

**AGREEMENT
FOR SALE OF REAL PROPERTY**

This Agreement for the Sale of Real property ("Agreement") is entered into effective this ____ day of _____, 2007 ("Effective Date"), by and between the **COUNTY OF SAN MATEO**, a political subdivision of the State of California, ("Seller"), and the **HALF MOON BAY OPEN SPACE TRUST dba COASTSIDE LAND TRUST**, a California nonprofit corporation ("Buyer"), with reference to the following facts:

RECITALS

A. The Seller is the owner of that certain real property situated in the County of San Mateo, California commonly described as APN 065-142-100, which is more particularly described in Exhibit "A", attached hereto and incorporated herein by reference (hereinafter referred to as the "Subject Property").

B. The Seller desires to sell and convey the Subject Property to the Buyer and the Buyer desires to purchase and acquire the Subject Property from the Seller subject to the Deed Restrictions (the "Deed Restrictions") described in Exhibit "B", attached hereto and incorporated herein by reference, and the on the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the terms, conditions and mutual covenants herein contained, the parties hereto agree as follows:

1. DEMISE.

Seller hereby agrees to sell and Buyer hereby agrees to purchase the Subject Property for the Purchase Price, subject to the right of first offer set forth in paragraph 12, on the terms and subject to the conditions herein set forth. The Subject Property shall be conveyed by Quitclaim Deed, the form of which is attached hereto as Exhibit "C", subject to the Deed Restrictions.

2. PURCHASE PRICE.

The purchase price for the Subject Property shall be THREE THOUSAND DOLLARS AND NO CENTS (\$3,000.00) hereinafter referred to as the "Purchase Price".

3. DELIVERY OF DOCUMENTS.

The conveyance documents for the Subject Property shall be executed in a form supplied by Seller and delivered by Buyer to Seller for processing recording and payment. Buyer shall be deemed to have accepted delivery of the Subject Property at such time as the Quitclaim Deed is recorded in the Official Records of the County of San Mateo, California, (hereinafter "Recordation").

- a. Costs. Except as otherwise specifically provided herein, all staff costs associated with the preparation of this document, appraisal fees, the cost of any escrow fees, the charge for preparation of escrow documents, recording costs, if any, the CLTA Policy of Title Insurance required by Seller, and all other costs of escrow and closing are to be paid by Buyer.
- b. Escrow. Delivery and recordation of the Quitclaim Deed shall occur through an escrow to be conducted at First American Title, 555 Marshall Street, Redwood City, California 94063. The parties shall execute and deposit escrow instructions which include the provisions in the form attached as Exhibit "D" and incorporated herein by reference. The close of escrow (the "Closing") shall occur within sixty (60) days of the approval of this Agreement by the Seller's Board of Supervisors.
- c. Seller's Conditions Precedent. The following shall be conditions precedent to the Seller's obligation to convey the Subject Property prior to Recordation.

- (1) Buyer's compliance with each of its agreements herein, and the accuracy in all material respects of each of its representations and warranties as of the Closing.
- (2) Approval of this Agreement and terms hereof by the Seller's Board of Supervisors.
- (3) Seller's Compliance with applicable provisions of the California Government Code.
- (4) Conveyance of a conservation easement over that certain real property situated in the County of San Mateo and designated with APN: 065-142-030 to Buyer setting forth substantially the same conservation easement restrictions as set forth in the Deed Restrictions.

- d. Buyer's Condition Precedent. The following shall be conditions precedent to the Buyer's obligation to purchase the Subject Property prior to Recordation:

- (1) Seller's compliance with each of its agreements herein, and the accuracy in all material respects of each of its representations and warranties as of the Closing.

4. BUYER'S DUE DILIGENCE INSPECTION AND INDEMNITY.

- a. Buyer's Due Diligence Inspection. Buyer shall have a period of thirty (30) calendar days following the date of execution of this Agreement by the Seller to complete its Due Diligence

Inspection of the Subject Property and all factors relevant to its use, including, without limitation, the physical condition of the Subject Property, all matters relating to title, and all municipal and other legal requirements such as taxes, assessments, zoning, use permits, building codes, abandonment of easements, and disposition of wells. Buyer further acknowledges that it has substantial experience with real property and that Buyer is acquiring the Subject Property solely in reliance on its own inspection and examination. Neither Seller nor any agents, representatives or employees of Seller have made any representations or warranties, direct or implied, verbal or written, with respect to the Subject Property.

b. Right of Buyer to Enter Property. Seller grants to Buyer, or Buyer's agents, the right from time to time after the effective date hereof until the Recordation or the earlier termination of this Agreement to enter onto the Subject Property to conduct test or inspections, provided that:

- (1) Such acts shall be conducted at the sole cost and expense of Buyer; and
- (2) Such acts do not unreasonably interfere with Seller's possession.

c. Indemnification. Buyer shall indemnify and hold Seller harmless from any claims, loss, damages, costs or liability arising or resulting from the Buyer's entry upon or inspection of the Subject Property prior to Recordation, and, if this Agreement is terminated for any reason prior to the Recordation, for any damage to the Subject Property resulting from such acts. The provisions of this Section 4(c) shall survive Recordation or earlier termination hereof.

d. Property Acceptance or Rejection.

