an Option and Purchase Agreement dated _____ by and between Seller and Buyer (the "Agreement"), pursuant to which the Seller grants to the Buyer the option to purchase the real property described in Exhibit A attached hereto.

2. The term of the option is provided in the Agreement and shall terminate not later than _____, or earlier if Buyer fails to make the option payments under the terms of the Agreement.

3. This Memorandum of Option is prepared for the purpose of recordation and shall not alter or affect in any way the rights and obligations of Seller and Buyer under the Agreement. In the event of any inconsistency between the Memorandum of Option and the Agreement, the terms of this Agreement shall control.

[signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Option as of the day and year first above-written.

SELLER:

KEITH ANDERSON, Co-Trustee
of the Marvin Martins 1996 Revocable Trust

JOHNNY SCHOT MARTINS, Co-Trustee
of the Marvin Martins 1996 Revocable Trust

DENNIS MARTINS, Successor Trustee
of the Nolan Martins Trust B under Agreement
dated June 19, 1962

DENNIS MARTINS

NOELYN CORREA, by Dennis Martins,
attorney in fact

ANTONETTE MARTINS, by Dennis Martins,
attorney in fact

DARRIN MARTINS, by Dennis Martins,
attorney in fact

BUYER:

SALINAS VALLEY SOLID WASTE
AUTHORITY, a joint powers authority and
governmental entity organized under the laws of the
State of California

By: _____
Name: _____
Title: _____

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)
) ss
County of _____)

On _____, 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 same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

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

Certain real property situate in the Rancho Bolsa De Las Escarpinas in the County of Monterey, State of California, being a part of Lots 1 and 2 of "Parcel Two" shown on map entitled, "Partition Map Accompanying Report of Referees Showing Subdivisions, Espinosa Portion of the Rancho Bolsa De La Escarpinas", filed July 10, 1925 in Volume 2 of Surveys at Page 28, Records of said County, and being also a part of that certain 35.16 acre tract of land described in Deed from A.D. Martins to Frank D. Martines et al, dated February 10, 1948, and recorded in Volume 1039 of Official Records at Page 201, records of said County, said part being particularly described as follows:

Beginning at a 1-1/2" diameter iron pipe standing in the Westerly boundary of said 35.16 acre tract of land from which the most Northerly corner thereof bears along said boundary N. 10° 51' 56" E., 589.87 feet distant and running thence from said place of beginning parallel with the Northeasterly boundary of said 35.16 acre tract of land

- (1) S. 63° 03' 27" E., 1,178.39 feet to a 1-1/2" diameter iron pipe standing in the line common to said 35.16 acre tract of land and Harrison Road (a county road 60 feet wide) from which a 6" x 6" granite monument standing at the corner common to said lots 1 and 2 in said Westerly line of Harrison Road bears along said common line N. 4° 05' 25" W., 157.78 feet distant; thence along said common line
- (2) S. 4° 05' 25" E., 706.17 feet to a 6" x 6" granite monument standing at the most Southerly corner of said Lot 2 and said 35.16 acre tract of land; thence leave said common line and running along the Southwesterly boundary of said Lot 2 and said 35.16 acre tract of land
- (3) N. 70° 45' 55" W., 1,168.21 feet to a 1-1/2" diameter iron pipe standing at the Southwest corner of said 35.16 acre tract of land in the Easterly line of California State Highway U.S. 101; thence along the line common to said State Highway and said 35.16 acre tract of land
- (4) N. 17° 06' 14" W., 122.0 feet to a 1-1/2" diameter iron pipe standing at the Southwest corner of that certain 1.017 acre tract of land designated as "Parcel 2" in deed from Frank Dutra Martins et al., to Adeline Anderson dated January 19, 1951, and recorded in Volume 1275 of Official Records at Page 46, records of said county; thence leave said common line and running along the Southwesterly boundary of said 1.017 acre tract of land
- (5) S. 70° 45' 55" E., 149.02 feet to a 1-1/2" diameter iron pipe standing at the most Easterly corner of said 1.017 acre tract of land; thence along the Northeasterly boundary thereof

- (6) N. 17° 06' 14" W., 415.87 feet to a 1-1/2" diameter iron pipe standing at the most Northerly corner of said 1.017 acre tract of land at the Southeast corner of that certain 0.9837 acre tract of land designated as "Parcel 1" in said deed recorded in Volume 1275 of Official Records at Page 46, records of said county; thence along the Easterly boundary of said 0.9837 acre tract of land
- (7) N. 28° 51' W., 49.15 feet to a 1-1/2" diameter iron pipe; thence
- (8) N. 9° 42' W., 64.09 feet to a 1-1/2" diameter iron pipe standing in the boundary common to said 0.9837 acre tract of land and said 35.16 acre tract of land; thence along the Westerly boundary of said 35.16 acre tract of land
- (9) N. 10° 51' 56" E., 287.43 feet to the place of beginning.