- (1) Acceptance or Rejection. Within three (3) business days following the Due Diligence Inspection Period described in Paragraph 4.a. above, the Buyer shall provide written notice to the Real Property Division of the County of San Mateo of Buyer's acceptance or rejection of the Subject Property. In the event of Buyer's timely rejection of the Subject Property this Agreement shall terminate.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS.

To the best of Seller's knowledge and belief, Seller represents, warrants and covenants to Buyer that the following are true as of the Effective Date and shall be true as of Recordation:

- a. Seller has not received notice of any material violation of any federal, state, county or other governmental or quasi-governmental statute, ordinance, regulation or administrative or judicial order with respect to the Subject Property.
- b. There is no action, suit or proceeding, which is pending or threatened against the Subject Property or any portion thereof relating to or arising out of the ownership or use of the Subject Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau, agency or other governmental instrumentality.

- c. Except for such matters of record, (i) there are no leases, licenses, prescriptive easements or other third party rights to use or occupy any portion of the Subject Property; (ii) there are no adverse parties in possession of any portion of the Subject Property; and (iii) there are no rights to purchase the property or any portion thereof prior to those set forth herein which are held or claimed by any third party; or if there are any of the foregoing interests, rights or claims, Seller has disclosed any and all of them, and shall provide to Buyer copies of any written agreements and other documents evidencing such matters.
- d. As of Recordation, there shall be no unpaid bills or claims by Seller in connection with any work on the Subject Property.
- e. During the period of Seller's ownership of the Subject Property, there has been no litigation or governmental administrative action or proceeding maintained or threatened against Seller, nor any settlements reached by Seller with any party or parties, alleging the presence, disposal, release or threatened release of any hazardous waste or hazardous substance on, from or under the Subject Property. The Subject Property is not subject to any "Superfund" or similar lien, or any claim by any government regulatory agency or third party related to the release or threatened release of any toxic or hazardous substance, material or waste.
- f. There are no leases affecting the Subject Property requiring termination prior to the satisfaction of any condition to this Agreement.

6. RISK OF LOSS.

Risk of loss shall transfer to the Buyer only upon Recordation.

7. PRESERVATION OF PROPERTY.

Seller agrees that the Subject Property herein described shall remain as it now is until the Recordation, and that Seller shall prevent and refrain from any use of the Subject Property for any purpose or in any manner which would adversely affect the value of the Subject Property. Except as otherwise provided, Seller shall not transfer, lease or encumber any interest in the Subject Property prior to the Recordation.

8. POSSESSION.

Seller shall deliver possession of the Subject Property to Buyer at the Recordation.

9. BINDING.

The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

10. TIME.

Time is of the essence of this Agreement and the obligations of the parties to perform hereunder.

11. AS-IS TRANSFER.

Buyer acknowledges that, except as expressly contained in this Agreement, neither Seller nor anyone acting for or on behalf of the Seller has made any representation, warranty or promise to Buyer concerning the physical aspects or condition of the Subject Property; the feasibility or desirability of the Subject Property for any particular use; the conditions of soils, subsoils, groundwater and surface waters, or wells; or the presence or absence of any other physical aspect of the Subject Property; and that in entering into the Agreement, Buyer has not relied on any representation, statement or warranty of Seller or anyone acting for or on behalf of Seller, other than as may be expressly contained in this Agreement, and that all matters concerning the Subject Property shall be independently verified by Buyer and that Buyer shall purchase the Subject Property on Buyer's own examination thereof; and that if Buyer elects to acquire the Subject Property, Buyer is purchasing the Subject Property in its "as is" condition and its "as is" state of repair as of Recordation.

12. RIGHT OF FIRST OFFER

- (a) Buyer shall not sell or agree to sell the Subject Property or any portion thereof, without first offering Seller the right to repurchase it (the "Right of First Offer"). This Right of First Offer extends to the Subject Property in its entirety and any portion thereof, such that if Buyer elects to sell only a portion of the Subject Property, that portion shall be subject to the Right of First Offer, and this Right of First Offer shall remain in effect as to the remainder of the Subject Property. Accordingly, references to the Subject Property in this provision shall include the Subject Property and any portions thereof. Any transfer of any interest in the Subject Property in violation of this Right of First Offer shall be null and void and of no force or effect.
- (b) Prior to Buyer selling or agreeing to sell the Property, Buyer shall offer in writing ("First Offer") to sell the Property to Seller at the lesser of the Purchase Price or the price Buyer has negotiated with a third party and is otherwise willing to enter into an agreement with.
- (c) Seller shall have one hundred and twenty (120) days from the date of the First Offer to accept the First Offer (the "Acceptance Period") by delivering to Buyer written acceptance of the First Offer on or before the last day of the Acceptance Period. If Seller accepts the First Offer, Seller shall have one hundred and twenty (120) days following acceptance of the First Offer (the "Closing Period") to consummate the purchase of the Property pursuant to the terms and conditions of the First Offer.
- (d) If Seller rejects the First Offer, fails to accept the First Offer before the Acceptance Period ends, or without excuse fails to consummate the purchase of the Subject Property within the Closing Period, the First Offer shall be deemed rejected and Buyer shall be free to enter into an

agreement for the sale of the Subject Property with a third party without further obligation under this Right of First Offer with regard to the portion of the Subject Property that was the subject of said right.

(e) This Right of First Offers shall be memorialized in the Quitclaim.

13. CONSTRUCTION AND INTERPRETATION.

It is agreed and acknowledged by the parties hereto that the provisions of this Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

14. MISCELLANEOUS.

Any provision of this Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement. This Agreement represents the entire Agreement of the parties and may not be amended except by a writing signed by each party hereto. Each party to this Agreement warrants to the other that it is duly organized and existing and each signatory hereto represents to the other party that it has full right and authority to enter into and consummate this Agreement and all related documents. Except as otherwise expressly provided herein, the obligations, covenants, representations, warranties, and remedies set forth in this Agreement shall not merge with transfer of title but shall remain in effect until fulfilled and shall survive Recordation. Any extension, modification or amendment of this Agreement must be in writing and signed by the parties to be affected thereby or their respective successors in interest. Every exhibit attached to and referred to in this Agreement is incorporated in this Agreement by such reference. This Agreement may be executed in two or more separate counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall, together, constitute and be one and the same instrument. This Agreement shall be governed by the laws of the State of California.

15. NOTICES.

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other shall be in writing, and shall be effective either upon personal delivery or actual receipt or refusal, as shown on the receipt obtained pursuant to the delivery by registered mail or certified mail, return receipt requested.

To Seller:
Real Property Division
County of San Mateo

To Buyer:
Coastside Land Trust
520 Kelly Avenue, Suite 3

455 County Center, 5th Floor
Redwood City, CA 94063

Half Moon Bay, CA 994019

16. ATTORNEYS' FEES AND COSTS.

In any action brought for the enforcement of this Agreement or because of any alleged dispute, breach, default or misrepresentation in connection with this Agreement, the prevailing party shall recover from the other party, in addition to any damages, injunctive or other relief, all costs and expenses (whether or not allowable as "cost" items by law) reasonably incurred at, before and after trial or on appeal, or in any bankruptcy or arbitration proceeding, including without limitation reasonable attorney's and witness (expert or otherwise) fees, deposition costs, copying charges and other reasonable expenses. Attorneys' fees of the Seller, when the services are provided by County Counsel, shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the County Counsel's services were rendered, who practice in the Greater San Francisco bay Area.

(The Remainder Of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the parties have executed this Agreement for the Sale of Real Property as of the Effective Date.

SELLER
County of San Mateo, a political subdivision
of the State of California

BUYER
Half Moon Bay Open Space Trust dba
Coastside Land Trust, a California nonprofit
corporation

By _____

Date _____

Resolution No. _____

Dated: _____

By _____

Name _____

Its _____

Date _____

APPROVED AS TO FORM:

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Half Moon Bay, County of San Mateo, State of California, described as follows:

LOTS 1 THROUGH 12, AND 14 THROUGH 16 IN BLOCK 10 AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF OLA VISTA BEACH TRACT, BEING A PORTION OF THE JOHNSTON RANCH, HALF MOON BAY, SAN MATEO COUNTY, CAL." FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON JULY 6, 1909 IN BOOK 6 OF MAPS AT PAGE 68.

APN: 065-142-100-0

JPN: 065-014-142-001 A; 065-014-142-005 A; 065-014-142-006 A; 065-014-142-007 A; 065-014-142-008 A and 065-014-142-009 A

EXHIBIT B

DEED RESTRICTIONS

1. Establishment of Restrictions. Grantor hereby declares that the Property, and every part thereof or interest therein, is now held and shall hereafter, in perpetuity (subject to termination only pursuant to Section 8 below), be held, transferred, sold, leased, conveyed and occupied subject to the restrictions (collectively, the "Restrictions") set forth herein. The Restrictions shall burden and run with the Property, and every part thereof or interest therein, and shall be binding on all persons or entities having or acquiring any right, title or interest in the Property, or any part thereof, and shall benefit Grantor. The Restrictions are intended to be a covenant running with the land in accordance with California Civil Code Section 1462 et seq. and shall only be terminated in accordance with Section 8 below.

2. Affirmative Duties. Good resource management and land stewardship is important for present and future generations and for the protection and enhancement of grasses and other native and natural vegetation on the Property, and in furtherance of its conservation values. Grantee agrees to implement a conservation plan on the Property. This conservation plan shall be updated as needed to reflect any change in use of the Property. No use shall be provided for in the conservation plan which is inconsistent with the provisions of this Deed.
 - (a) Restoration. In furthering the conservation purposes of this Deed, Grantee shall restore the Property to its natural habitat. Grantee shall have the right to enter the Property to undertake, at its own expense or on a cost-share basis with another entity, to restore, protect, manage, maintain, enhance, and monitor the grassland and other conservation values of the Property.

3. Prohibited Uses. All of the following uses of the Property are prohibited for as long as the Restrictions remain in effect.
 - (a) Subdivision. The legal or defacto subdivision of the Property for any purpose. Neither owning the Property as undivided interests, nor the creation of a life or future estate, nor ownership of all or in part of the Property by any corporation, partnership, trust or other entity is a subdivision.
 - (b) Non Agricultural Development. Non agricultural development is prohibited and non open space development is prohibited.
 - (c) Greenhouses. The placement or construction of greenhouses.
 - (d) Soil Erosion or Degradation. Any use or activity which causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters.