EXCEPTING THEREFROM, the Lands as set forth in the Final Order of Condemnation recorded April 20, 2011 as Document No. 2011022876 of Official Records.

APN: 113-091-017



OLD REPUBLIC
TITLE COMPANY

EXHIBIT C

584 S. Main St.
Salinas, CA 93901
(831) 757-8051 Fax: (831) 757-8566

PRELIMINARY REPORT

Our Order Number 0721033615-KH

CUSHMAN & WAKEFIELD
328 B Main St.
Salinas, CA 93901

Attention: GREG FINDLEY

When Replying Please Contact:

Katherine Handley
KHandley@ortc.com
(831) 757-8051

Property Address:

Harrison Road, Salinas, CA 93907
[Unincorporated area of Monterey County]

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of December 2, 2015, at 7:30 AM

OLD REPUBLIC TITLE COMPANY
For Exceptions Shown or Referred to, See Attached

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0721033615-KH

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Policy -1990; AND ALTA Loan Policy - 2006. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee

Title to said estate or interest at the date hereof is vested in:

Johnny Schot Martins and Keith Anderson, successor co-trustees of the Marvin Martins 1996 Revocable Trust, as to an undivided 33.3334% interest; Noelyn Correa, individually, as to an undivided 8.3333% interest; Antonette Martins, individually, as to an undivided 8.3333% interest; Darrin Martins, individually, as to an undivided 8.333% interest and Dennis N. Martins, Trustee of the Martins Living Trust U/D/T dated Oct 10, 2013, SPH, as to an undivided 8.3333% interest; all as to an undivided 4/6 interest;

Evelyn Martins, as Trustee of the Testamentary Trust as set out in a Decree of Distribution recorded June 5, 1987 in Reel 2111, Page 1079, Official Records, as to an undivided 1/6 interest;

Johnny Schot Martins and Keith Anderson, successor-co-trustees of the Martin Martins 1996 Revocable Trust, as to an undivided 1/6 interest

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

Certain real property situate in the Rancho Bolsa De Las Escarpinas in the County of Monterey, State of California, being a part of Lots 1 and 2 of "Parcel Two" shown on map entitled, "Partition Map Accompanying Report of Referees Showing Subdivisions, Espinosa Portion of the Rancho Bolsa De La Escarpinas", filed July 10, 1925 in Volume 2 of Surveys at Page 28, Records of said County, and being also a part of that certain 35.16 acre tract of land described in Deed from A.D. Martins to Frank D. Martines et al, dated February 10, 1948, and recorded in [Volume 1039 of Official Records at Page 201](#), records of said County, said part being particularly described as follows:

Beginning at a 1-1/2" diameter iron pipe standing in the Westerly boundary of said 35.16 acre tract of land from which the most Northerly corner thereof bears along said boundary N. 10° 51' 56" E., 589.87 feet distant and running thence from said place of beginning parallel with the Northeasterly boundary of said 35.16 acre tract of land

- (1) S. 63° 03' 27" E., 1,178.39 feet to a 1-1/2" diameter iron pipe standing in the line common to said 35.16 acre tract of land and Harrison Road (a county road 60 feet wide) from which a 6" x 6" granite monument standing at the corner common to said lots 1 and 2 in said Westerly line of Harrison Road bears along said common line N. 4° 05' 25" W., 157.78 feet distant; thence along said common line
- (2) S. 4° 05' 25" E., 706.17 feet to a 6" x 6" granite monument standing at the most Southerly corner of said Lot 2 and said 35.16 acre tract of land; thence leave said common line and running along the Southwesterly boundary of said Lot 2 and said 35.16 acre tract of land

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0721033615-KH

- (3) N. 70° 45' 55" W., 1,168.21 feet to a 1-1/2" diameter iron pipe standing at the Southwest corner of said 35.16 acre tract of land in the Easterly line of California State Highway U.S. 101; thence along the line common to said State Highway and said 35.16 acre tract of land
- (4) N. 17° 06' 14" W., 122.0 feet to a 1-1/2" diameter iron pipe standing at the Southwest corner of that certain 1.017 acre tract of land designated as "Parcel 2" in deed from Frank Dutra Martins et al., to Adeline Anderson dated January 19, 1951, and recorded in [Volume 1275 of Official Records at Page 46](#), records of said county; thence leave said common line and running along the Southwesterly boundary of said 1.017 acre tract of land
- (5) S. 70° 45' 55" E., 149.02 feet to a 1-1/2" diameter iron pipe standing at the most Easterly corner of said 1.017 acre tract of land; thence along the Northeasterly boundary thereof
- (6) N. 17° 06' 14" W., 415.87 feet to a 1-1/2" diameter iron pipe standing at the most Northerly corner of said 1.017 acre tract of land at the Southeast corner of that certain 0.9837 acre tract of land designated as "Parcel 1" in said deed recorded in Volume 1275 of Official Records at Page 46, records of said county; thence along the Easterly boundary of said 0.9837 acre tract of land
- (7) N. 28° 51' W., 49.15 feet to a 1-1/2" diameter iron pipe; thence
- (8) N. 9° 42' W., 64.09 feet to a 1-1/2" diameter iron pipe standing in the boundary common to said 0.9837 acre tract of land and said 35.16 acre tract of land; thence along the Westerly boundary of said 35.16 acre tract of land
- (9) N. 10° 51' 56" E., 287.43 feet to the place of beginning.

EXCEPTING THEREFROM, the Lands as set forth in the Final Order of Condemnation recorded April 20, 2011 as Document No. [2011022876](#) of Official Records.

APN: 113-091-017

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2016 - 2017, a lien, but not yet due or payable.
2. Taxes and assessments, general and special, for the fiscal year 2015 - 2016, as follows:

Assessor's Parcel No	:	113-091-017-000	
Code No.	:	122-001	
1st Installment	:	\$4,310.75	Marked Paid
2nd Installment	:	\$4,310.75	NOT Marked Paid
Land Value	:	\$695,409.00	

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.
4. Water rights, claims or title to water, whether or not shown by the public records.
5. Waiver of any claims for damages to said property by reason of the location, construction, landscaping or maintenance of the freeway adjoining said property, as contained in the deed to the State of California,

Recorded : February 14, 1931 in Book 280 of Official Records, Page 166

6. Release and relinquishment of abutter's or access rights to and from State Highway 101, upon which premises abuts, as follows:

Instrument : Deed
To : The State of California
Recorded : [April 19, 1945 in Book 862 of Official Records, Page 155](#)

7. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following:

Instrument : Final Order of Condemnation
For : Highway
Recorded : [April 20, 2011 in Official Records under Recorder's Series Number 2011022876](#)
Affects : The Westerly portion

8. Release and relinquishment of abutter's or access rights to and from freeway, upon which premises abuts, as follows:

Instrument : Final Order of Condemnation
Recorded : [April 20, 2011 in Official Records under Recorder's Series Number 2011022876](#)

9. Any interest in said land of Evelyn Martins, Trustee of the 1990 Evelyn Martins Revocable Trust Under Declaration of Trust dated December 18, 1990 as Grantees, as disclosed by Individual Grant Deed
Recorded : [January 7, 1991 in Reel 2594 of Official Records, Page 1141 under Recorder's Series Number 01116](#)

10. Terms and conditions contained in the Marvin Martins 1996 Revocable Trust as disclosed by Grant Deed

Recorded : [September 25, 2002 in Official Records under Recorder's Series Number 2002088429](#)

NOTE: The requirement that:
A Certification of Trust be furnished in accordance with Probate Code Section 18100.5
The Company reserves the right to make additional exceptions and/or requirements.

11. Terms and conditions contained in the Testamentary Trust as disclosed by Decree of Distribution

Recorded : [June 5, 1987 in Reel 2111 of Official Records, Page 1079](#)

NOTE: The requirement that:
A Certification of Trust be furnished in accordance with Probate Code Section 18100.5
The Company reserves the right to make additional exceptions and/or requirements.