(e) Signs and Billboards. The placement of any signs or billboards on the Property, except by the Grantor or Grantee to control unauthorized entry or use.

(f) Mineral Rights. The exploration for, or development and extraction of, minerals and hydrocarbons by any surface mining method, or any other method that would impair or interfere with the conservation values of the Property.

(g) Excavation. Major alteration of land forms by grading or excavation of topsoil, earth, or rock without the prior written authorization of the Grantor and any permit required by law. No commercial quarrying is permitted.

(h) Scenic and Natural Character. Any use or activity such as clearing, grading or storage of materials that degrades or is likely to degrade the scenic and natural character or conservation values of the Property.

4. Development and Water Rights. Grantee shall retain any and all development rights (including density credits) and any and all water rights for the present and future use on, of or for the Property; and shall not transfer, lease, sell, or otherwise separate said development rights or water rights from the Property.

5. Right of Inspection. Grantor and its employees and representatives shall be entitled to enter upon the Property on an annual basis for the limited purpose of confirming that the Restrictions set forth in Sections 2 and 3 are being met. Prior to any such entry for inspection purposes, the party exercising such inspection rights shall provide fourteen (14) days written notice to Grantee, or Grantee's successors in interest, who shall have a right, together with Grantee's employees and agents, to accompany and observe such inspections. If Grantor or Grantor's employees or agents, prepare any reports, diagram, charts, graphs, photographs, audio or visual recordings or other writings as a result of such inspections, copies of such documents shall be provided promptly to the Grantee, or Grantee's successor in interest. The inspecting party shall not be authorized to remove any material, specimen, sample or substance from the Property except with the express consent of Grantee, or Grantee's successor in interest. Access to the Property at additional times and for additional purposes may be requested by Grantor, but shall require the express approval of Grantee, or Grantee's successors in interest. Grantor hereby agrees to indemnify, hold harmless, protect and defend Grantee and Grantee's successors in interest from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, costs, damages, and other expenses of any kind or nature whatsoever (including, without limitation, court costs and reasonable attorneys' fees and expenses of counsel selected by the indemnified party, whether incurred at the trial, appellate, or administrative level, or in connection with any arbitration), which the Grantee, or Grantee's successors in interest, may sustain, incur, or suffer as a result of Grantor's entry and activities upon the Property pursuant to the rights granted to Grantor under this Section 4, but excluding any matters solely caused by the negligence or willful misconduct of Grantee or Grantee's successors in interest.

6. Required Notice to Future Lessees and Licensees. Any lease, license or other rental or use agreement subsequently entered into or made with respect to any portion of the Property, whether written or oral, shall contain an express provision informing the lessee, tenant, licensee or other contracting party of the Restrictions and shall require such lessee, tenant, licensee or other contracting party to comply with all such Restrictions throughout the term of such lease, license or rental or use agreement.

7. Conveyances of Property.

(a) Nothing contained in this Deed shall be deemed to be a gift or dedication of any portion of the Property for use by the general public. This instrument does not convey a general right of access to the public

(b) The Property is conveyed to Grantee subject to the following Right of First Offer.

i) Grantee shall not sell or agree to sell the Property or any portion thereof, without first offering Grantor the right to repurchase it (the "Right of First Offer"). This Right of First Offer extends to the Property in its entirety and any portion thereof, such that if Grantee elects to sell only a portion of the Property, that portion shall be subject to the Right of First Offer, and this Right of First Offer shall remain in effect as to the remainder of the Property. Accordingly, references to the Property in this Section 7 shall include the Property and any portions thereof. Any transfer of any interest in the Property in violation of this Right of First Offer shall be null and void and of no force or effect.

ii) Prior to Grantee selling or agreeing to sell the Property, Grantee shall offer in writing (the "First Offer") to sell the Property to Grantor at the lesser of the Purchase Price or the price Grantee has negotiated with a third party and is otherwise willing to enter into an agreement with.

iii) Grantor shall have one hundred and twenty (120) days from the date of the First Offer to accept the First Offer (the "Acceptance Period") by delivering to Grantee written acceptance of the First Offer on or before the last day of the Acceptance Period. If Grantor accepts the First Offer, Grantor shall have one hundred and twenty (120) days following acceptance of the First Offer (the "Closing Period") to consummate the purchase of the Property pursuant to the terms and conditions of the First Offer.

iv) If Grantor rejects the First Offer, fails to accept the First Offer before the Acceptance Period ends, or without excuse fails to consummate the purchase of the Property within the Closing Period, the First Offer shall be deemed rejected and Grantee shall be free to enter into an agreement for the sale of the Property with a third party without further obligation under this Right of First Offer with regard to the portion of the Property that was the subject of said right.

8. Termination of Deed Restrictions.

(a) Grantor expressly acknowledges, confirms and agrees that the Restrictions are not intended to affect, hinder, impede, discourage or otherwise impact any

future property transfers or establishment of conservation easements on adjacent parcels.

(b) These Restrictions and the Right of First Offer shall terminate and be of no further force and effect upon the recordation of any conservation easement contemplated in Section 7 (b) hereof as to the Property or the portion thereof covered by such conservation easement.