12. Terms and conditions contained in the 1990 Evelyn Martins Revocable Trust Under Declaration of Trust dated December 18, 1990 as disclosed by Individual Grant Deed

Recorded : [January 7, 1991 in Reel 2594 of Official Records, Page 1141 under Recorder's Series Number 01116](#)

NOTE: The requirement that:
A Certification of Trust be furnished in accordance with Probate Code Section 18100.5
The Company reserves the right to make additional exceptions and/or requirements.

13. Terms and conditions contained in the Martins Living Trust U/D/T dated October 10, 2013, SPH as disclosed by Grant Deed

Recorded : [October 15, 2013 in Official Records under Recorder's Series Number 2013064764](#)

NOTE: The requirement that:
A Certification of Trust be furnished in accordance with Probate Code Section 18100.5
The Company reserves the right to make additional exceptions and/or requirements.

14. The effect of instruments, proceedings, liens, decrees or other matters which do not specifically describe said land but which, if any do exist, may affect the title or impose liens or encumbrances thereon. The name search necessary to ascertain the existence of such matters has not been completed and, in order to do so, we require a signed Statement of Identity from or on behalf of Johnny Schot Martins.
15. Any unrecorded and subsisting leases.
16. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
17. The requirement that this Company be provided with a suitable Owner's Declaration (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Declaration.
18. The requirement that this Company be provided with an opportunity to inspect the land (the Company reserves the right to make additional exceptions and/or requirements upon completion of its inspection).

----- Informational Notes -----

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1 and 2.1.

- B. The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy:

NONE

NOTE: Our investigation has been completed and said land is unimproved. Said vacant land is known as: APN 113-091-017, Harrison Road, Salinas, CA 93907

The ALTA loan policy, when issued, will contain the CLTA Modified 100 (TIM-52) and Modified 116 (TIM-58) endorsements. The referenced modifications to both endorsements delete only non-applicable coverage relating to improvements located upon said land.

Unless shown elsewhere in the body of this report, there appears of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

NONE

- C. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument

Entitled : Judgment of Final Distribution on Waiver of Accounting, Allowance of Executor's Commissions and Attorney's Fees for Ordinary Services, and Judgment of Final Distribution to Testamentary Trust

By/From : Nolan A. Martins, Deceased

To : Evelyn Martins, as Trustee, in Trust

Recorded : [June 5, 1987 in Reel 2111 of Official Records, Page 1079](#)

Ordering Settling Final Account and Report of Executor, Directing Final Distribution and Fixing and Allowing Compensation executed by Jeanette Natalie Martines to Marvin Martins, individually: 19.7692%; Wesley H. Strawn, Jr., as the Executor of the Estate of Gladys Strawn, deceased: 19.7692%; Noelyn Correa, individually 2.6154%; Antonette Martins, individually 2.6154%; Darrin Martins, individually 2.6154%; Dennis Martins, individually 2.6154% recorded [April 20, 1999 in Official Records under Recorder's Series Number 9930227](#).

Quitclaim Deed executed by Marvin Martins to Marvin Martins, as Trustee of the Marvin Martins 1996 Revocable Trust recorded [April 20, 1999 in Official Records under Recorder's Series Number 9930228](#).

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0721033615-KH

Grant Deed executed by Wesley H. Strawn Jr., as the Executor of the Estate of Gladys Strawn, deceased and Wesley H. Strawn Jr., as Trustee of the Exemption Trust of the Wesley H. Strawn and Gladys K. Strawn 1991 Family Trust to Marvin Martins, a Single Man as his Sole and Separate Property, as to an undivided 13.5642% interest; Dennis Martins, a Married Man as his Sole and Separate Property, as to an undivided 5.7179% interest; Noelyn Correa, an Unmarried Woman as her Sole and Separate Property, as to an undivided 5.7179% interest; Antonette Martins, a Single Woman as her Sole and Separate Property, as to an undivided 5.7179% interest and Darrin Martins, an Unmarried Man as his Sole and Separate Property, as to an undivided 5.7179% interest recorded [July 25, 2002 in Official Records under Recorder's Series Number 2002068734](#).

Interspousal Transfer Grant Deed executed by Marcia Martins, wife of the grantee herein to Dennis Martins, a Married Man as his Sole and Separate Property recorded [July 25, 2002 in Official Records under Recorder's Series Number 2002068735](#).

Grant Deed executed by Marvin Martins, as his sole and separate property, as to an undivided 13.5642% interest to Marvin Martins, as Trustee of the Marvin Martins 1996 Revocable Trust, as to an undivided 13.5642% interest recorded [September 25, 2002 in Official Records under Recorder's Series Number 2002088429](#).

Affidavit - Death of Trustee executed by Marvin A. Martins, the decedent to Successor Co-Trustee, Johnny Schot Martins and Keith Anderson recorded [September 2, 2009 in Official Records under Recorder's Series Number 2009056082](#).

And re-recorded [March 12, 2010 in Official Records under Recorder's Series Number 2010014405](#).

Grant Deed executed by Dennis Martins, a married man as his sole and separate property as to his entire undivided trust to Dennis N. Martins, Trustee, or Successor Trustee, of the Martins Living Trust U/D/T dated Oct 10, 2013, SPH recorded [October 15, 2013 in Official Records under Recorder's Series Number 2013064764](#).

D. All transactions that close on or after March 1, 2015 will include a \$20.00 minimum recording service fee, plus actual charges required by the County Recorder.

O.N.
CB/cb

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0721033615-KH

If you anticipate having funds wired to Old Republic Title Company, our wiring information is as follows: Union Bank, 1980 Saturn Street, Monterey Park, CA 91755 credit to the account of Old Republic Title Company, Account Number 0010424631, ABA Number 122000496.

When instructing the financial institution to wire funds, it is very important that you reference Old Republic Title's Order Number 0721033615.

**PLEASE CONTACT YOUR ESCROW OFFICER IF YOU RECEIVE NOTICE OF A
CHANGE TO THESE WIRE INSTRUCTIONS**

ON-LINE BANKING TRANSFERS ARE NOT THE SAME

"Electronic Funds Transfer" is a generic term for funds transfers, one of which is an ACH Transfer. On-line banking transfers are often completed through an ACH Transfer, not a Wire Transfer. Old Republic Title rejects all ACH Transfers and returns the funds to the sender (Government Entities/Agencies excluded.) Close of Escrow may be significantly delayed as a result of an ACH Transfer.

**OLD REPUBLIC TITLE DOES NOT AUTHORIZE FUNDS TO BE DEPOSITED DIRECTLY
INTO OUR ACCOUNT AT Union Bank LOCAL BRANCH LOCATIONS**

Funds deposited directly into an account of Old Republic Title Company at a Union Bank branch are subject to verification. Verification of unauthorized deposits is not immediate or automated following deposit. Delay in credit of funds to an escrow and delay in Close of Escrow may result.

If you want to transfer funds by Wire Transfer from a non-United States financial institution, or have questions with regard to acceptable funds, please contact your Escrow or Title Officer immediately.

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.-

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;.
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments Which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims Which are not shown by the public records but which could be ascertained by an inspection of the land which may be asserted by persons in possession thereof,
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**AMERICAN LAND TITLE ASSOCIATION
LOAN POLICY OF TITLE INSURANCE - 2006
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations.This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART 1, SECTION ONE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

Old Republic Title Company

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Old Republic Title Company

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from [our affiliates or] others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Disclosure to Consumer of Available Discounts

Section 2355.3 in Title 10 of the California Code of Regulation necessitates that Old Republic Title Company provide a disclosure of each discount available under the rates that it, or its underwriter Old Republic National Title Insurance Company, have filed with the California Department of Insurance that are applicable to transactions involving property improved with a one to four family residential dwelling.

You may be entitled to a discount under Old Republic Title Company's escrow charges if you are an employee or retired employee of Old Republic Title Company including its subsidiary or affiliated companies or you are a member in the California Public Employees Retirement System "CalPERS" or the California State Teachers Retirement System "CalSTRS" and you are selling or purchasing your principal residence.

If you are an employee or retired employee of Old Republic National Title Insurance Company, or it's subsidiary or affiliated companies, you may be entitled to a discounted title policy premium.

Please ask your escrow or title officer for the terms and conditions that apply to these discounts.

A complete copy of the Schedule of Escrow Fees and Service Fees for Old Republic Title Company and the Schedule of Fees and Charges for Old Republic National Title Insurance Company are available for your inspection at any Old Republic Title Company office.

ASSR'S MAPS NO. 1
BOLSA DE LAS ESCARPINES RANCHO
Por. of Lot 1 & Lots 2 & 3 of
ESPINOSA PARTITION