9. Enforcement. The Restrictions may be enforced by Grantor by any proceeding at law or in equity.

10. Attorneys Fees and Costs. In any action brought to enforce or to restrain any violation of the Restrictions, the prevailing party shall recover from the other party, in addition to any damages, injunctive or other relief, all costs and expenses (whether or not allowable as "cost" items by law) reasonably incurred at, before and after trial or on appeal, or in any bankruptcy or arbitration proceeding, including without limitation reasonable attorney's and witness (expert or otherwise) fees, deposition costs, copying charges and other reasonable expenses. Attorneys' fees of the Grantor, when the services are provided by County Counsel, shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the County Counsel's services were rendered, who practice in the Greater San Francisco bay Area.

11. Failure to Enforce Not a Waiver of Rights. The failure of Grantor to enforce the Restrictions shall in no event be deemed a waiver of the right to do so thereafter.

12. Modifications. The Restrictions, or any provision hereof, may be modified or amended only with the written consent of Grantor and Grantee or Grantee's successor in interest..

EXHIBIT C

Parcel No. 965-142-100

WHEN RECORDED MAIL TO:
Steve Alms, Manager
Real Property Services
County of San Mateo
455 County Center, 5th Floor
Redwood City, CA 94063

MAIL TAX STATEMENTS TO:
Coastside Land Trust
520 Kelly Avenue, Suite 3,
Half Moon Bay, CA 94019

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, subject to the restrictions set forth on Schedule 1 attached hereto and incorporated herein by this reference,

The COUNTY OF SAN MATEO, a political subdivision of the State of California

does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

HALF MOON BAY OPEN SPACE TRUST dba COASTSIDE LAND TRUST, a California nonprofit corporation

all of that property in Half Moon Bay, San Mateo County, California, as described on Schedule 2 attached hereto and incorporated by reference (the "Property")

The provisions contained in this Quitclaim Deed shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the Property.

Dated: _____

STATE OF CALIFORNIA}
COUNTY OF SAN MATEO}

On _____ before me,
_____, personally appeared

COUNTY OF SAN MATEO

BY: _____
President, Board of Supervisors

Personally known to me, OR, 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 acted, executed the instrument.

Attest: _____
Clerk of the Board of Supervisors

WITNESS my hand and official seal.

(This area for official notarial seal)

Signature _____
Mail Tax Statements To: Same as above.

SCHEDULE 1

DEED RESTRICTIONS

1. Establishment of Restrictions. Grantor hereby declares that the Property, and every part thereof or interest therein, is now held and shall hereafter, in perpetuity (subject to termination only pursuant to Section 8 below), be held, transferred, sold leased, conveyed and occupied subject to the restrictions (collectively, the "Restrictions") set forth herein. The Restrictions shall burden and run with the Property, and every part thereof or interest therein, and shall be binding on all persons or entities having or acquiring any right, title or interest in the Property, or any part thereof, and shall benefit Grantor. The Restrictions are intended to be a covenant running with the land in accordance with California Civil Code Section 1462 et seq. and shall only be terminated in accordance with Section 8 below.

2. Affirmative Duties. Good resource management and land stewardship is important for present and future generations and for the protection and enhancement of grasses and other native and natural vegetation on the Property, and in furtherance of its conservation values. Grantee agrees to implement a conservation plan on the Property. This conservation plan shall be updated as needed to reflect any change in use of the Property. No use shall be provided for in the conservation plan which is inconsistent with the provisions of this Deed.
 - (a) Restoration. In furthering the conservation purposes of this Deed, Grantee shall restore the Property to its natural habitat. Grantee shall have the right to enter the Property to undertake, at its own expense or on a cost-share basis with another entity, to restore, protect, manage, maintain, enhance, and monitor the grassland and other conservation values of the Property.

3. Prohibited Uses. All of the following uses of the Property are prohibited for as long as the Restrictions remain in effect.
 - (a) Subdivision. The legal or defacto subdivision of the Property for any purpose. Neither owning the Property as undivided interests, nor the creation of a life or future estate, nor ownership of all or in part of the Property by any corporation, partnership, trust or other entity is a subdivision.
 - (b) Non Agricultural Development. Non agricultural development is prohibited and non open space development is prohibited.
 - (c) Greenhouses. The placement or construction of greenhouses.
 - (d) Soil Erosion or Degradation. Any use or activity which causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters.

(e) Signs and Billboards. The placement of any signs or billboards on the Property, except by the Grantor or Grantee to control unauthorized entry or use.

(f) Mineral Rights. The exploration for, or development and extraction of, minerals and hydrocarbons by any surface mining method, or any other method that would impair or interfere with the conservation values of the Property.

(g) Excavation. Major alteration of land forms by grading or excavation of topsoil, earth, or rock without the prior written authorization of the Grantor and any permit required by law. No commercial quarrying is permitted.

(h) Scenic and Natural Character. Any use or activity such as clearing, grading or storage of materials that degrades or is likely to degrade the scenic and natural character or conservation values of the Property.

4. Development and Water Rights. Grantee shall retain any and all development rights (including density credits) and any and all water rights for the present and future use on, of or for the Property; and shall not transfer, lease, sell, or otherwise separate said development rights or water rights from the Property.

5. Right of Inspection. Grantor and its employees and representatives shall be entitled to enter upon the Property on an annual basis for the limited purpose of confirming that the Restrictions set forth in Sections 2 and 3 are being met. Prior to any such entry for inspection purposes, the party exercising such inspection rights shall provide fourteen (14) days written notice to Grantee, or Grantee's successors in interest, who shall have a right, together with Grantee's employees and agents, to accompany and observe such inspections. If Grantor or Grantor's employees or agents, prepare any reports, diagram, charts, graphs, photographs, audio or visual recordings or other writings as a result of such inspections, copies of such documents shall be provided promptly to the Grantee, or Grantee's successor in interest. The inspecting party shall not be authorized to remove any material, specimen, sample or substance from the Property except with the express consent of Grantee, or Grantee's successor in interest. Access to the Property at additional times and for additional purposes may be requested by Grantor, but shall require the express approval of Grantee, or Grantee's successors in interest. Grantor hereby agrees to indemnify, hold harmless, protect and defend Grantee and Grantee's successors in interest from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, costs, damages, and other expenses of any kind or nature whatsoever (including, without limitation, court costs and reasonable attorneys' fees and expenses of counsel selected by the indemnified party, whether incurred at the trial, appellate, or administrative level, or in connection with any arbitration), which the Grantee, or Grantee's successors in interest, may sustain, incur, or suffer as a result of Grantor's entry and activities upon the Property pursuant to the rights granted to Grantor under this Section 4, but excluding any matters solely caused by the negligence or willful misconduct of Grantee or Grantee's successors in interest.

6. Required Notice to Future Lessees and Licensees. Any lease, license or other rental or use agreement subsequently entered into or made with respect to any portion of the Property, whether written or oral, shall contain an express provision informing the lessee, tenant, licensee or other contracting party of the Restrictions and shall require such lessee, tenant, licensee or other contracting party to comply with all such Restrictions throughout the term of such lease, license or rental or use agreement.

7. Conveyances of Property.

(a) Nothing contained in this Deed shall be deemed to be a gift or dedication of any portion of the Property for use by the general public. This instrument does not convey a general right of access to the public

(b) The Property is conveyed to Grantee subject to the following Right of First Offer.

i) Grantee shall not sell or agree to sell the Property or any portion thereof, without first offering Grantor the right to repurchase it (the "Right of First Offer"). This Right of First Offer extends to the Property in its entirety and any portion thereof, such that if Grantee elects to sell only a portion of the Property, that portion shall be subject to the Right of First Offer, and this Right of First Offer shall remain in effect as to the remainder of the Property. Accordingly, references to the Property in this Section 7 shall include the Property and any portions thereof. Any transfer of any interest in the Property in violation of this Right of First Offer shall be null and void and of no force or effect.

ii) Prior to Grantee selling or agreeing to sell the Property, Grantee shall offer in writing (the "First Offer") to sell the Property to Grantor at the lesser of the Purchase Price or the price Grantee has negotiated with a third party and is otherwise willing to enter into an agreement with.

iii) Grantor shall have one hundred and twenty (120) days from the date of the First Offer to accept the First Offer (the "Acceptance Period") by delivering to Grantee written acceptance of the First Offer on or before the last day of the Acceptance Period. If Grantor accepts the First Offer, Grantor shall have one hundred and twenty (120) days following acceptance of the First Offer (the "Closing Period") to consummate the purchase of the Property pursuant to the terms and conditions of the First Offer.

iv) If Grantor rejects the First Offer, fails to accept the First Offer before the Acceptance Period ends, or without excuse fails to consummate the purchase of the Property within the Closing Period, the First Offer shall be deemed rejected and Grantee shall be free to enter into an agreement for the sale of the Property with a third party without further obligation under this Right of First Offer with regard to the portion of the Property that was the subject of said right.

8. Termination of Deed Restrictions.

(a) Grantor expressly acknowledges, confirms and agrees that the Restrictions are not intended to affect, hinder, impede, discourage or otherwise impact any

future property transfers or establishment of conservation easements on adjacent parcels.

(b) These Restrictions and the Right of First Offer shall terminate and be of no further force and effect upon the recordation of any conservation easement contemplated in Section 7 (b) hereof as to the Property or the portion thereof covered by such conservation easement.

9. Enforcement. The Restrictions may be enforced by Grantor by any proceeding at law or in equity.

10. Attorneys Fees and Costs. In any action brought to enforce or to restrain any violation of the Restrictions, the prevailing party shall recover from the other party, in addition to any damages, injunctive or other relief, all costs and expenses (whether or not allowable as "cost" items by law) reasonably incurred at, before and after trial or on appeal, or in any bankruptcy or arbitration proceeding, including without limitation reasonable attorney's and witness (expert or otherwise) fees, deposition costs, copying charges and other reasonable expenses. Attorneys' fees of the Grantor, when the services are provided by County Counsel, shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the County Counsel's services were rendered, who practice in the Greater San Francisco bay Area.

11. Failure to Enforce Not a Waiver of Rights. The failure of Grantor to enforce the Restrictions shall in no event be deemed a waiver of the right to do so thereafter.

12. Modifications. The Restrictions, or any provision hereof, may be modified or amended only with the written consent of Grantor and Grantee or Grantee's successor in interest..

EXHIBIT D

Escrow General Provisions

The parties understand and acknowledge:

1. SPECIAL DISCLOSURES:

A. DEPOSIT OF FUNDS & DISBURSEMENTS

Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds shall be deposited in general escrow accounts in a federally insured financial institution including those affiliated with Escrow Holder ("depositories"). All disbursements shall be made by Escrow Holder's check or by wire transfer unless otherwise instructed in writing. The Good Funds Law (California Insurance Code 12413.1) mandates that Escrow Holder may not disburse funds until the funds are, in fact, available in Escrow Holder's account. Wire transfers are immediately disburseable upon confirmation of receipt. Funds deposited by a cashier's or certified check are generally available on the next banking day following deposit. Funds deposited by a personal check and other types of instruments may not be available until confirmation from Escrow Holder's bank which can vary from 2 to 10 days.

B. DISCLOSURE OF POSSIBLE BENEFITS TO ESCROW HOLDER

As a result of Escrow Holder maintaining its general escrow accounts with the depositories, Escrow Holder may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

C. MISCELLANEOUS FEES

Escrow Holder may incur certain additional costs on behalf of the parties for services performed, or fees charged, by third parties. The fees charged by Escrow Holder for services including, but not limited to, wire transfers, overnight delivery/courier services, recording fees, notary fees, etc. may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Holder for such services which shall, in no event, exceed \$10 for each markup.

D. METHOD TO DELIVER PAYOFF TO LENDERS/LIENHOLDERS

To minimize the amount of interest due on any existing loan or lien, Escrow Holder will deliver the payoff funds to the lender/lienholder in an expeditious manner as demanded by the lender/lienholder using (a) personal delivery, (b) wire transfer, or (c) overnight delivery service, unless otherwise directed in writing by the affected party.

2. PRORATIONS & ADJUSTMENTS

The term "close of escrow" means the date on which documents are recorded. All prorations and/or adjustments shall be made to the close of escrow based on the number of actual days, unless otherwise instructed in writing.

3. CONTINGENCY PERIODS

Escrow Holder shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Holder to confirm the status of any such periods.

4. REPORTS

As an accommodation, Escrow Holder may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Holder shall deliver copies of any such reports as directed. Escrow Holder is not responsible for reviewing such reports or advising the parties of the content of same.

5. INFORMATION FROM AFFILIATED COMPANIES

Escrow Holder may provide the parties' information to and from its affiliates in connection with the offering of products and services from these affiliates.

6. RECORDATION OF DOCUMENTS

Escrow Holder is authorized to record documents delivered through escrow which are necessary or proper for the issuance of the requested title

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insurance policy(ies). Buyer will provide a completed Preliminary Change of Ownership Report form ("PCOR"). If Buyer fails to provide the PCOR, Escrow Holder shall close escrow and charge Buyer any additional fee incurred for recording the documents without the PCOR. Escrow Holder is released from any liability in connection with same.

7. PERSONAL PROPERTY TAXES

No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

8. REAL PROPERTY TAXES

Real property taxes are prorated based on the most current available tax statement from the tax collector's office. Supplemental taxes may be assessed as a result of a change in ownership or completion of construction. Adjustments due either party based on the actual new tax bill issued after close of escrow or a supplemental tax bill will be made by the parties outside of escrow and Escrow Holder is released of any liability in connection with such adjustments. The first installment of California real property taxes is due November 1st (delinquent December 10th) and the second installment is due February 1st (delinquent April 10th). If a tax bill is not received from the County at least 30 days prior to the due date, buyer should contact the County Tax Collector's office and request one. Escrow Holder is not responsible for same.

9. CANCELLATION OF ESCROW

(a) Any party desiring to cancel this escrow shall deliver written notice of cancellation to Escrow Holder. Within a reasonable time after receipt of such notice, Escrow Holder shall send by regular mail to the address on the escrow instructions, one copy of said notice to the other party(ies). Unless written objection to cancellation is delivered to Escrow Holder by a party within 10 days after date of mailing, Escrow Holder is authorized, at its option, to comply with the notice and terminate the escrow. If a written objection is received by Escrow Holder, Escrow Holder is authorized, at its option, to hold all funds and documents in escrow (subject to the funds held fee) and to take no other action until otherwise directed by either the parties' mutual written instructions or a final order of a court of competent jurisdiction. If no action is taken on this escrow within 6 months after the closing date specified in the escrow instructions, Escrow Holder's obligations shall, at its option, terminate. Upon termination of this escrow, the parties shall pay all fees, charges and reimbursements due to Escrow Holder and all documents and remaining funds held in escrow shall be returned to the parties depositing same.

(b) Notwithstanding the foregoing, upon receipt of notice of cancellation by a seller in a transaction subject to the Home Equity Sales Contract law (CC §1695 et seq.), Escrow Holder shall have the right to unilaterally cancel the escrow and may return all documents and funds without consent by or notice to the buyer.

10. CONFLICTING INSTRUCTIONS & DISPUTES

If Escrow Holder becomes aware of any conflicting demands or claims concerning this escrow, Escrow Holder shall have the right to discontinue all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Escrow Holder has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the parties jointly and severally agree (a) to pay Escrow Holder's cancellation charges, costs (including the funds held fees) and reasonable attorneys' fees, and (b) that Escrow Holder is fully released and discharged from all further obligations under the escrow. If an action is brought involving this escrow and/or Escrow Holder, the party(ies) involved in the action agree to indemnify and hold the Escrow Holder harmless against liabilities, damages and costs incurred by Escrow Holder (including reasonable attorneys' fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence or willful misconduct of Escrow Holder.

Escrow General Provisions

11. USURY

Escrow Holder is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefore.

12. AMENDMENTS TO ESCROW INSTRUCTIONS

Any amendment to the escrow instructions must be in writing, executed by all parties and accepted by Escrow Holder. Escrow Holder may, at its sole option, elect to accept and act upon oral instructions from the parties. If requested by Escrow Holder the parties agree to confirm said instructions in writing as soon as practicable. The escrow instructions as amended shall constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter of the escrow.

13. INSURANCE POLICIES

In all matters relating to insurance, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Holder has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

14. COPIES OF DOCUMENTS; AUTHORIZATION TO RELEASE

Escrow Holder is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Holder, the originals of such documents shall be delivered to Escrow Holder. Escrow Holder may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded **MUST** contain original signatures. Escrow Holder may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request. Delivery of documents by escrow to a real estate broker or agent who is so designated in the purchase agreement shall be deemed delivery to the principal.

15. EXECUTION IN COUNTERPART

The escrow instructions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute the same instruction.

16. TAX REPORTING, WITHHOLDING & DISCLOSURE

The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Holder does not provide tax or legal advice and the parties agree to hold Escrow Holder harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws.

WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW HOLDER IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW HOLDER AGREES IN WRITING.

A. TAXPAYER IDENTIFICATION NUMBER REPORTING

Federal law requires Escrow Holder to report seller's social security number or tax identification number (both numbers are hereafter referred to as the "TIN"), forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). To comply with the USA PATRIOT Act, certain taxpayer identification information (including, but not limited to, the TIN) may be required by Escrow Holder from certain persons or entities involved (directly or indirectly) in the transaction prior to closing.

Escrow cannot be closed nor any documents recorded until the information is provided and certified as to its accuracy to Escrow Holder. The parties agree to promptly obtain and provide such information as requested by Escrow Holder.

B. State Withholding & Reporting

Under California law (Rev & Tax Code §18662), a buyer may be required to withhold and deliver to the Franchise Tax Board (FTB) an amount equal to 3.33% of the sales price ("Basic Withholding") in the case of disposition of California real property interest ("Real Property") by either: 1) a seller who is an individual, trust or estate or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of seller; OR 2) a corporate seller that has no permanent place of business in California immediately after the transfer of title to the Real Property. Buyer may be subject to a penalty (equal to the greater of 10% of the amount required to be withheld or \$500) for failing to withhold and transmit the funds to FTB in the time required by law. Buyer is not required to withhold any amount and will not be subject to penalty for failure to withhold if: a) the sales price of the Real Property does not exceed \$100,000; b) the seller executes a written certificate under penalty of perjury certifying that the seller is a corporation with a permanent place of business in California; OR c) the seller, who is an individual, trust, estate or a corporation without a permanent place of business in California, executes a written certificate under penalty of perjury certifying one of the following: (i) the Real Property was the seller's or decedent's principal residence (as defined in IRC §121); (ii) Real Property being conveyed was last used by the seller as seller's principal residence within the meaning of IRC §121 (even if the seller did not meet the two out of the last five years requirement or one of the special circumstances in IRC §121); (iii) the Real Property is or will be exchanged for property of like-kind (as defined in IRC §1031) and that the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC §1031; (iv) the Real Property has been compulsorily or involuntarily converted (as defined in IRC §1033) and the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC §1033; or (v) the Real Property sale will result in a loss (or net gain not required to be recognized) for California income tax purposes. Seller is subject to penalties for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding laws.

FOR CLOSINGS AFTER JANUARY 1, 2007:

Seller may elect an alternative to Basic Withholding by certifying the amount to withhold which must be equal to the applicable maximum tax rate on the actual gain of the transferred property ("Alternative Withholding"). The written certification must be made under penalty of perjury and false certifications may result in criminal and civil penalties.

Contact FTB: For additional information regarding California withholding or for the Alternative Withholding, contact the Franchise Tax Board at (toll free) 888-792-4900, by e-mail nrws@ftb.ca.gov; or visit their website at www.ftb.ca.gov.

C. FEDERAL WITHHOLDING & REPORTING

Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation, partnership, or limited liability company; or a domestic corporation, partnership or limited liability company controlled by non-residents; or non-resident corporations, partnerships or limited liability companies.

D. TAXPAYER IDENTIFICATION DISCLOSURE

Federal and state laws require that certain forms include a party's TIN and that such forms or copies of the forms be provided to the other party and to the applicable governmental authorities. Parties to a real estate transaction involving seller-provided financing are required to furnish, disclose, and include the other party's TIN in their tax returns. Escrow Holder is authorized to release a party's TINs and copies of statutory forms to the other party and to the applicable governmental authorities in the foregoing circumstances. The parties agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded because of the release of their TIN as authorized herein.

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